OFFICE OF THE SECRETARY OF DEFENSE

FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

February 2005

VOLUME I

Justification for FY 2006/FY 2007

Operation and Maintenance, Defense-Wide
U.S. Court of Appeals for the Armed Forces
Office of the Inspector General
Former Soviet Union Threat Reduction
Overseas Humanitarian, Disaster and Civic Aid
Support for International Sporting Competitions

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OPERATION AND MAINTENANCE, DEFENSE-WIDE

Overview

$ in Millions	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
Total O&M,D-W	20,325	558	-2,935	17,948	453	52	18,453	531	392	19,376

FY 2004 actual obligations include $2.981 million in Supplemental Funding.
The FY 2005 Normalized Current Estimate includes $100 million for the Hurricane Supplemental (P.L. 108-324) and excludes $937.6 million in Title IX Supplemental Funds (P.L. 108-287). Of the $937.6 million, $404 million was appropriated directly to O&M D-W and the remaining $533.6 million was transferred from the Title IX Iraq Freedom Fund to O&M D-W for National Intelligence Programs.

This funding supports critical Department-wide functions and transformational efforts supporting the Secretary, Military Departments, and warfighters. It includes funding for the Special Operations Command, several Combat Support Agencies, four Intelligence Agencies and other agencies providing common information services, contract administration, contract audit, logistics and administrative functions to the Military Departments.

I. BUDGET/PROGRAM HIGHLIGHTS

Overview. A summary of change between FY 2005 and FY 2006 includes the following ($M):

17,948	Normalized FY 2005 Current Estimate (FY 2005 Column of FY 2006 President's Budget)
- 100	Program decrease for Hurricane Supplemental
- 873	Program decrease for Prior Year Unobligated Balances Carried Forward
+ 61	Net of Transfers In and Out of the O&M D-W Appropriation
+1,096	Net Growth in Classified Programs, includes $240 for pricing changes
+ 214	Pricing Changes in Other Defense Agencies
+ 107	Net Program Changes in Other Defense Agencies
18,453	FY 2006 President's Budget Request

Prior Year Carryover of Unobligated Balances (non-Classified programs) from FY 2004 to FY 2005, results in a $873M program increase in FY 2005, and a program decrease from FY 2005 to FY 2006, comprised of:

- $864M for Coalition Support payments by DSCA to key cooperating nations, such as Pakistan and Jordan;
- $9M in Counter Terrorism Fellowship Program at DSCA that remains available for obligation until expended;

Transfers (non-Classified programs).
Numerous **transfers** to promote efficiency and effectiveness, which increase the O&M D-W appropriation by a net of approximately $61M in FY 2006 and are extended to the outyears, include:

--consolidation of the Regional Centers under DSCA to enhance oversight by USD(Policy) results in a total increase to DSCA of $+61.2M in FY 2006 ($39.5M from Army and Navy and $21.7M from within O&M D-W from National Defense University);
--transfer-in of the Pipeline Reemployment Program from various Components to DHRA to centrally administer, with the goal of creating 200 temporary FTE positions at DHRA to support returning several hundred injured employees to work in the coming years (DHRA $+12.4M in FY 2006);
--transfer-in of the Collaborative Force Analysis, Sustainment and Transportation (CFAST) system from RDT&E to DISA O&M (DISA $+4.5M in FY 2006);
--transfer-in of the Command and Control Initiatives Program from procurement to TJS O&M (TJS $+8.9M in FY 2006);
--transfer-in of funding to D-W customers from a revolving fund to cover increases in rent for tenants of the Pentagon to fund the Raven Rock Renovation Master Plan facilities upgrades (D-W Pentagon Tenants--DIA, DISA, DTRA, TJS, and WHS--$+12.7M);
--transfer-in of the Defense Information Infrastructure (DII) program to DLA from Army, to align it with the Logistics Domain and in support of the Logistics Enterprise Program (DLA $+6.9M in FY 2006);
--transfer-out of a Special Access Program from DLA to Air Force (DLA $-16.0M in FY 2006) and a Classified program from OSD to Air Force (OSD $-7.5M in FY 2006)

Classified Programs Major Changes.
Significant growth in Classified programs, totaling $1,096M in FY 2006, is primarily in National Intelligence Programs. ($240 million is for pricing changes and $856 million is for program changes). The multi-year implementation of the "Strengthening Intelligence" initiative, which began in FY 2005, provides increases in funding and full-time equivalents in the Intelligence Agencies.

Other Defense Agencies Programs Major Changes Highlights.

Highlights of Other Defense Agencies funding, which supports numerous Department-wide programs, include:

--Pricing adjustments of $+214M reflect growth in non-pay inflation and a program decrease in civilian pay pricing (FY 2005 to FY 2006);

--Capital Security Cost Sharing (CSCS) program, which is led by Department of State to modernize and provide security upgrades at their embassies worldwide, is funded by assessing each agency based on the number of personnel assigned to the Chief of Mission (FY 2006 estimate is $61.3M; reflects growth of $+61.3M over the FY 2005 level and is funded within OSD);

--Readiness and Environmental Protection Initiative (REPI) is an OMB initiative created in FY 2005 as a long-term, comprehensive strategy to prevent incompatible development around test and training ranges while ensuring sound environmental stewardship. (FY 2006 estimate is $20M, reflects growth of $8M over the FY 2005 and is funded within OSD);

--eGov Initiatives supporting the President's Management Agenda and funding for Government-wide Councils (FY 2006 estimate is $31.8M; reflects growth of $13.8M over the FY 2005 level and is funded within WHS);

--Secretary of Defense transformational efforts, such as, the Business Management Modernization Program and related Core Business Mission Areas (formerly Domains) are funded within OSD (FY 2006 estimate is $49.0M; reflects growth of $+10.7M over FY 2005);

--USSOCOM skill and advanced training programs increase, especially for specialized skill training and professional development training, reflecting emphasis on expanding USSOCOM's training capabilities (FY 2006 estimate is $124.1M; reflects growth of $25.6M);

--USSOCOM combat development activities increase (FY 2006 estimate is $415.4M; reflects growth of $13.9M);

--USSOCOM Intelligence programs increase (FY 2006 estimate is $86.4M; reflects growth of $9.0M);

--Personnel Security Investigations for Industry Program funding by DSS for contractor clearances (FY 2006 funded level is $128.6M; reflects growth of $+ 48.9M);

--Establishment of a National Security Personnel System program office under DHRA to enhance oversight by USD(Personnel and Readiness) (FY 2006 estimate is $12M; reflects growth of $2M);

--Increased costs for the Defense Integrated Military Human Resource System (DIMHRS) funded by DHRA are based on anticipated completion of development and deployment and movement to sustainment in FY 2006 (FY 2006 estimate is $49.5M; reflects growth of $12.2M);

--Defense Leadership and Management Program increases to resume intake of new students into the program and continue development and education of students already in the program pipeline (FY 2006 estimate is $31.2M; reflects growth of $7.2M);

--Establishes the Defense Business Fellows program to attract skilled individuals with graduate degrees in business administration to leadership positions in the Department (FY 2006 estimate is $4.8M; reflects growth of $4.8M);

--Public Affairs Transformation initiatives within AFIS (FY 2006 estimate is $25.1M; reflects growth of $12.9M over the FY 2005 level);

--Chairman, Joint Chiefs of Staff, Exercise Program (CEP) increases slightly and has been adjusted to reflect the impact of the global war on terrorism operating tempo on exercises (FY 2006 estimate is $195.7M; reflects growth of $21.7M);

--Combatant Commanders Initiative Fund (CCIF), which funds unforeseen emergent requirements that enhance warfighting capability, readiness, and sustainability of Combatant Commander assigned forces, increases slightly (FY 2006 estimate is $30M; reflects growth of $5M);

--Combating Terrorism Readiness Initiative Fund requirements increase to respond to and protect against acts, or threatened acts, of terrorism (FY 2006 estimate is $41.5M; reflects growth of $10.5M);

--TJS Joint Staff Information Network requirements increase to provide 24/7 support allowing continuous communication at both the classified and unclassified level for TJS, Combatant Commanders, the Services and Agencies (FY 2006 estimate is $30.9M; reflects growth of $23.9M);

--White House Communications Agency classified support to the Executive Office of the President is directly funded by DISA beginning in FY 2006 and no longer a reimbursable program (FY 2006 estimate is $10.8M; reflects growth of $10.8M);

--DISA Information Systems Security Program (ISSP) increases to fund the Information Operations (IO) Roadmap. The IO Roadmap contains several key components, such as, Computer Network Defense and identification and acquisition of new and emerging technologies (FY 2006 estimate is $195.8M; reflects growth of $74.5M);

--OSD Homeland Defense increases for new Maritime Domain Awareness initiatives and operating costs (FY 2006 estimate is $5.2M; reflects growth of $5.2M);

--OSD Homeland Defense Critical Infrastructure Protection (CIP) program increases, which directly supports Combatant Commanders and Services in conducting vulnerability and risk assessments of DoD assets (FY 2006 estimate is $23.3M; reflects growth of $12.4M);

--OSD AT&L new Corrosion Reduction program will enhance the Department's corrosion control strategy (FY 2006 estimate is $10M; reflects growth of $10M);

--OSD Defense Safety Oversight Council will fund safety initiatives to aid DoD Commanders with their injury prevention efforts and improve processes used in safety management to achieve the goal of reducing workplace mishaps by 50 percent (FY 2006 estimate is $9.2M; reflects growth of $9.2M);

--Increases in the operating budget for the Defense Legal Services Agency (DLSA) for new and expanded missions, including the Office of Military Commissions and Defense Office of Hearings and Appeals, reflects growth of $11.2M for 100 Full-Time Equivalents offset by reductions of $4.2M for travel, intra-governmental purchases, and contract support (FY 2006 estimate is $38.4M; reflects growth of $+7M);

--Rent payments by WHS to the Pentagon Reservation Maintenance Revolving Fund increase due to additional square footage requirements and an increase in the rent bill (FY 2006 estimate is $76.2M; reflects growth of $+22.2M);

--Plan for Joint Army/WHS Childcare Development Center at Ft. Myer require one-time planning efforts by WHS (FY 2006 estimate is $4.4M; reflects growth of $4.4M);

--Restoration of cyclic equipment purchases is required since DCMA virtually eliminated its planned equipment replacements in FY 2005 to accommodate general provision reductions (FY 2006 estimate is $16.8M; reflects growth of $15.3M)

Significant program *decreases* are reflected throughout the Agencies. Highlights include:

--Congressional adds and earmarks not continued in FY 2006 total $184M, primarily for CMP, DODEA, OEA and OSD;

--DISA growth is offset by $104.7 million which results from implementing the DoD Enterprise Level Communication Subscription Pricing and Governance Process for the Defense Information Systems Network (DISN) and eliminating Tier 1 Military Unique funding and Tier 2 rate base cost recovery for DISN.

--USSOCOM program decrease of $45.9M in flying hours reflects historically high OPTEMPO on low density/high demand aircraft coupled with dramatic changes in spare usage and prices and frequent fluctuation in cost-per-flying hour rates.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Dollars in Thousands

Summary by Agency

Agency	FY 2004 Actuals	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
AFIS	135,766	3,140	(5,986)	132,920	2,641	12,431	147,992	3,130	2,490	153,612
CMP	96,942	1,939	18,351	117,232	2,462	(19,226)	100,468	2,110	2,438	105,016
DAU	103,619	2,447	(6,010)	100,056	2,427	3,118	105,601	2,335	138	108,094
DCAA	374,169	14,346	(27,284)	361,231	12,556	6,160	379,947	8,293	(372)	387,868
DCMA	994,445	35,332	(33,532)	996,245	31,929	16,148	1,044,322	21,824	(17,086)	1,049,060
DFAS	5,243	86	(1,151)	4,178	106	1,197	5,481	117	(350)	5,248
DHRA	324,429	7,683	36,930	369,042	8,083	25,673	402,798	8,477	9,100	420,375
DISA	1,239,576	20,066	(227,800)	1,031,842	(4,644)	17,927	1,045,125	21,354	(30,032)	1,036,447
DLA	311,215	6,656	5,082	322,953	6,853	(23,971)	305,835	4,926	(18,929)	291,832
DLSA	27,947	990	1,710	30,647	613	7,152	38,412	962	(3,437)	35,937
DoDEA	1,867,081	56,936	(152,143)	1,771,874	79,542	(81,788)	1,769,628	43,846	(18,937)	1,794,537
DPMO	15,510	892	(975)	15,427	883	(205)	16,105	926	(608)	16,423
DSCA	1,413,674	28,288	(486,707)	955,255	20,006	(831,295)	143,966	3,041	(2,089)	144,918
DSS	257,648	4,789	(36,109)	226,328	2,096	54,044	282,468	6,041	28,158	316,667
DTRA	323,428	4,073	(11,575)	315,926	6,261	(2,088)	320,099	6,246	(8,475)	317,870
DTSA	20,287	606	(1,078)	19,815	434	1,448	21,697	446	(409)	21,734
NDU	89,519	2,066	293	91,878	2,020	(26,740)	67,158	1,492	(501)	68,149
OEA	57,512	1,198	30,080	88,790	1,868	(60,195)	30,463	602	(18,533)	12,532
OSD	801,744	21,904	(70,755)	752,893	18,545	7,420	778,858	16,074	104	795,036
TJS	559,274	(28,765)	(41,792)	488,717	(20,698)	112,864	580,883	30,365	(1,799)	609,449
USSOCOM	2,869,350	(81,894)	(667,103)	2,120,353	50,857	34,483	2,205,693	38,986	98,689	2,343,368
WHS	452,644	28,809	61,400	542,853	(11,011)	(58,359)	473,483	27,893	(7,455)	493,921
Other Programs	7,984,126	426,560	(1,319,197)	7,091,489	239,705	855,793	8,186,987	281,110	380,010	8,848,107
Grand Total	**20,325,148**	**558,147**	**(2,935,351)**	**17,947,944**	**453,534**	**51,991**	**18,453,469**	**530,616**	**392,115**	**19,376,200**

NOTE: FY 2004 Actuals include $2,980.9M in Supplemental funds
FY 2005 Normalized Current Estimate excludes $937.6M in Title IX Enacted Supplemental (P. L. 108-287)
and includes $100.0M for Hurricane Supplemental (P. L. 108-324)

OPERATION AND MAINTENANCE, DEFENSE – WIDE

O-1 SUMMARY BY BUDGET ACTIVITY

Agency	FY 2004 Actuals	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
Budget Activity 01: Operating Forces										
TJS	559,274	(28,765)	(41,792)	488,717	(20,698)	112,864	580,883	30,365	(1,799)	609,449
USSOCOM	2,869,350	(81,894)	(667,103)	2,120,353	50,857	34,483	2,205,693	38,986	98,689	2,343,368
Total BA 01	**3,428,624**	**(110,659)**	**(708,895)**	**2,609,070**	**30,159**	**147,347**	**2,786,576**	**69,351**	**96,890**	**2,952,817**
Budget Activity 03: Training and Recruiting										
DAU	103,619	2,447	(6,010)	100,056	2,427	3,118	105,601	2,355	138	108,094
NDU	89,519	2,066	293	91,878	2,020	(26,740)	67,158	1,492	(501)	68,149
Total BA 03	**193,138**	**4,513**	**(5,717)**	**191,934**	**4,447**	**(23,622)**	**172,759**	**3,847**	**(363)**	**176,243**
Budget Activity 04: Administration and Service-Wide Activities										
AFIS	135,766	3,140	(5,986)	132,920	2,641	12,431	147,992	3,130	2,490	153,612
CMP	96,942	1,939	18,351	117,232	2,462	(19,226)	100,468	2,110	2,438	105,016
DCAA	374,169	14,346	(27,284)	361,231	12,556	6,160	379,947	8,293	(372)	387,868
DCMA	994,445	35,332	(33,532)	996,245	31,929	16,148	1,044,322	21,824	(17,086)	1,049,060
DFAS	5,243	86	(1,151)	4,178	106	1,197	5,481	117	(350)	5,248
DHRA	324,429	7,683	36,930	369,042	8,083	25,673	402,798	8,477	9,100	420,375
DISA	1,239,576	20,066	(227,800)	1,031,842	(4,644)	17,927	1,045,125	21,354	(30,032)	1,036,447
DLA	311,215	6,656	5,082	322,953	6,853	(23,971)	305,835	4,926	(18,929)	291,832
DLSA	27,947	990	1,710	30,647	613	7,152	38,412	962	(3,437)	35,937
DoDEA	1,867,081	56,936	(152,143)	1,771,874	79,542	(81,788)	1,769,628	43,846	(18,937)	1,794,537
DPMO	15,510	892	(975)	15,427	883	(205)	16,105	926	(608)	16,423
DSCA	1,413,674	28,288	(486,707)	955,255	20,006	(831,295)	143,966	3,041	(2,089)	144,918
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DTRA	323,428	4,073	(11,575)	315,926	6,261	(2,088)	320,099	6,246	(8,475)	317,870
DTSA	20,287	606	(1,078)	19,815	434	1,448	21,697	446	(409)	21,734
OEA	57,512	1,198	30,080	88,790	1,868	(60,195)	30,463	602	(18,533)	12,532
OSD	801,744	21,904	(70,755)	752,893	18,545	7,420	778,858	16,074	104	795,036
WHS	452,644	28,809	61,400	542,853	(11,011)	(58,359)	473,483	27,893	(7,455)	493,921
Other Programs	7,984,126	426,560	(1,319,197)	7,091,489	239,705	855,793	8,186,987	281,110	380,010	8,848,107
Total BA 04	**16,703,386**	**664,293**	**(2,220,739)**	**15,146,940**	**418,928**	**(71,734)**	**15,494,134**	**457,418**	**295,588**	**16,247,140**
Grand Total	**20,325,148**	**558,147**	**(2,935,351)**	**17,947,944**	**453,534**	**51,991**	**18,453,469**	**530,616**	**392,115**	**19,376,200**

NOTE: FY 2004 Actuals include $2,980.9M in Supplemental Funding.
FY 2005 Normalized Current Estimate excludes $937.6M in Title IX Enacted Supplemental (P.L. 108-287) and includes $100.0M for Hurricane Supplemental (P.L. 108-324).

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Fiscal Year (FY) 2006/FY 2007
Budget Estimates

American Forces Information Service (AFIS)

February 2005
AFIS

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AMERICAN FORCES INFORMATION SERVICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Operation and Maintenance, D-W Summary ($ in thousands)
Budget Activity (BA) 4, Administration and Service-Wide Activties

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
AFIS BA-4	135,766	3,140	-5,986	132,920	2,641	12,431	147,992	3,130	2,490	153,612

* The FY 2004 actual column includes $8,470 thousand of FY 2004 Supplemental funds.
* The FY 2005 estimate column excludes $3,000 thousand of FY 2004/FY 2005 Title IX funding.

I. Description of Operations Financed:

The mission of the American Forces Information Service (AFIS), a Department of Defense (DoD) Field Activity, is to centrally provide high-quality news, information, and entertainment to U.S. forces worldwide in order to promote and sustain unit and individual readiness, situational awareness, quality of life, and morale. In furtherance of this mission, AFIS is the principal resource within the DoD for joint-service education and training in the career fields of public affairs and visual information. As such, AFIS has responsibility to train military and civilian public affairs, broadcast, and visual information professionals of all the Military Departments, the Coast Guard, and other DoD Components, and provides related communications services to support the information needs of commanders and combat forces through the entire range of military operations and contingencies.

AFIS is the primary tool for the Secretary of Defense and senior Joint Staff and Department of Defense (DoD) leaders to communicate important messages, news, and information about DoD programs and activities to U.S. Service Members, their families, and DoD civilians stationed around the world. AFIS accomplishes this centralized mission

I. Description of Operations Financed: (continued)

by using its news production, television, radio, newspaper, print news service, and World Wide Web (WWW) distribution services and facilities. In addition, AFIS provides visual and public communications support and products supporting a wide range of internal and external DoD missions.

Transformation funding will greatly improve DoD-wide internal communications programs intended to improve active duty, National Guard and Reserve situational awareness and mission support during contingency operations, exercises and routine assignments. It will provide an immediate, satellite delivered, direct communications capability utilizing existing military installation cable systems, commercial cable systems and satellite providers through The Pentagon Channel. It will provide for an increase in the joint professional education, training and support of public affairs officers and enlisted personnel. In the area of DoD websites the transformation funding will provide an increased capability to produce a coordinated and complete information environment accessible by active duty, National Guard and reserve personnel and their families relevant to their careers, welfare and well being.

The Secretary of Defense has transferred to AFIS several former Military Department and U.S. Combatant Command-owned and operated internal communications training, photography collection, storage, and distribution activities; broadcasting and visual information engineering and procurement activities; and newspaper production activities. These consolidations coupled with its existing capabilities have positioned AFIS as the preeminent provider to DoD of high quality, economical and cost-effective products, services, and support.

I. Description of Operations Financed: (continued)
In carrying out its mission, AFIS:

- Produces and distributes command information news, sports, imagery, and current event information to DoD commands, organizations and audiences in the continental U.S., outside of the continental U.S. overseas (OCONUS), and to ships at sea worldwide via satellite and INTERNET transmitted radio, television, *Stars and Stripes* newspapers, and DoD web sites.

- American Forces Press Service (AFPS) researches, reports, writes and provides news on DoD-wide subjects. AFPS distributes this product via INTERNET to more than 900 bases, camps, and stations that publish these articles in their respective internal communications, command information newspapers. These efforts reach an internal audience of 1.4 million active, 1.2 million Reserve and National Guard, and 650 thousand DoD civilians.

- Manages the DoD Visual Information, Combat Camera, and Audiovisual Programs; serves as the only joint service collection and distribution facility in the Pentagon to directly provide real-time Combat Camera imagery from overseas operations and activities to the DoD, Joint-Staff and Military Service leadership; provides the centralized management, storage, and dissemination of selected DoD still and motion imagery and audiovisual training products; and, directs audiovisual and visual information policy for the Department.

- Provides engineering, acquisition and life-cycle management of commercial-off-the-shelf radio and television broadcast equipment and systems for all American Forces Radio and Television Service (AFRTS) stations worldwide, and for visual information and audiovisual equipment and systems for DoD and other government activities.

I. Description of Operations Financed: (continued)

- Operates and manages the Pentagon Channel on a 24/7 basis to provide via satellite, base/camp/station cable systems and DoD INTERNET web sites, DoD news and command information to DoD commands, organizations and audiences in the continental U.S. (CONUS) comprised of active duty, reserve, national guard, retired, civilian and dependent personnel. Overseas, the Pentagon Channel is carried by and provided to the worldwide AFRTS audience on a separate channel.

- Operates and publishes the *Stars and Stripes* newspaper with European, Pacific and Mid-East editions to serve U.S. forces stationed in the European and Pacific theaters, as well as those deployed around the globe in support of contingency operations. To reach those DoD audience members serving in isolated and remote locations, complete replica copies of these three editions are provided worldwide on an INTERNET web site that are available to be read online or downloaded and later printed.

- Manages, operates, and sustains DoD's official public website, DefenseLINK, and associated websites.

As communications technology evolves, the world is rapidly becoming accustomed to the instantaneous availability of information through the Internet, radio, television, and print sources. Consequently, the role of AFIS as a single, economical source of these services has become increasingly important to the DoD, the Combatant Commands and the Military Services. AFIS is the Department’s primary tool for both informing our forces and countering erroneous sources of information through the release of timely and accurate news and information about issues and programs that are important to the Department and the DoD audiences.

I. Description of Operations Financed: (continued)

To meet these challenges, AFIS has increased the number and timeliness of its internal communications and command information products, has significantly improved the dissemination and availability of those products to its customers, and is continually developing new products and services to meet the increasing public affairs communications requirements of the Department. To overcome the challenge of increasing mission and decreasing, finite resources, AFIS continues to expand its reliance on capabilities for leveraging technology and automating its operations.

- AFIS has just completed and is now reaping the benefits of a multi-year effort to automate a large portion of its broadcast operations at its American Forces Radio and Television Service-Broadcast Center (AFRTS-BC).

- AFIS has expanded its use of the Internet, CDs and DVDs and related technology to more quickly and easily distribute textual and imagery products.

- AFIS is increasing its implementation and usage of technology-enabled instruction at DINFOS and is developing distance learning capability to export its training.

- AFIS is integrating disparate technology platforms to better manage the storage, retrieval, request, and distribution processes of still and motion imagery.

- The scope of distribution and quantity of AFIS' products continues to grow as the products become increasingly available. This trend is expected to continue in the future.

AFIS' major functions include:

I. Description of Operations Financed: (continued)

OCONUS Radio and television broadcasting of DoD and command information, news, current events, sports, and entertainment overseas and to ships at sea for military, DoD civilians, and their families via more than 700 American Forces Radio and Television Service outlets in 177 countries and nearly 300 ships. Associated with this function is the commercially contracted production of command information announcements, which replace commercial radio and television advertisements in broadcast programming aired overseas.

CONUS Radio and television broadcasting of DoD and command information, news, current events to active duty, reserve, national guard, retired and their dependents and civilian employees in the U.S. via the Pentagon Channel. This service is distributed via satellite and INTERNET to DoD camps, bases and stations for use over their Commander's Access Channels on the base cable systems and directly to homes with the appropriate capability to receive.

Production and web-based distribution of DoD news and command information stories and products. The AFIS news service provides a primary means for the Secretary and senior-level Defense officials to communicate information worldwide to the DoD internal audience about significant issues and policies. The news service gathers information, writes, produces, edits, and publishes on the Internet hundreds of command information products for DoD camps, bases and stations to publish in their local publications and to be used by military and civilian leadership in further explaining the activities of the Department to their personnel. Select, high priority, DoD issues are further emphasized by being developed into "Web Page Specials." All of these products are available to the Department and all Web users. Also associated with this function are the production and distribution of the Current News "Early Bird" and related publications directly supporting senior DoD leadership.

I. Description of Operations Financed: (continued)

Electronically processing, editing, and distributing real-time, joint interest, operational imagery. AFIS, through its Joint Combat Camera Center (JCCC) in the Pentagon, serves as the only joint collection and distribution facility for Combat Camera, Visual Information, and Public Affairs digital, still and motion imagery depicting current military operations and activities. The Secretary of Defense, Joint Staff, Combatant Commands, Military Departments, State Department, and other organizations in support of several mission areas use this imagery, received via satellite and Internet from deployed units worldwide. These include; decision making, time-critical planning requirements, strategic communications, battlefield situational awareness, public affairs, information operations, training, legal, and historical documentation. Additionally, large amounts of the collected still and motion imagery are prepared by JCCC for public and media release by DoD and Military Department Public Affairs.

Engineering, procurement, and life-cycle management of off-the-shelf radio and television broadcast equipment, transmitters, and systems for all of the Military Services' radio and television stations worldwide, as well as for audiovisual and visual information equipment and systems for DoD and other government activities.

Collection, cataloging, temporary storage, management, replication, and distribution of general purpose DoD motion video and still imagery of significant U.S. military operations and activities. This joint service imagery is used by the Combatant Commands, DoD Components, other government agencies, and private sector in support of operations, training, operational and equipment evaluations, environmental and legal documentation, battlefield damage assessments, and as a primary source of historical data.

Collection, cataloging, temporary storage, management, replication, and distribution of DoD audiovisual productions and other visual information products for use by all DoD Components. These major products are used in support of training, operations, and internal communications.

I. Description of Operations Financed: (continued)

DefenseLINK/publicly accessible websites. To expedite the various photographic, video-graphic, textual and graphic product produced in support of the DoD public affairs and visual information programs, AFIS has developed a responsive program to utilize DefenseLINK and other associated DoD websites as a means to reach the entire DoD audience in the most expeditious manner possible.

Defense Information School provides training in public affairs, broadcast, and visual information. The Defense Information School (DINFOS), a field activity of AFIS, provides consolidated training for all DoD public affairs, broadcast, and visual information specialists. DINFOS trains approximately 4,300 military, DoD civilian, and international personnel annually in broadcasting, journalism, media relations, Combat Camera, still and video photography, electronic imaging, visual information, graphics, and related equipment maintenance. This consolidated, joint service training provided by DINFOS is and will remain in high demand because of the increasing dependence by the military on the use of high technology computing, video-graphic, satellite transmission, and digital broadcasting equipment.

DINFOS training is not only at the entry level, but also at the mid-career level. Periodic mid-career refresher/update training is required in the career fields taught at DINFOS due to the fast-paced changes in technology and the cross training of military into coalesced career fields.

II. Force Structure Summary: N/A

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III. Financial Summary: ($ in Thousands)

		FY 2005				
A. Budget Activity (BA)4:	FY 2004 Actuals	Budget Request	Appropriation	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
AFIS Operations	121,421	110,233	106,335	118,557	133,313	138,667
Defense Information School	14,345	14,345	14,363	14,363	14,679	14,945
AFIS Total*	135,766	124,578	120,698	132,920	147,992	153,612

* The FY 2004 actual column includes $8,470 thousand of FY 2004 Supplemental funds.
* The FY 2005 estimate column excludes $3,000 thousand of FY 2004/FY 2005 Title IX funding.

B. Reconciliation Summary:	Change FY 2005/FY 2005	Change FY 2005/FY2006	Change FY 2006/FY2007
Baseline Funding	**124,578**	**132,920**	**147,992**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-3,809		
Congressional Earmarks	-71		
Subtotal Appropriated Amount	**120,698**		
Fact-of-Life Changes (CY to CY Only)			
Subtotal Baseline Funding	**120,698**	**132,920**	**147,992**
Enacted Supplemental Title IX	3,000		
Reprogrammings			
Price Changes		2,641	3,130
Functional Transfers	12,222		
Program Changes		12,431	2,490
Current Estimate	**135,920**	**147,992**	**153,612**
Less: Wartime Supplemental	-3,000		
Normalized Current Estimate	**132,920**		

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
FY 2005 President's Budget Request		**124,578**
1. Congressional Adjustments		-3,880
d. General Provisions		
1) Sec 8095 – Advisory and Assistance Services	-1,602	
2) Sec 8122 – Management Improvement Savings	-205	
3) Sec 8140 – Unobligated Balances	-1,974	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-28	
e. Congressional Earmarks – Indian Lands Environmental Impact	-71	
FY 2005 Appropriated Amount		**120,698**
2. War-Related and Disaster Supplemental Appropriations		3,000
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.O. 108-287)		
1) Title IX Supplemental	3,000	
3. Fact of Life Changes		12,222
a. Functional Transfers		
1) Transfers In – Realigns the Public Affair's transformation funding from OSD/WHS to AFIS	12,222	
b. Technical Adjustments		
1) Increases: Realigns from BA3, consolidation of Budget Activities within the Defense-wide Appropriation	14,050	
2) Decreases: Realigns to BA4 for consolidation of Budget Activities within the Defense-wide	-14,050	

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III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
Appropriation		
FY 2005 Baseline Funding		**135,920**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2005 Estimate		**135,920**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-3,000
FY 2005 Normalized Current Estimate		**132,920**
6. Price Change		2,641
7. Functional Transfers		12,878
a. Transfers In		
1) Transformation funding transferred from OSD/WHS to AFIS. This funding will greatly improve DoD-wide internal communications by providing satellite delivered direct communications capability and a coordinated website for all DoD personnel and their families. (FY 2005 baseline: $12,222)	12,878	
b. Transfers Out		
8. Program Increases		256
a. Annualization of New 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006		
1) Increase in civilian pay compensation. (FY 2005 baseline: $22,458)	256	
9. Program Decreases		-703
a. Annualization of New 2005 Program Decreases		
b. One-Time FY 2006 Costs		
c. Program Decreases		

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
1) Other Contracts decrease due to savings resulting from consolidation of AFIS activities. (FY 2005 baseline: $49,084)	-703	
FY 2006 Budget Request		**147,992**
10. Price Change		3,130
11. Transfers		
a. Transfers In		2,958
1) Transformation funding transferred from OSD/WHS to AFIS. (FY 2006 baseline: $25,100)	2,958	
b. Transfers Out		
12. Program Increases		50
a. Annualization of New 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		
1) Increase in civilian pay compensation. (FY 2006 baseline: $23,229)	50	
13. Program Decreases		
a. Annualization of New 2007 Program		
b. One-Time FY 2007 Costs		
c. Program Decreases in FY 2007		-518
1) Other Contracts decreases due to consolidation of AFIS activities. (FY 2006 baseline: $48,381)	-518	
FY 2007 Budget Estimate		**153,612**

IV. Performance Criteria and Evaluation Summary:

News and Information

Description: AFIS news, photography, internal information, and associated products are the primary means by which the Secretary of Defense and other senior defense officials communicate DOD goals, missions, personnel policies and programs, and other critical or important messages to all DoD internal audiences worldwide. These products contribute significantly to the readiness, morale, and welfare of service members, DoD civilian employees and their families, and consequently are distributed to them by the most rapid means available.

AFIS textual news and information products reside on DefenseLink, DoD's official public website for communicating with internal and external audiences, and an electronic mail list server. The number of accesses of products is based on the number of accessions, or "hits," from computer systems from within and outside of Department of Defense sites.

America's Global War on Terrorism has caused AFIS to experience increased demand for virtually all of its web-based products. As a result, AFIS anticipates continued
AFIS generates products designed solely for electronic distribution called "Web Specials." There are two types of Web Specials (special feature home pages and extended, in-depth, subject-specific INTERNET sites). The number of Web Specials developed represents the compilation of a series of multiple electronic products targeted to convey a specific DoD theme, policy, or message.

AFIS also makes available for public access a collection of cleared imagery from the DoD Imagery Server via the DefenseLINK website. Through this website, military and public INTERNET users are able to view screen resolution photos and associated caption information

IV. Performance Criteria and Evaluation Summary: (continued)

and download high resolution photos from a collection of DoD images that has been cleared for public release. The number of imagery accesses is expected to increase in the outyears.

Other AFIS products currently available on the DefenseLINK include near real-time operational and other general interest photography of DoD activities and radio and television news reports that are broadcast on AFRTS.

There are many internal information stories and associated news products created and published by American Forces Press Service as well as commercially produced products carried in the Current News' *Early Bird, Early Bird Supplement*, and Radio/TV Dialog. The number of radio and television news reports and *Early Birds* and associated products posted to the DefenseLINK is expected to remain relatively constant. The number of news products posted to the DefenseLINK is expected to increase in the outyears.

The increase in electronic accesses for photography, radio news reports, Web Specials, Defense Almanac, electronic news products accessed and distributed, *Early Bird*, *Early Bird Supplement*, and Radio/TV Dialog can be directly attributed to a corresponding increase of usage by the Guard and Reserve, an increased production of Web Specials and news products, increased reliance upon Web products for news and information, and increased demand for these products as a result of the America's Global War on Terrorism.

The demand for AFIS' news and other Web-based products distributed through both the DefenseLINK and other electronic means is expected to continue to increase as more DoD users and other authorized audiences become aware of their availability, gain the means to access the Web, and become more reliant upon Web-based products for news and information.

IV. Performance Criteria and Evaluation Summary: (continued)

AFIS news, photography, and associated products support all of the DoD goals by informing all DoD personnel of DoD policies, goals, and objectives, thereby enabling those personnel to more actively and knowingly support them. All these products directly contribute to the aforementioned performance goals by supporting DoD personnel and unit readiness, improving morale, and quality of life initiatives. Also, AFIS news products directly support internal audiences of military personnel, their family members, and DoD civilian employees, which ultimately break down communication barriers by directly communicating pertinent and up-to-date information that affects their daily lives and careers. Keeping forces informed of their leaders' goals and efforts is vital to maintaining a highly motivated, effective, and ready fighting force. This sharing of information supports and engenders DoD-wide backing of its leaders enabling them to more efficiently command a motivated force and better support the key DoD missions of transformation, the war on terrorism, force recruitment and retention.

Defense Information School:

Metrics Description: Consolidated Training of All DoD Public Affairs and Visual Information Specialists	**FY2004**	**FY2005**	**FY2006**	**FY2007**
Resident Student Load	3,279	3,328	3,585	3,629

Description: The Defense Information School (DINFOS) provides joint-service training to Department of Defense military and civilian personnel and international students in the public affairs, visual information, and broadcasting career fields. The student load for the school is based on actual attendance to date and projections by the Military Services for attendance through FY 2007. Programmed funds pay for all base operating support, except those costs directly related to student support (e.g., housing, messing, PCS/TDY travel,

IV. Performance Criteria and Evaluation Summary: (continued)

etc.), and for the variable costs of operating the school under the student load shown above. Budgeted funds pay for consumable supplies and repair parts used in instruction, support services required to operate the school, and equipment to support the student load based on Military Service projections provided to the school at the annual Structure and Manning Decision Review.

As the DoD center for organizational communication, the Defense Information School supports DoD Corporate Goal 1 (SHAPE AND RESPOND), by conducting international military training programs, supporting public affairs doctrine and combat development, managing public affairs training and education policy, serving as the DoD organizational communications knowledge center and participating in Joint training and exercise programs. DINFOS supports DoD Corporate Goal 2 (PREPARE), by conducting residential, mobile, and distance learning training and professional development programs for DoD organizational communicators (public affairs and visual information specialists); and transforming into a career-long professional resource center for organizational communicators, providing support whenever and wherever required via the Internet.

OUTPUT: Deliver total professional development support to organizational communicators throughout the careers, whenever and wherever needed.

OUTCOME: DINFOS will aggressively increase relationships with customers through partnerships, conferences, and a new governance process. We will improve our understanding of customer requirements and expand our ability to measure customer satisfaction by expanding our research and analysis efforts to survey customers and DINFOS trainees after they arrive at their duty station. DINFOS will apply its improved understanding of customer requirements to better satisfy customers and trainees with best value training, professional development, events, products and support.

IV. Performance Criteria and Evaluation Summary: (continued)

Goal: DINFOS will become the DoD organizational communication knowledge management and excellence center.

- Improve knowledge of customer requirements and enhance customer satisfaction.
- Provide best-value training that meets essential customer requirements.
- Enhance Reserve Force training support.
- Provide professional development and professional military education events, products and support.
- Enhance and sustain customer and stakeholder relationships.

Strategy to achieve this goal: DINFOS knowledge management initiatives will promote sharing professional information throughout the Public Affairs (PA) and Visual Information (VI) communities, promoting communities of practice. A PA/VI community of practice will bring practitioners together in joint activities and discussions to help each other and share information; thereby, strengthening DoD organizational communications. Knowledge and best practices will include PA/VI doctrine, policy, technical and training resources. DINFOS will apply performance management and activity based costing to provide efficient and effective school support services.

- Establish the DoD organizational communication knowledge center.
- Support PA/VI Service and Joint doctrine development.
- Provide technical reference and consulting services.
- Develop PA/VI training policies and plans.
- Provide efficient and effective school support services and reach back capabilities.

Goal: Prepare PA/VI operators to be force multipliers.

IV. Performance Criteria and Evaluation Summary: (continued)

Strategy to achieve this goal: DINFOS will refocus training based on lessons learned to ensure that the PA/VI warfighting capabilities are emphasized as force multiplier assets. We will provide battle-focused training that prepares organizational communications practitioners to enhance the information operations efforts of combatant commanders. Given the challenges of the 21st Century global information environment, DINFOS will train PA/VI personnel to be experts in communicating with words and images ensuring that they are vital members of every commander's staff.

- Provide training that instills knowledge of the PA/VI operational role as a force multiplier.

Goal: Make DINFOS a force multiplier for successful information operations.

Strategy to achieve this goal: DINFOS will identify and provide training and support that will increase the value of PA/VI to information operations. By providing professional resources to PA/VI practitioners through the DINFOS website, DINFOS can provide access to appropriate warfighting expertise including a searchable document repository, issue analysis, best practices, and lessons learned that would contribute to the success of information operations. Through a PA/VI community of practice, practitioners employed in information operations will be able to tap into the experience of the entire PA/VI career field.

- Provide training that explains the PA/VI relationship to and support of information operations.

Goal: Establish DINFOS as the premier accredited military technical training center and the optimum career assignment for faculty and staff.

IV. Performance Criteria and Evaluation Summary: (continued)

Strategy to achieve this goal: DINFOS will develop staff and faculty to maximize levels of retention and job satisfaction. The Master Instructor Program will serve as the core of our faculty training program making the instructors true professionals in the classroom. DINFOS will continue to expand its information resources management efforts to provide the latest in technological capabilities for training students on the most up-to-date computer systems and programs. DINFOS is an accredited institution and will continue to build on a strong academic foundation to meet or exceed all standards required to remain accredited.

- Attract, retain and grow a professional faculty and staff.
- Establish a systematic process to maintain institutional accreditation.

DEFENSE VISUAL INFORMATION CENTER:

Performance Measures	FY2004	FY2005	FY2006	FY2007
Minutes of Motion Picture Film Accessioned	100	100	100	100
Minutes of Videotape Reviewed For Accessioning	119,388	120,000	120,000	120,000
Customer Requests Completed	5,552	7,500	7,500	7,500
Minutes of Motion Picture Film To Videotape Transfer	100	100	100	100
Minutes of Videotape Duplication (all formats)	165,268	1,600,000	1,600,000	1,600,000
Still Images Accessioned	16,235	22,000	22,000	22,000
Still Images Reproduced	209,000	210,000	210,000	210,000
CD-ROMs	0	21,000	21,000	21,000

IV. Performance Criteria and Evaluation Summary: (continued)

Description: The Defense Visual Information Center (DVIC) is the official DoD central records center for the storage and preservation of significant visual information records depicting DoD operations and other activities. It provides these products to customers from the DoD, Federal and state agencies, and American public until such time as the records are either transferred to the National Archives and Records Administration or disposed of in accordance with applicable Federal records schedules. Large portions of the DVIC's holdings have been digitized to enable remote electronic access and plans are to digitize the majority of its holdings.

The DVIC's performance criteria reflect the evolution of imagery processes from film to digital technology. It includes the number of imagery items reviewed for accessioning into DVIC holdings as a measure of the DVIC's mission as a DoD records center; the number of customer requests completed as a measure of the customers who received DVIC products and services; and imagery items requested by and delivered to customers as a measure of the DVIC's output. An imagery item is described as a motion media (motion picture film or videotape) minute or a still photographic image. The performance criteria provide a better measure of DVIC's efforts to accession and manage DoD record imagery and to satisfy customer's demands for products and services. With the amount of DVIC materials increasingly available on the INTERNET, the trend of satisfying customer demand via on-line is expected to expand in the foreseeable future. These products are used to directly support military operations, training, information activities, public affairs activities, and many other functions within the DoD.

Motion Picture Film Accessioned (minutes converted from feet) – The decline of motion picture film accessioned was a result of the DoD's increasing reliance on videography with a corresponding decrease in motion picture photography. Motion picture photography is still being used to support certain types of DoD research, development, test, and evaluation

IV. Performance Criteria and Evaluation Summary: (continued)

activities. It is now a very small part of the total DVIC workload and primarily associated with weapons test and missile launch activities. This photography, and the workload associated with its accessioning, should continue to be fairly constant from year to year.

Videotape Reviewed for Accessioning (minutes) – The amount of videotape reviewed for accessioning is expected to remain relatively constant currently and in the out-years.

Customer Requests Completed - Many major commands (primary customers) are currently involved with the war effort with a majority of garrison operations forward deployed resulting in fewer customer requests. It is expected that in the out-years customer requests will increase with the rotation of commands to stateside and receipt of new imagery from the war effort.

Motion Picture Film to Videotape Transfer (minutes) – With most of the film in the DVIC holding being sent to the National Archives last year and the continued decline of motion picture film as accessioning medium, there is relatively little requirement for the transfer of motion picture film to video tape currently or in the out-years.

Videotape Duplication (minutes) – A projected workload increase is expected in FY05 as a result of closure of the JVISDA warehouse and transfer of the JVISDA production re-orders mission to the DVIC .

Still Images Accessioned – There is an expected increase in FY05 due to increased operational tempo for the U.S. military throughout the world.

Still Images Reproduced - Demand for DVIC still imagery holdings is rising as the DoD becomes more technically sophisticated and increases its usage of VI products. The DVIC is providing

IV. Performance Criteria and Evaluation Summary: (continued)

more imagery to customers in a digital format and reducing the number of "hard" copies provided. This trend is expected to continue in the out-years.

CD-ROMs – This mission is being migrated to the DVIC as a result of the JVISDA warehouse closure and pending organizational consolidation.

The extensive record holdings of multimedia imagery of DoD operations, which are serviced by the DVIC, are essential to maintaining ready forces by supporting training, operational readiness, communications and public affairs requirements. Military academies and schools integrate DVIC products into their training aids for analysis of past operations and activities and developing new plans, equipment, and procedures. These products also aid in adapting military theories for the transformation of U.S. military forces for the future. Internal and external use of these products enhances the morale, motivation, recruitment, and retention of personnel by informing them of mission expectations and results. Improved information management techniques allow for rapid access to DVIC products at reduced costs and allows for public enlightenment, through the media, about relevant DoD operations and activities. These products also provide a permanent visual record of DoD heritage.

Defense Media Center:

Strategic Objective: Support Military Services and Combatant Commanders with immediate and unique design/procurement/installation/lifecycle support of Radio and television equipment and systems.

Metrics Description: Design, acquire, and deliver highly reliable and available broadcast production and transmission equipment, systems, supplies, and life-cycle support services to

IV. Performance Criteria and Evaluation Summary: (continued)

American Forces Radio & Television Service (AFRTS) customers in the DoD and the Military Departments in a rapidly changing high technology environment.

OUTPUT: The DoD single source for commercial off the shelf broadcasting production and transmission equipment and systems for AFRTS customers in the DoD and Military Departments.

OUTCOME: Highly reliable and available broadcast production and transmission equipment and systems for DoD and Military Services' AFRTS operations.

EFFICIENCY: The standardization, design, and performance of equipment and systems enhance interoperability for joint operations, worldwide use, and reduce downtime and maintenance/repair costs.

QUALITY: Customer satisfaction surveys indicate users are receiving outstanding equipment and systems that are interoperable and perform to, or better than the specifications requested.

IV. Performance Criteria and Evaluation Summary: (continued)

RADIO & TELEVISION BROADCASTING	FY 2004	FY 2005	FY 2006	FY 2007
Countries receiving radio and TV programming	177	177	177	177
Navy ships receiving radio & television programming	300	300	300	300
Hours of radio news, sports & info, 24 hours/day (3 channels; (Starting in FY 2002) (4 channels in FY 2003)	35,040	35,040	35,040	35,040
Hours of radio music service, 24 hours/day (7 channels)	61,320	61,320	61,320	61,320
Hours of TV programming, 24 hours/day (4 channels in FY 2003) (6 channels starting in FY 2004)	35,040	35,040	52,560	52,560
TV & radio news programs produced by AFRTS News Center	2,184	2,184	2,184	2,184
Number of radio/TV internal information spots produced	350	350	350	350
Pentagon TV Channel (6 hours a day/5 days a week)	1,560	1,560	1,560	1,560

Description: AFRTS provides American radio and television products and services to U.S. forces overseas and on-board Navy ships. Both recorded and satellite-delivered live radio and television programming is used in support of this mission. The internal information provided to US Navy ships has been significantly enhanced by the live reception of AFRTS TV (Direct-to-Ship (DTS)) satellite transmissions that provide three channels of television, three radio services, and textual products such as *Stripes Lite* and the *Early Bird*. The Pentagon Channel, a TV program service, broadcasts DoD and the primary Military Services' internal information programs, as well as lives Pentagon events and briefings. This television service provides the Pentagon audience immediate access to this information on a daily basis.

IV. Performance Criteria and Evaluation Summary: (continued)

DoD radio and television internal information spots and news products are used to replace commercials in programming and provide DoD level information and news to the soldiers, sailors, airmen, Marines, DoD civilians and their families stationed overseas.

Stars and Stripes:

Strategic Objective: Publish a daily (local) newspaper for OCONUS DoD Military and Civilians

Description: The Stars and Stripes Newspaper is uniquely positioned to provide and maintain unit and individual readiness, quality of life and Morale support through dissemination of news and information important to the command environment and individual reader interests and entertainment.

OUTPUT: Circulation of 45,000 papers daily with an estimated 4:1 pass along rate.

OUTCOME: The survey of overseas Combatant Commands rates the *Stars and Stripes* as "fair" to "good" for accomplishing its mission.

EFFICIENCY: *Stars and Stripes* reaches approximately 180K military and DoD personnel daily. The daily cost to the taxpayer is just 16 to 17 cents per reader.

Notes: This metric refers to cost associated with physically producing a Newspaper (i.e., paper, ink, plates, etc.) no value is assigned for the information and ideas actually printed.

Strategic Objective: Ensure readers have adequate information to exercise their 1st Amendment rights as US Citizens.

IV. Performance Criteria and Evaluation Summary: (continued)

Description: *Stars and Stripes* is dedicated to independent and unbiased news and information of the highest quality as a service to the U.S. military community overseas in peace and war with coverage of daily news and information making possible the continued, informed exercise of responsibilities of citizenship by DoD personnel and their families overseas.

OUTPUT: A daily newspaper that furnishes the readership with source information from all major news and wire services

OUTCOME: According to reader surveys, *Stars and Stripes* compared favorably against local hometown newspapers from around the US. This results in a better-informed service member.

EFFICIENCY: Reader complaints and survey results state the reporting within *Stars and Stripes* is fair and balanced. The cost of gathering and transmitting this information is just 2 cents a day per reader to the taxpayer.

QUALITY: Readership surveys rate *Stars and Stripes* as preferable to USA Today.

Notes: The metrics for information refers to the cost associated with the value of the ideas represented in the “News” in the paper that allows for an informed public.

Strategic Objective: Archive Historical Information

Description: As an initiative, *Stars and Stripes* will continue to conserve and archive articles and information of importance to the military community overseas and make them available to become the most responsive, accurate, inclusive, and truthful source of information.

IV. Performance Criteria and Evaluation Summary: (continued)

OUTPUT: To date, Stars and Stripe has archived 54 years of newspapers

OUTCOME: *Stars and Stripes* has fulfilled 1,300 requests per year for archived documents and has a goal of a "Not Available" rate of 1% or less.

EFFICIENCY: It takes 60 days to accession a year of publications and have them readily available to the public.

QUALITY: A Post accession condition report indicates that 90 % have shown no deterioration on quality.

Note: Costs associated with the physical act of archiving articles. No value is given to the original article or production costs.

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V. Personnel Summary	2004	2005	2006	2007	Change 2005/2006	Change 2006/2007
Active Military End Strength (E/S)	308	308	317	317	9	0
Total						
Officer	40	40	40	40	0	0
Enlisted	268	268	277	277	9	0
Civilian End Strength Total	263	263	263	263	0	0
U.S. Direct Hire	263	263	263	263	0	0
Foreign National Direct Hire						
Total Direct Hire	263	263	263	263	0	0
Foreign National Indirect Hire						
Active Military Average Strength Total	308	308	317	317	9	0
Officer	40	40	40	40	0	0
Enlisted	268	268	277	277	9	0
Civilian FTEs Total						
U.S. Direct Hire	263	263	263	263	0	0
Foreign National Direct Hire						
Total Direct Hire	263	263	263	263	0	0
Foreign National Indirect Hire						
Memo: Military Technician Included						
Memo: Reimbursable Civilians Included						
Average Annual Civilian Salary ($000)	77	85	88	90	3	2

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OP-32	VI. OP 32 Line Items:	FY 2004 Program	Price Growth	Program Growth	FY 2005 Program
	CIVILIAN PERSONNEL COMPENSATION				
101	EXECUTIVE, GENERAL AND SPECIAL SCHEDULES	20,177	705	1,437	22,319
103	WAGE BOARD	67	4	8	79
111	DISABILITY COMPENSATION	60	0	0	60
	TOTAL CIVILIAN PERSONNEL COMPENSATION	**20,304**	**709**	**1,445**	**22,458**
	TRAVEL				
308	TRAVEL OF PERSONS	759	15	0	774
	TOTAL TRAVEL	**759**	**15**	**0**	**774**
	TRANSPORTATION				
771	COMMERCIAL TRANSPORTATION	978	18	0	996
	TOTAL TRANSPORTATION	**978**	**18**	**0**	**996**
	OTHER PURCHASES				
912	RENTAL PAYMENTS TO GSA (SLUC)	1,876	28	0	1,904
913	PURCHASED UTILITIES (NON-FUND)	602	12	0	614
914	PURCHASED COMMUNICATIONS (NON-FUND)	19,257	385	0	19,642
915	RENTS (NON-GSA)	47	1	0	48
917	POSTAL SERVICES (U.S.P.S)	60	0	0	60
920	SUPPLIES & MATERIALS (NON-FUND)	2,990	60	0	3,050
921	PRINTING & REPRODUCTION	3,627	73	0	3,700

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OP-32	VI. OP 32 Line Items Cont.	FY 2004 Program	Price Growth	Program Growth	FY 2005 Program
922	EQUIPMENT MAINTENANCE BY CONTRACT	4,923	98	0	5,021
923	FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION BY CONTRACT	1,972	39	0	2,011
925	EQUIPMENT PURCHASES (NON-FUND)	12,458	249	-3,000	9,707
989	OTHER CONTRACTS	64,448	1,289	-4,431	61,306
	TOTAL OTHER PURCHASES	**112,260**	**2,234**	**-7,431**	**107,063**
	FINANCIAL OPERATIONS				
673	DEFENSE FINANCING AND ACCOUNTING SERVICE	941	23	0	964
	TOTAL FINANCIAL OPERATIONS	**941**	**23**	**0**	**964**
	OTHER				
672	PRMRF PURCHASES	524	141	0	665
	TOTAL OTHER	**524**	**141**	**0**	**665**
9999	**TOTAL**	**135,766**	**3,140**	**-5,986**	**132,920**

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	VI. OP 32 Line Items Cont.	**FY 2005 Program**	**Price Growth**	**Program Growth**	**FY 2006 Program**
	CIVILIAN PERSONNEL COMPENSATION				
101	EXECUTIVE, GENERAL AND SPECIAL SCHEDULES	22,319	511	243	23,073
103	WAGE BOARD	79	4	13	96
111	DISABILITY COMPENSATION	60	0	0	60
	TOTAL CIVILIAN PERSONNEL COMPENSATION	**22,458**	**515**	**256**	**23,229**
	TRAVEL				
308	TRAVEL OF PERSONS	774	16	0	790
	TOTAL TRAVEL	**774**	**16**	**0**	**790**
	TRANSPORTATION				
771	COMMERCIAL TRANSPORTATION	996	20	0	1,016
	TOTAL TRANSPORTATION	**996**	**20**	**0**	**1,016**
	OTHER PURCHASES				
912	RENTAL PAYMENTS TO GSA (SLUC)	1,904	40	0	1,944
913	PURCHASED UTILITIES (NON-FUND)	614	13	0	627
914	PURCHASED COMMUNICATIONS (NON-FUND)	19,642	413	0	20,055
915	RENTS (NON-GSA)	48	1	0	49
917	POSTAL SERVICES (U.S.P.S)	60	0	0	60
920	SUPPLIES & MATERIALS (NON-FUND)	3,050	64	0	3,114
921	PRINTING & REPRODUCTION	3,700	78	0	3,778

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OP-32	VI. OP 32 Line Items Cont.	FY 2005 Program	Price Growth	Program Growth	FY 2006 Program
922	EQUIPMENT MAINTENANCE BY CONTRACT	5,021	106	0	5,127
923	FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION BY CONTRACT	2,011	42	0	2,053
925	EQUIPMENT PURCHASES (NON-FUND)	9,707	204	3,063	12,974
989	OTHER CONTRACTS	61,306	1,287	9,112	71,705
	TOTAL OTHER PURCHASES	**107,063**	**2,248**	**12,175**	**121,486**
	FINANCIAL OPERATIONS				
673	DEFENSE FINANCING AND ACCOUNTING SERVICE	964	-26	0	938
	TOTAL FINANCIAL OPERATIONS	**964**	**-26**	**0**	**938**
	OTHER				
672	PRMRF PURCHASES	665	-132	0	533
	TOTAL OTHER	**665**	**-132**	**0**	**533**
9999	**TOTAL**	**132,920**	**2,641**	**12,431**	**147,992**

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	VI. OP 32 Line Items Cont.	**FY 2006 Program**	**Price Growth**	**Program Growth**	**FY 2007 Program**
	CIVILIAN PERSONNEL COMPENSATION				
101	EXECUTIVE, GENERAL AND SPECIAL SCHEDULES	23,073	529	45	23,647
103	WAGE BOARD	96	4	5	105
111	DISABILITY COMPENSATION	60	0	0	60
	TOTAL CIVILIAN PERSONNEL COMPENSATION	**23,229**	**533**	**50**	**23,812**
	TRAVEL				
308	TRAVEL OF PERSONS	790	17	0	807
	TOTAL TRAVEL	**790**	**17**	**0**	**807**
	TRANSPORTATION				
771	COMMERCIAL TRANSPORTATION	1,016	21	0	1,037
	TOTAL TRANSPORTATION	**1,016**	**21**	**0**	**1,037**
	OTHER PURCHASES				
912	RENTAL PAYMENTS TO GSA (SLUC)	1,944	41	0	1,985
913	PURCHASED UTILITIES (NON-FUND)	627	13	0	640
914	PURCHASED COMMUNICATIONS (NON-FUND)	20,055	421	0	20,476
915	RENTS (NON-GSA)	49	1	0	50
917	POSTAL SERVICES (U.S.P.S)	60	0	0	60
920	SUPPLIES & MATERIALS (NON-FUND)	3,114	65	0	3,179
921	PRINTING & REPRODUCTION	3,778	79	0	3,857

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OP-32	VI. OP 32 Line Items Cont.	FY 2006 Program	Price Growth	Program Growth	FY 2007 Program
922	EQUIPMENT MAINTENANCE BY CONTRACT	5,127	108	0	5,235
923	FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION BY CONTRACT	2,053	43	0	2,096
925	EQUIPMENT PURCHASES (NON-FUND)	12,974	272	0	13,246
989	OTHER CONTRACTS	71,705	1,506	2,440	75,651
	TOTAL OTHER PURCHASES	**121,486**	**2,549**	**2,440**	**126,475**
	FINANCIAL OPERATIONS				
673	DEFENSE FINANCING AND ACCOUNTING SERVICE	938	-91	0	847
	TOTAL FINANCIAL OPERATIONS	**938**	**-91**	**0**	**847**
	OTHER				
672	PRMRF PURCHASES	533	101	0	634
	TOTAL OTHER	**533**	**101**	**0**	**634**
9999	**TOTAL**	**147,992**	**3,130**	**2,490**	**153,612**

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Budget Estimates

Civil Military Programs (CMP)

February 2005
CMP

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CIVIL MILITARY PROGRAMS
Operation and Maintenance, Defense-Wide
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Operation and Maintenance, Defense-Wide ($ in thousands)
Budget Activity (BA) 4: Administration and Service-wide Activities

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
CMP	96,942	1,939	18,351	117,232	2,462	-19,226	100,468	2,110	2,438	105,016

* The FY 2004 Actuals column includes $0.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

Civil Military Programs DoD Civil Military Programs encompass outreach/service programs identified as: 1) the National Guard ChalleNGe Program authorized under 32 U.S.C. 509; 2) the DoD Innovative Readiness Training Program authorized under 10 U.S.C. 2012; and 3) the DoD STARBASE Program currently authorized under 10 U.S.C. 2193.

The National Guard Youth ChalleNGe Program (32 U.S.C. 509) is a youth development program managed by the Assistant Secretary of Defense, Reserve Affairs, and operated by the National Guard Bureau. The goal of this program is to improve the life skills and employment potential of participants by providing military-based training and supervised work experience, together with the core program components of assisting participants to receive a high school diploma or its equivalent, leadership development, promoting fellowship and community service, developing life coping skills and job skills, and improving physical fitness, health and hygiene. It is currently operating in 24 states and one territory, in accordance with agreements between the National Guard Bureau, the Governors, and Adjutant Generals of those locations. The eighteen-month program consists of three phases:

I. Description of Operations Financed: (continued)

a two-week pre-ChalleNGe residential phase, a 22-week residential phase, and a 12-month post-residential phase.

The Innovative Readiness Training Program (IRT) (10 U.S.C. 2012) is managed by the Assistant Secretary of Defense, Reserve Affairs and operated by the military services in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, to provide to both Active and Reserve Components expanded military readiness training in engineering, health care and transportation. The IRT program is analogous to the Overseas Deployment Training Program. Combat support and combat service support units and individuals provide the critical link between military and civilian communities by training in a realistic, hands-on setting that offers incidental benefit to local communities. A key example is the Alaskan Road Project, Annette Island, AK. This project provides important military engineer and construction training, while simultaneously building a needed transportation artery within the local community. In FY 2004 $11.493 million was reprogrammed to the Military Services military pay accounts for pay and allowances to support the IRT Program.

The DoD STARBASE Program (10 U.S.C. 2193) is managed by the Assistant Secretary of Defense, Reserve Affairs, and operated by the military services. The program is to improve knowledge and skills of students in kindergarten through twelfth grade in mathematics, science, and technology. The program targets “at risk” (minority and low socio-economic) students and utilizes instruction modules specifically designed to meet specific math and science objectives. A motivational module is included to teach children how to set and achieve goals, take positive action in their lives, and build strong self-esteem. The program currently operates in 49 locations throughout the United States. The Air National Guard, Air Force Reserve, Navy and Marine Corps participate in the program.

I. Description of Operations Financed: (continued)

The Outdoor Odyssey Youth Development and Leadership Academy Program is operated through a grant under the auspices of the Assistant Secretary of Defense, Reserve Affairs. Located at Roaring Run Camp, Somerset County, Pennsylvania, the program was designed to target "at-risk" youths and provide them the opportunity to participate in exercises and activities which develop self-esteem, confidence, respect and trust in others. Congress has added funds for this program in the past. The Department has included no funds beyond FY 2005 for the program.

The National Guard Youth Foundation was established to support the National Guard Youth ChalleNGe Program. In FY 2003 and FY 2004 Congress authorized and appropriated funds to support the Foundation in their effort to mobilize individuals, groups, and organizations to build and strengthen the character and competence of youth in the United States. The Department has included no funds beyond FY 2004 for the Foundation.

Narrative Explanation of Changes

The program increase is the result of Congressional adds in the FY 2005 appropriation.

The program decrease is the result of Congressional adds not carried forward into FY 2006.

II. Force Structure Summary: None

CIVIL MILITARY PROGRAMS
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III. Financial Summary: ($ in Thousands)

A. Activity Group	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appro-priation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
1. ChalleNGe	66,696	66,235	72,647	72,647	67,626	69,219
2. IRT	13,065(a)	20,000	25,931	25,931	17,370	20,000
3. Walking Shield	-	-	3,000	3,000	-	-
4. Starbase	14,331	15,154	15,154	15,154	15,472	15,797
5. Outdoor Odyssey	750	-	500	500	-	-
6. NG Youth Foundation	2,100	-	-	-	-	-
Total	96,942	101,389	117,232	117,232	100,468	105,016

(a) Exclude $11,493K reprogrammed from the IRT program to the Military Services pay accounts for pay and allowances in support of the IRT program.

B. Reconciliation Summary:

	Change FY 2005/2005	Change FY 2005/FY 2006	Change FY 2006/2007
Baseline Funding	101,389	117,232	100,468
Congressional Adjustments (Dist.)	19,200	-	-
Congressional Adjustments (Undist.)	-	-	-
Congressional Adjustments (Gen Prov)	-3,661	-	-
Congressional Earmarks	-69	-	-
Price Change	-	2,462	2,110
Transfers	-	-	-
Program Changes	373	-19,226	2,438
Current Estimate	117,232	100,468	105,016

III. Financial Summary: **($ in Thousands) (continued)**

C. Reconciliation of Increases and Decreases:

FY 2005 President's Budget Request		101,389
1. Congressional Adjustments		
a. Distributed Adjustments		19,200
1) ChalleNGe	7,200	
2) Innovative Readiness Training	8,500	
3) Operation Walking Shields	3,000	
4) Outdoor Odyssey	500	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		-3,661
1) Sec 8095 – Advisory and Assistance Services	-1,551	
2) Sec 8122 – Management Improvement Savings	-199	
3) Sec 8140 - Unobligated Balances	-1,911	
e. Congressional Earmarks – Indian Lands Environmental Impact		-69
FY 2005 Appropriated Amount		116,859
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		373
a. Technical Adjustment		
1) Prior year carryover - Department of Justice funding to support the ChalleNGe program.	373	
FY 2005 Baseline Funding		117,232

III. Financial Summary: **($ in Thousands) (continued)**

III. Financial Summary (O&M: $ 000) (Con't):

4. Reprogrammings		
Revised FY 2005 Estimate		117,232
5. Less: War-Related and Disaster Supplemental Appropriation		
FY 2005 Normalized Current Estimate		117,232
6. Price Growth		2,462
7. Functional Transfer		
8. Program Increases		
9. Program Decreases:		-19,226
a. ChalleNGe is decreased by amount of congressional add not continued from FY 2005 (FY 2005 Base: $72,647)	-6,546	
b. IRT is decreased by amount of congressional add not continued from FY 2005 (FY 2005 Base: $25,931)	-9,106	
c. Walking Shield is decreased by amount of congressional add not continued from FY 2005 and not funded beyond FY 2005 (FY 2005 Base: $3,000)	-3,063	
d. Outdoor Odyssey is decreased by amount of congressional add not continued from FY 2005 (FY 2005 Base: $500)	-511	
FY 2006 Budget Request		100,468
10. Price Growth		2,110
11. Transfers		
12. Program Increases		2,438
a. ChalleNGe increased for additional participation (FY 2006 Base: $67,626)	173	

III. Financial Summary: **($ in Thousands) (continued)**

b. IRT is increased for additional training opportunities (FY 2006 Base: $17,370)	2,265	
13. Program Decreases:		
FY 2007 Budget Request		105,016

IV. Performance Criteria and Evaluation Summary:

The Office of the Assistant Secretary of Defense, Reserve Affairs has policy oversight and control over the Department of Defense Civil Military Programs. Control and management of the DoD Civil Military Programs is maintained through the establishment of policies, directives, and funding controls. Evaluation of the program is made by the Secretary, Deputy Secretary, the Under Secretary of Defense (Personnel and Readiness) and the Assistant Secretary of Defense (Reserve Affairs).

ChalleNGe Youth Program Target Enrollment by Fiscal Year:

STATE	FY 2004	FY 2005	FY 2006	FY 2007
Alaska	200	200	200	200
Arkansas	200	200	200	200
Arizona	224	224	224	224
California	200	200	200	200
Florida	220	220	220	220
Georgia	600	600	600	600
Hawaii	200	200	200	200
Illinois	800	675	675	675
Kentucky	200	200	200	200
Louisiana	750	850	850	850
Maryland	200	200	200	200
Michigan	200	200	200	200
Mississippi	248	400	400	400
Montana	200	200	200	200
North Carolina	200	200	200	200
New Jersey	200	200	200	200
New Mexico	200	200	200	200
Oklahoma	300	250	250	250

IV. Performance Criteria and Evaluation Summary: **(continued)**

ChalleNGe Youth Program Target Enrollment by Fiscal Year: (Continued)

STATE	FY 2004	FY 2005	FY 2006	FY 2007
Oregon	200	200	200	200
Puerto Rico	200	200	200	200
South Carolina	200	200	200	200
Texas	200	200	200	200
Virginia	200	200	200	200
Wisconsin	219	219	219	219
West Virginia	200	200	200	200
Projected Increases	-	-	-	12
TOTALS	6,761	7,050	7,050	7,062

STARBASE Program Sites by Fiscal Year:

	Number of Sites			
Service	FY 2004	FY2005	FY2006	FY2007
USAF/AFR/ANG	36	36	36	36
Navy/Navy Reserve/Marine Corps	13	14	14	14
TOTALS	49	50	50	50

V. Personnel Summary: None

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VI. OP 32 Line Items as Applicable: ($ in Thousands)

		Change from FY 2004 to FY 2005			Change from FY 2005 to FY 2006			Change from FY 2006 to FY 2007		
Sub-program	FY 2004 Actuals	Price Growth	Program Growth	FY 2005 Program	Price Growth	Program Growth	FY 2006 Program	Price Growth	Program Growth	FY 2007 Program
National Guard Youth ChalleNGe	66,696	1,334	4,617	72,647	1,525	-6,546	67,626	1,420	173	69,219
Innovative Readiness Training	13,065	261	12,605	25,931	545	-9,106	17,370	365	2,265	20,000
Walking Shield	-	-	3,000	3,000	63	-3,063	-	-	-	-
STARBASE	14,331	287	536	15,154	318	-	15,472	325	-	15,797
Outdoor Odyssey	750	15	-265	500	11	-511	-	-	-	-
National Guard Youth Foundation	2,100	42	-2,142	-	-	-	-	-	-	-
Total	96,942	1,939	18,351	117,232	2,462	-19,226	100,468	2,110	2,438	105,016

Fiscal Year (FY) 2006/FY 2007 Budget Estimates
Defense Acquisition University (DAU)

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DEFENSE ACQUISITION UNIVERSITY
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Appropriation Summary	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
Budget Activity 3:										
Training & Recruiting	103,619	2,447	-6,010	100,056	2,427	3,118	105,601	2,355	138	108,094

Note: DAU received no Supplemental funding in FY 2004 or FY 2005.

I. Description of Operations Financed: Authorized by Title 10, United States Code 1746 and chartered by DoD Directive 5000.57, the Defense Acquisition University (DAU) was established on August 1, 1992, as a government "corporate" university of the Department of Defense, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (DoD USD (AT&L)). To accomplish its mission of providing practitioner training and services to over 134,000 DoD employees across 15 career fields, DAU provides a full range of certification training (required for all 134,000 to qualify for advancement), fosters professional development, assignment- specific training, performance support, continuous learning opportunities, and knowledge sharing. In addition, DAU provides travel funds to the Service students to cover travel & per diem costs for the personnel that are brought to the various DAU campuses to be trained.

Narrative Explanation of Changes: The Defense Acquisition University's budget is devoted to the training and education of Acquisition personnel. The main program change between FY 2005 and FY 2006 is due to military to civilian conversions, as 12 Army Officer teaching positions were converted to civilian billets and associated funding for 6 billets were transferred to DAU from the Army. Another program change is a one-time buy to upgrade the Convera Search Engine as part of its transformation to the Performance Learning Model. Specifically, DAU will procure hardware, software and use consulting services to transform video and audio files into knowledge assets that can be quickly accessed for use in a wide array of learning products and many communities of practice. The combined video, text and audio search capabilities will include retrieval, hyperlinking, categorization, alerting,

profiling, clustering and personalization. In FY 2007, funding transferred to DAU for the other 6 civilian billets (for a total of 12) that were not funded in FY 2006.

II. Force Structure Summary:

DAU Headquarters is located at Ft. Belvoir, Virginia, where DAU maintains a headquarters staff for centralized academic oversight, a robust curriculum development center, and an e-learning and technology development directorate. In addition, DAU has strategically located five regional campuses in areas where there is a high concentration of DoD AT&L workforce members.

- **West** – San Diego, California (serves workforce of 26,000)
- **Midwest** – Wright Patterson Air Force Base, Ohio (serves workforce of 20,000)
- **South** – Huntsville, Alabama (serves workforce of 27,000)
- **Mid-Atlantic** – Patuxent River, Maryland (serves workforce of 23,000)
- **Capital and Northeast** – Fort Belvoir, Virginia (serves workforce of 38,000). We also have the DSMC-School of Program Managers at Ft. Belvoir for executive and international training.

DAU's products and services include more than training. To meet its learning and development requirements, DAU created an overarching learning strategy, the Performance Learning Model (PLM), promoting career-long learning and achievement. The PLM includes four main thrusts:

- certification and assignment-specific training through resident training, hybrid, and distance learning courses
- continuous learning through DAU's continuous learning modules
- performance support through consulting, rapid deployment training, and targeted training

- knowledge sharing through the AT&L Knowledge Sharing System (AKSS) and Acquisition Community Connection (Communities of Practice).

By developing and adopting this new learning strategy, DAU rapidly changed the traditional training paradigm of instruction limited to the classroom, to one that provides learning solutions 24 hours a day, seven days a week – the concept of anytime, anywhere learning. With implementation of the PLM, the 134,000 workforce members now have more control over their career-long learning opportunities.

At DAU, we strive to provide our customers with relevant learning solutions, a responsive faculty and staff, and a continuous connection to the broader AT&L community. To ensure we meet their needs, we have established robust evaluation and feedback mechanisms for each of our products and services. We carefully analyze comments and results and make timely, effective enhancements to our learning solutions. Evaluation plays a huge role and is an important part of ensuring quality and mission success. DAU uses several methods to link and assess the impact of learning on individual and organizational performance. The results of the evaluation program are used to improve faculty performance, delivery, facilities, content, curricula, relevance to the job, applicably, and impact on the organization. Evaluation data, comparatives, benchmarking, and trends are also a key element in DAU's overall performance measurement program.

Each quarter during the Enterprise Performance Review and Analysis (EPRA), DAU reviews the quarter's performance and progress for all performance targets and selected operational metrics. A year-end enterprise-wide program review is conducted during the last quarter's EPRA and management decisions are made in regard to past performance and in regard to next years' annual performance plan and program funding. Improvements brought about by these management processes yield timely and reliable financial management data necessary to base management decisions and allocate resources appropriately.

AT&L Performance Learning Model (PLM):

The PLM is the centerpiece of the DAU experience. The PLM extends the learning experience from traditional classroom instruction to a variety of learning solutions that are available anytime, anywhere and provides each member of the AT&L Workforce with more control over his or her career-long learning opportunities. The **PLM components include**: **Training** through web-enabled, hybrid, and classroom courses that include case-based instruction aimed at developing critical thinks; **Continuous Learning** with self-paced, relevant training modules, available 24/7, to help meet continuous learning requirements and improve job performance; **Performance Support** with rapidly delivered business solutions offered to students and their organizations supplementing the classroom experience through on-site consulting, targeted train, and rapid deployment training; and, **Knowledge Sharing** though the AT&L Knowledge Sharing System and the Acquisition Community Connection with experts, peers, and technical resources.

Training Courses: Certification, Assignment-specific, Executive and International

More than 1,200 course offerings per year are delivered in a classroom setting at one of our five regional campuses, ten satellite locations, or via the internet. Courses are also taught at customer sites. At the end of each course, we survey students on several aspects of the course including course content, course work, faculty, and job applicability. For in-resident courses, students take the survey on-line while they are still in the classroom. For distance learning courses, students must answer the survey before they can print the course completion certificate. Faculty members and course managers have full access to the results for their courses. Both faculty and course managers review results and work to address shortfalls. After 120 days, we e-mail follow-up surveys to the student's managers, for their feedback, and we also try to determine the impact of the training on their organization.

Continuous Learning Center (CLC): Continuous Learning Modules (CLM)

The CLC contains self-paced continuous learning modules that are available 24/7 to help meet continuous learning requirements and improve job performance. At the end of each DAU-developed CLM is a course feedback survey. Students must complete this survey before they receive their completion certificate. Course owners review the survey results for their course and incorporate improvements. Non-course comments or site specific technical questions about the CLC are e-mailed to our help desk.

Performance Support: Consulting, Targeted Training, and Rapid Deployment Training

Our performance support services are provided to DoD and other government agencies to help them resolve individual projects and agency-level acquisition problems. We also provide immediate training on new policy initiatives. At the end of each consulting effort, the customer is asked to provide feedback. Following each targeted training event, students respond to an on-line course survey similar to the one used for our certification and assignment-specific courses. DAU reviews the results for both consulting and targeted training efforts and incorporates improvements.

Knowledge Sharing: AT&L Knowledge Sharing System (AKSS), Acquisition Community Connection (ACC), and Virtual Library

The AKSS and ACC are hosted by DAU. The AKSS is the central gateway for all AT&L resources and information. The ACC is the collaborative arm of AKSS with a variety of knowledge communities (of practice). Users of our knowledge sharing systems are asked to provide feedback through on-line comment areas. On the AKSS homepage, they click the “we want your feedback – again” button. Users of the ACC provide feedback through the “contact us” link. DAU reviews comments weekly and incorporates improvements and suggestions as appropriate.

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Building Compelling Evidence of Results for Our Stakeholders.

DAU has been able to successfully meet its challenge of serving significantly increasing numbers of students with no real increase in budget. DAU has improved in many areas. Since 1998 we have increased our students trained from 33,000 to 92,000 per year while at the same time reduced the faulty/staff from 643 to 540 and our student travel costs from $31M to $17M per year.

Also, during this time, the average training cost per student has declined 42%. In FY 2004 the average cost per student was $1,100. This translates to a projected cost avoidance in the next five years of over $50 million. This has allowed reprioritization of resources into e-learning initiatives, curricula modernization, and other greater initiatives. Even as our cost per student has been dramatically reduced, our current faculty has continued to receive high marks from students and their supervisors in response to survey questions. This, along with our sector leadership recognition as a best-in-class corporate university (listed below), provides our stakeholders with compelling evidence that DAU has a considerable value-added contribution to the overall mission of the organization:

2002 Corporate University Best-in-Class (CUBIC) Awards
- Leader of the Year
- Best Overall Corporate University
- Best Virtual Corporate University / Best Use of Technology
- Runner-up Most Innovative Corporate University

2003 - Gold medal winner of Brandon Hall Best Practices for e-Learning
2003 and 2004 - Winner of the American Society of Training and Development BEST Award (2004 1st place among 83 organization world-wide)
2003 - Winner of Corporate University Xchange Excellence Award for Measurement
2003 - Selected in Training Magazine Top 100
2004 - Selected by CLO Magazine for Two Best Practices
2004 - Chief Learning Officer of the Year by CLO Magazine

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/2007 Budget Estimates

III. Financial Summary								
	(Dollars in Thousands)		FY 2005					
		FY 2004	Budget		Current	FY 2006	FY 2007	
A.	Budget Activity 3	Actuals	Request	Approp	Estimate	Estimate	Estimate	
	Recruitment & Training							
	Civilian Pay	44,992	46,702	47,282	47,460	49,551	51,580	
	e-Learning	15,954	15,831	14,385	14,385	16,023	16,439	
	Travel	19,513	20,127	19,286	19,286	19,691	20,105	
	Regions	23,160	20,872	18,925	18,925	20,336	19,970	
	Total	103,619	103,532	99,878	100,056	105,601	108,094	
B.	Reconciliation Summary:							
		Change			Change		Change	
		FY 2005/FY 2005			FY 2005/FY 2006		FY 2006/FY 2007	
		103,532			100,056		105,601	
	Congressional Adjustments							
	Distributed							
	Undistributed							
	General Provisions		-3,595					
	Congressional Earmarks		-59					
	Price Change				2,427		2,355	
	Functional Transfers/Reprogramming		178		750		852	
	Program Change				2,368		-714	
	Current Estimate		**100,056**		**105,601**		**108,094**	

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C. Reconciliation of Increases and Decreases: (Dollars in Thousands)

FY 2005 President's Budget Request		**103,532**
Congressional Adjustments (General Provisions)		
Section 8140 – Unobligated Balances	-1,641	
Section 8095 – Advisory and Assistance Services	-1,331	
Section 8141 – Excessive Growth in Travel and Transportation	-452	
Section 8122 – Management Improvement Savings	-171	
Total Congressional Adjustments (General Provisions)		-3,595
Congressional Earmarks		
Section 8044 – Mitigation of Environmental Impacts to Indian Lands	-59	
Total Congressional Earmarks		-59
FY 2005 Appropriated Amount		**99,878**
Transfers In		
Transfers the Joint Deskbook Operations (2 Civilian billets and associated civilian pay funding) from the Air Force to DAU.	178	
Total Transfers In		178
FY 2005 Current Estimate		**100,056**
Price Change		2,427

Transfers In		
Military to Civilian Conversions - Many military personnel are performing tasks that can be done by DoD civilians. This converts 12 Army Officer teaching positions to civilian billets and transfers the associated civilian pay funding for 6 civilian slots	750	
Total Transfers In		750
Program Increases in FY 2005		
a) Convera Search Engine. As part of its transformation to the Performance Learning Model (PLM), DAU seeks to leverage its video knowledge assets by using a unique combination of technologies that employing advanced pattern matching techniques as well as principles of information theory. Specifically, DAU will, as appropriate, procure hardware, software and use consulting services to upgrade its Convera search engine to transform its rich library of video and audio files into knowledge assets that can be quickly accessed and used in a wide array of learning products as well as communities of practice. The combined synergy of the video, text and audio search capabilities will include retrieval, hyperlinking, categorization, alerting, profiling, clustering and personalization. This allows DAU to convert knowledge assets into learning content and quickly deliver those assets to the workforce. (FY 2005 baseline: $0)	1,040	

b) Online Learning Assets. DAU will develop online learning assets to support all product areas of DAU's PLM, covering formal online certification training, continuous learning, performance support and knowledge sharing. Assets to be developed will be distance learning (DL) courses; continuous learning (CL) modules; rapid deployment training modules; and product/workflow learning tools. The assets will be developed to support the Acquisition, Technology and Logistics (AT&L) workforce in functional areas such as Business, Cost Estimating and Financial Management; Contracting; Facilities Engineering; Industrial Property Management; Information Technology; Life Cycle Logistics; Production, Quality and Manufacturing; Program Management; Science and Technology; Software Acquisition Management; Systems Engineering; and, Test and Evaluation. Accessible by the public at large, the assets will support the workforce in attaining and maintaining professional certification, and executing their job responsibilities more effectively and efficiently. This ensures that DoD's acquisition industry can leverage the policy, processes, practices, lessons learned and smart tools for their contract preparation and execution activities. (FY 2005 baseline: $739K) 1,328

Total Program Increase	2,368
FY 2006 Budget Request	**105,601**
Price Change	2,355

Transfers In

Military to Civilian Conversions - Many military personnel are performing tasks that can be done by DoD Civilians. This converts 12 Army Officer teaching positions to Civilian billets and transfers the remaining associated civilian pay funding for the remaining 6 civilian slots.	852	
Total Transfers In		852
Program Decrease in FY 2006		
a) Convera Search Engine. Program decrease is due to the one time upgrade to the Convera Search Engine in FY 2005. In FY 2005, DAU, as part of its transformation to the Performance Learning Model, procured hardware, software and used consulting services to upgrade its Convera search engine to transform video and audio files into knowledge assets that could be quickly accessed and used in a wide array of learning products as well as communities of practice.	-714	
Total Program Decrease		-714
FY 2007 Budget Estimate		**108,094**

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IV. Performance Criteria and Evaluation Summary:

	Actual FY 2004	Workload Estimate FY 2005	Workload Estimate FY 2006	Workload Estimate FY 2007
Number of Offerings				
Resident	779	921	930	940
On-Site	422	358	362	365
Web-based	341	241	253	258
Total	1,542	1,520	1,545	1,563
Number of Students Trained				
Army	25,730	26,525	27,321	28,140
Navy	29,680	30,109	31,012	31,943
Air Force	22,365	23,468	24,172	24,897
DoD	9,409	9,610	9,898	10,195
Other	7,661	7,951	8,190	8,435
Total	94,845	97,663	100,593	103,610

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V. Personnel Summary

	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 05/FY 06	Change FY 06/FY 07
Active Mil End Strength						
Officer	55	78	66	66	-12	-
Enlisted	29	37	37	37	-	-
TOTAL	84	115	103	103	-12	-
Civilian End Strength						
US Direct Hire	413	427	439	439	12	-
Active Mil Avg Strength						
Officer	55	78	66	66	-12	-
Enlisted	29	37	37	37	-	-
TOTAL	84	115	103	103	-12	-
Civilian FTEs						
US Direct Hire	413	423	429	435	6	6
Avg Annual Civ Salary	108,939	112,199	115,503	118,575		

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V. OP 32 Line Items as Applicable (Dollars in Thousands):

		Change from FY 2004/2005				Change from FY 2005/2006			Change from FY 2006/FY 2007		
	TITLE	FY 2004 Actual	Price Growth	Prog Growth	FY 2005 Estimate	Price Growth	Prog Growth	FY 2006 Estimate	Price Growth	Prog Growth	FY 2007 Estimate
101	Exec, Gen and Special Schedule	44,522	1,625	935	47,082	1,330	753	49,165	1,168	852	51,185
103	Wage Board	365	13		378	11	-3	386	9		395
106	Benefits to Former Employees	105	4	-109							
110	Unemployment Compensation										
199	TOTAL CIV PERS COMPENSATION	44,992	1,642	826	47,460	1,341	750	49,551	1,177	852	51,580
308	Travel of Persons	19,513	273	-500	19,286	405		19,691	414		20,105
399	TOTAL TRAVEL	19,513	273	-500	19,286	405		19,691	414		20,105
633	Defense Publication and Printing Svc	1,621	5		1,626	16		1,642	35		1,677
699	TOTAL PRINTING & PUBLICATION SVCS	1,621	5		1,626	16		1,642	35		1,677
912	Rental Payment to GSA (SLUC)	1,447	22		1,469	31		1,500	32		1,532
914	Purchased Communications (non IF)	426	6		432	9		441	9		450
915	Rents (non GSA)	105	1		106	2		108	2		110
917	Postal Service										
920	Supplies and Materials (non SF)	2,497	35		2,532	53		2,585	54		2,639
921	Printing and Reproduction										
922	Equipment Maintenance by Contract	263	4	-139	128	3		131	3		134
923	Facilities Maintenance by Contract	899	13	-528	384	8		392	8		400
925	Equipment Purchases (non SF)	4,297	60	-500	3,857	81		3,938	83		4,021
931	Contract Consultants										
932	Mgt and Prof. Support Svcs	322	5		327	7		334	7		341
933	Studies, Analyses, and Evaluations										
988	Grants										
989	Other Contracts	27,237	381	-5,169	22,449	471	2,368	25,288	531	-714	25,105
999	TOTAL OTHER PURCHASES	37,493	527	-6,336	31,684	665	2,368	34,717	729	-714	34,732
9999	TOTAL	103,619	2,447	-6,010	100,056	2,427	3,118	105,601	2,355	138	108,094

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Defense Contract Audit Agency (DCAA)

February 2005

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DEFENSE CONTRACT AUDIT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Operation and Maintenance, Defense-Wide
Budget Activity (BA) 4, Administration and Service-wide Activities

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DCAA	374.2	14.3	-27.3	361.2	12.6	6.2	379.9	8.3	-.4	387.9

* The FY 2004 Actuals column includes $16,184.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $15,412.0 thousand of FY 2004/FY 2005 Title IX obligations.

The Defense Contract Audit Agency (DCAA) is responsible for providing audit services and financial advice to all Department of Defense (DoD) acquisition officials to assist them in achieving fair and reasonable contract prices and assuring compliance with contractual terms and conditions. DCAA responds to specific acquisition official requests for services across the entire spectrum of contract financial and business matters as well as fulfilling recurring audit work required to monitor cost performance and approve contract payments. Additionally, as part of the Iraq Reconstruction effort, DCAA is providing contract audit support on reconstruction and humanitarian efforts to all DoD components, as well as U.S. AID and the U.S. Army Corps of Engineers (USACE).

Savings to the Government, as a result of contract audit services, far exceed the cost of DCAA operations. In FY 2004 for example, the Agency audited $108 billion of incurred cost and reviewed 10,299 forward pricing proposals amounting to $114 billion. Approximately $2.1 billion in net savings were reported during the year. Thus, the **return on taxpayers' investment in DCAA was approximately $5 for each dollar invested** (FY 2004, $428 million).

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Significant changes between FY 2005 and FY 2006 include the implementation of the National Personnel Security System (NSPS), an increase in direct workyears, and increases for benefits, information technology, and inter-service support costs.

I. Description of Operations Financed:

Narrative Description: The Defense Contract Audit Agency (DCAA) is responsible for providing audit services and financial advice to all Department of Defense (DoD) acquisition officials to assist them in achieving fair and reasonable contract prices and assuring compliance with contractual terms and conditions. This is done by responding to specific acquisition official requests for services across the entire spectrum of contract financial and business matters as well as fulfilling recurring audit work required to monitor cost performance and approve contract payments. Additionally, as part of the Iraq Reconstruction effort, DCAA is providing contract audit support on reconstruction and humanitarian efforts to all DoD components, as well as US AID and the U.S. Army Corps of Engineers (USACE).

DCAA's workload originates primarily from the effort required to audit and monitor DoD acquisitions of equipment, materials, and/or services from civilian contractors and universities by expenditure of Procurement, and Research, Development, Test and Evaluation (RDT&E) funds appropriated by Congress each year. Other factors affecting contract audit workload are (i) DoD procurement policies, (ii) the implementation of existing Cost Accounting Standards (PL 100-679), (iii) audits performed for the military departments in connection with the Foreign Military Sales (FMS) Program, (iv) the interest by DoD officials and the Congress in the nature of costs charged to defense contracts, (v) audits for economy and efficiency, and (vi) requests for contract audit support from the Defense Procurement Fraud Unit and U.S. attorneys as they conduct investigations and prosecute the perpetrators of contract fraud.

I. Description of Operations Financed: (continued)

Projected staffing requirements are commensurate with planned changes in DoD procurement levels, departmental acquisition streamlining initiatives, and required effort to complete audits of prior year contract expenditures. These staffing levels also reflect incorporation of previous Quadrennial Defense Review recommendations, Major Headquarters reductions, and related DoD initiatives.

The Department placed the requirement on agencies to ensure that their congressional justifications associate performance metrics with at least 80 percent of the resources requested in the FY 2006 budget submission. In the mid-1990's, DCAA implemented performance based metrics which satisfy this requirement. The core metric is our cost per direct audit hour rate. All metrics are continuously reviewed by Agency management and are included in our Agency Performance Plan/Balanced Scorecard.

DCAA has an agreed-to Performance Plan/Balanced Scorecard with the Under Secretary of Defense (Comptroller) that links our performance standards to the President's Management Agenda and the DoD Balanced Scorecard Concept/Risk Management Framework. The Budget/Performance Integration Goal focuses on DCAA's two major product lines – forward pricing and incurred cost audits. The plan includes deliverables of the average cost per direct audit hour and timeliness in responding to customer requests for services. DCAA has a goal to achieve an agency-wide average of 30 days or less cycle time on forward pricing audits. It also has a goal to complete the audits of at least 99% of adequate incurred cost submissions within 12 months of receipt at major contractors and corporate offices; and 99% of all other adequate incurred cost submissions within 24 months of receipt. These goals were established to meet contracting office needs for awarding and closing out contracting actions in a timely manner.

Savings to the Government, as a result of contract audit services, far exceed the cost of DCAA operations. For example, in FY 2004, the Agency audited $108 billion of incurred

I. Description of Operations Financed: (continued)

cost and reviewed 10,299 forward pricing proposals amounting to $114 billion. Approximately $2.1 billion in net savings were reported during the year. When compared to the $428 million expended for the Agency's operations, the return on taxpayers' investment in DCAA was approximately $5 for each dollar invested.

II. Force Structure Summary:

DCAA work structure is divided into the major functional categories described below:

1. ***Forward Pricing Effort***. The Federal Acquisition Regulations (FAR) and Public Law 100-679, Cost Accounting Standards (CAS) require DoD procurement officials to comply with various administrative procedures before entering into contracts. These procedures include obtaining pertinent accounting and financial advice before making decisions related to prospective contract prices. The ultimate goal of forward pricing audit effort is to assist contracting officers in determining and negotiating fair and reasonable prices for negotiated Government contracts. Pre-award services furnished to contracting officers by DCAA include:

a. Price Proposal Audits. These audits are performed to determine the reasonableness of contractors' price proposals submitted in anticipation of negotiating Government contracts. They are specifically requested by contracting officers and must be accomplished within a short period of time to avoid delaying the procurement process. DCAA has no control over the number or timing of price proposal audits and must respond to each audit request.

b. Could Cost or Should Cost Studies and Participation on Integrated Product Teams (IPTs). Should cost studies are initiated by procuring activities who organize a

II. **Force Structure Summary**: (continued)

team of specialists and review a contractor's price proposal to determine what a particular procurement could or should cost, depending on which study is being performed. DCAA auditors participate as members of the team of specialists. Such studies usually involve large major weapon system procurements. DCAA auditors also participate on IPTs that include representatives from all appropriate organizations and functional disciplines (normally DCAA, the buying activities, Defense Contract Management Agency, and the contractor). Working together with the team leader, the objective is to avoid rework at the end of process by identifying problems and finding potential solutions at the earliest possible point in the procurement process.

c. Forward Pricing Rate Reviews. These reviews are performed to determine the reasonableness of projected labor, overhead, and other indirect expense rates submitted by a contractor prior to submission of price proposals. These rates are normally separately negotiated by a contracting officer and then used by the contractor in subsequent price proposals. Since FY 2000, DCAA has been providing “rapid rates” services to major buying commands for contractors that are expected to do business with the Government during the year. The DCAA initiative is to proactively seek out and audit rate information from prospective Government contractors so that the information can be available for buying offices to use within hours of a request. This initiative supports the Department's Civil-Military Integration/Commercial Buying activities and will both reduce the procurement cycle time and provide better data within the time frames available for decision making.

d. Audits of Parts of Proposals and Agreed Upon Procedures. Audits of parts of proposals are audits of only specific cost elements within a proposal (e.g., only proposed material or labor costs, or overhead rates). Applications of agreed-upon procedures include cost realism reviews and all reviews of information other than cost or pricing data submitted in support of a price proposal.

II. **Force Structure Summary**: (continued)

e. System Surveys. These reviews are performed to determine the reliability, propriety, and accuracy of contractors' estimating, accounting, internal control, and other systems relating to or providing the basis for Government contract costs or pricing. Systems surveys may be either a joint team review in which the experience and capabilities of the auditor and technical specialist are combined, or they may be comprehensive reviews performed solely by auditors. Additionally, these reviews include effort to recommend corrective actions on conditions causing deficiencies disclosed in price proposal evaluations or other audit areas which require immediate reporting and resolution. This also includes the effort required to determine the status of corrective actions taken by contractors on previously disclosed deficiencies.

f. Other. This effort includes providing verbal information to procurement officials on labor rates, overhead rates, and similar factors for smaller procurements.

2. ***Incurred Cost Effort***. The FAR requires DCAA to perform audits of claimed costs incurred and submitted by contractors for reimbursement under cost reimbursable, fixed price incentive, and other types of flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, FAR, and CAS rules and regulations, if applicable. Although the scheduling of incurred cost audits and CAS compliance audits is more flexible than customer requested audits, nonetheless, these audits must be accomplished in order for the Government to make final payment to the contractor. They include reviews of direct labor and material, indirect expenses, and performance and financial controls. Although the primary purpose of incurred cost audits is to express an opinion on the acceptability of costs claimed under Government contracts, knowledge of contractors' accounting, estimating, and internal control systems gained during these audits is invaluable to the evaluation of contractors' price proposals.

II. **Force Structure Summary**: (continued)

3. ***Operations Audits***. DCAA also performs a variety of economy and efficiency audits of contractor operations. DCAA operations audits are systematic reviews of contractor organizational units and functions to evaluate the reasonableness of methods and practices employed on Government contracts.

4. ***Special Audits***. These audits are normally requested by the contracting officer and include reviews of termination claims, progress payment requests, equitable adjustment claims, hardship claims, escalation claims, and contractor financial capability. They must be accomplished within a short period of time to avoid adverse effects such as additional claims for interest on amounts due or contractor financial failure. DCAA has little control over the number or timing of these reviews and must respond to all such requests.

5. ***Defective Pricing Reviews***. The Truth in Negotiations Act (TINA), as codified in 10 USC §2306a, requires contracting officers to obtain cost or pricing data from contractors before awarding a contract unless an exception applies. Under TINA the Government has the right to examine these records to evaluate the accuracy, completeness, and currentness of the cost or pricing data required to be submitted.

DCAA is responsible for performing these reviews, which assist in determining whether a contract or subcontract price was unduly increased because the contractor failed to furnish accurate, complete, or current cost or pricing information in negotiating a contract.

6. ***Cost Accounting Standards***. Contracts and subcontracts not qualifying for an exemption are subject to CAS coverage as a condition of Government contracting. The FAR assigns DCAA responsibility for reviewing contractors' implementation and compliance with the CAS rules and regulations.

II. **Force Structure Summary**: (continued)

7. ***Other Direct Audit Effort***. DCAA's audit mission includes other audit-related activities such as providing on-site assistance to procurement and contract administration offices, contract audit coordinator programs, and negotiation support. Testing performed during development of Agency policies and procedures, and follow-up effort related to Congressional, General Accounting Office (GAO), DoD Inspector General (DoD IG), and other external requests, surveys, and reports are also a part of this activity. The major items within this activity are further described below:

a. Financial Liaison. DoD Directive 5105.36, originally dated 9 June 1965, and reissued February 28, 2002, authorizes the Director, DCAA to establish and maintain liaison auditors, as appropriate, at major procuring and contract administration offices. The primary functions of financial liaison auditors are to (i) facilitate effective communication and coordination between procurement officers and auditors, (ii) provide on-the-spot personal consultation and advice in connection with contractors' cost representations and related matters, (iii) provide DCAA management with information regarding specific awards, trends in type and volume of awards, and other data impacting on immediate or long range DCAA responsibilities, and (iv) provide DCAA management with information on the adequacy, responsiveness and timeliness of audit services rendered to procurement and contract administration offices.

b. Contract Audit Coordinator (CAC) Program. A CAC program has been established at the largest DoD contractors whose accounting functions, operations, and contract performance occur at multiple locations under the audit cognizance of multiple DCAA field offices. The program is designed to maintain effective communications and audit coordination at these contractor locations. The CAC program includes effort to (i) disseminate information, (ii) monitor and track problem areas to assure uniform resolution, (iii)

II. **Force Structure Summary**: (continued)

arrange and attend CAC conferences, and (iv) coordinate with other DCAA personnel, contractor representatives, and cognizant procurement officials on CAC problems.

c. Negotiation Conferences. A fundamental requirement of DCAA's mission is to provide contract audit services and to be the principal accounting and financial advisor to contracting officials. Many times, audit results involve complex accounting issues and/or quantitative analyses that dispute contractors' cost estimates or representations. On these occasions, the best interests of the Government are served by having auditors present at negotiations to further explain the audit position, perform analyses of additional contractor data presented at the negotiation table, and provide any other accounting and/or financial assistance the contracting officer may require during the negotiation process.

d. External Audit Interface. This activity includes effort expended to develop information and comment on reports from the GAO, DoD IG, or other government inspector general offices. This activity also includes effort related to discussions and conferences, and any interface involving any other government audit organization.

e. Suspected Irregular Conduct (SIC). This activity represents effort expended related to SIC referrals, and responses to requests from investigative agencies or the Department of Justice regarding fraud or other irregular practices. This activity includes the development of evidence for presentation to an U.S. attorney or a grand jury, and/or for use at a trial.

f. Audit Support and Planning. This activity represents effort expended by the field to prepare annual audit program plan information as well as effort expended on projects and studies requested by the regions or Headquarters. The projects normally relate to new and/or innovative ways of performing DCAA's audit mission, and often add to the body

II. **Force Structure Summary**: (continued)

of knowledge needed to enhance Agency mission accomplishment through the development and application of improved audit and/or audit management technology and techniques.

8. ***Field Support***. This category includes support personnel in the five regional offices, the Information Technology Division, Technical Audit Services Division, and Defense Legal Services.

a. Regional Offices. These offices provide technical audit management and supervision, and logistical support in the form of personnel services, financial management, and administrative services to field office personnel.

b. The Defense Contract Audit Institute (DCAI). DCAI is an element of the Defense Contract Audit Agency that develops and delivers training for approximately 3,300 auditors in the contract auditing field and is an affiliated member of the Defense Acquisition University. The Institute directs and controls the development and delivery of classroom courses, one and two-day seminars, and computer based self-study courses. The Institute has program management responsibility for training and career development in the Defense Contract Audit Agency. It assures that programs of instruction, courses, and training materials meet DoD standards and Generally Accepted Government Auditing Standards (GAGAS). DCAI provides policy guidance to the regional offices and field audit offices, where appropriate, regarding training and education, and provides overall monitoring and evaluation of Agency training not conducted by the Institute. Development of new classroom courses, seminars, and self-study courses, as well as maintenance of established courses, is a key responsibility. In addition, the Institute produces videos to support training and for the Agency to provide basic information or highlight current events. The Institute, located on the south campus of the University of Memphis, often serves as a meeting center for various Agency groups. The Institute is co-located with

II. **Force Structure Summary**: (continued)

the DCAA Information Technology Division and Technical Audit Services Center in Memphis, Tennessee.

c. Information Technology Division (OIT). OIT is responsible for the development, maintenance, and enhancement of DCAA's management information system hardware and software to meet management, administrative, and audit requirements. It is also responsible for operating the Agency-wide telecommunications network, and defining and controlling data management standards.

d. Technical Audit Services Division (OTS). OTS conducts research and distributes information to the field on operations audits, quantitative audit techniques, computer assisted audit techniques, and other auditing topics that have Agency-wide application. OTS also provides technical assistance to auditors in planning reviews of contractor's electronic data processing systems and engineering operations.

e. Field Administrative Support. Field administrative support personnel provide administrative and resource management services to the Field Detachment, the Defense Contract Audit Institute, and the Defense Legal Services staff assigned to DCAA.

f. Other. This category includes personnel from the Defense Legal Service.

9. ***Headquarters***. DCAA Headquarters performs the work normally associated with the central office of a professional organization. It develops policy and promulgates instructions and operating directives needed to perform the Agency mission. It performs oversight reviews of regional and field office operations, and advises regional offices on resource management matters, including the recruitment and training of personnel. In addition, Headquarters personnel interface with other DoD components as well as other Government agencies and Congressional committees on contract audit matters.

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III. Financial Summary: ($ in Thousands)

		FY 2005				
A. Budget Activity (BA) 4	**FY 2004 Actuals**	**Budget Request**	**Appropriation**	**Current Estimate**	**FY 2006 Estimate**	**FY 2007 Estimate**
Defense Contract Audit Agency Total	**374,169**	**373,415**	**361,604**	**361,231**	**379,947**	**387,868**
DCAA Operations	358,971	356,585	344,744	345,348	362,952	370,543
DCAA Communications	3,098	4,243	4,243	3,183	4,095	4,125
DCAA Major Headquarters	12,100	12,587	12,587	12,700	12,900	13,200
FY 2004 Actuals includes $16,184 thousand of FY 2004 Supplemental funds.						
FY 2005 Estimate excludes $15,412 thousand of FY 2004/FY 2005 Title IX obligations.						
Memo: Audit Institute	**4,995**	**5,296**	**5,296**	**5,479**	**5,605**	**5,734**
DCAA Operations	4,979	5,278	5,278	5,461	5,587	5,715
DCAA Communications	16	18	18	18	18	19
DCAA Major Headquarters	-	-	-	-	-	-
Memo: Audit Operations	**369,174**	**368,119**	**356,308**	**355,752**	**374,342**	**382,134**
DCAA Operations	353,992	351,307	339,496	339,887	357,365	364,828
DCAA Communications	3,082	4,225	4,225	3,165	4,077	4,106
DCAA Major Headquarters	12,100	12,587	12,587	12,700	12,900	13,200

DEFENSE CONTRACT AUDIT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands)

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**373,415**	**361,231**	**379,947**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-11,811		
Subtotal Appropriated Amount	**361,604**		
Fact-of-Life Changes (CY to CY Only)	-373		
Subtotal Baseline Funding	**361,231**		
Reprogrammings			
Price Changes		12,556	8,293
Functional Transfers	n/a		
Program Changes		6,160	-372
Title IX Supplemental	15,412		
Total	**376,643**		
Less: Title IX Supplemental	-15,412		
Normalized Current Estimate	**361,231**	**379,947**	**387,868**

III. Financial Summary: ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**373,415**
1. Congressional Adjustments		-11,811
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions	**-11,598**	
1) Sec 8095 – Advisory and Assistance Services	-4,802	
2) Sec 8122 – Management Improvement Savings	-615	
3) Sec 8140 – Unobligated Balances	-5,918	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-263	
e. Congressional Earmarks – Indian Lands Environmental Impact	**-213**	
FY 2005 Appropriated Amount		**361,604**
2. War-Related and Disaster Supplemental Appropriations		15,412
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287): DCAA provides contract audit support on reconstruction and humanitarian efforts to all DoD components, U.S. Army Corps of Engineers and U.S. AID.	15,412	
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)		
3. Fact of Life Changes		
a. Functional Transfers		
b. Technical Adjustments	-	
1) Increases: Realigned from BA-3 for consolidation of Budget Activities within the Defense-Wide appropriation.	5,296	
2) Decreases: Realigned to BA-4 for consolidation of Budget Activities within the Defense-Wide appropriation.	-5,296	

III. Financial Summary: ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
c. Emergent Requirements		-373
1) Program Increases		
2) Program Reductions	**-373**	
a) One-Time Costs		
i) Below Threshold Reprogramming to Defense Logistics Agency for the Mid Range Financial Systems audit program.	-300	
b) Program Decreases		
i) Below Threshold Reprogramming to Defense Human Resources Activity for the Pipeline Reemployment Program.	-73	
FY 2005 Baseline Funding		**376,643**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2005 Estimate		**376,643**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-15,412
FY 2005 Normalized Current Estimate		**361,231**
6. Price Change		12,556
7. Functional Transfers		
8. Program Increases		7,712
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006	**7,712**	
1) Increase 32 direct workyears (Base: $302,245K)	3,110	
2) Increase benefits (health, relocation) (Base: $62,012K)	1,659	
3) Increase communications Intranet, ADP (Base: $3,183K)	836	

III. Financial Summary: ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
4) Information technology for software, services (Base: $7,810K)	1,355	
5) Increase DFAS costs (Base: $3,267K)	752	
9. Program Decreases		-1,552
a. One-Time FY 2005 Costs		
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006		
1) One less paid day (Base: 261 paid days)	-1,146	
2) Other program decreases	-406	
FY 2006 Budget Request		**379,947**
10. Price Change		8,293
11. Transfers		
12. Program Increases		1,375
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		
1) Information technology software maintenance renewal (Base: $2,082K)	1,375	
13. Program Decreases		-1,747
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		
1) Decrease relocation services to offset IT requirements (Base: $3,061)	-1,327	
2) Other program decreases	-420	
FY 2007 Budget Estimate		**387,868**

IV. Performance Criteria and Evaluation Summary:

	FY 2004	FY 2005	FY 2006	FY 2007
Forward Pricing	698	654	658	663
Incurred Cost Effort:				
Regular Incurred Cost	1,339	1,186	1,180	1,174
CAS Compliance Audits	88	72	72	72
Total Incurred Cost	1,427	1,258	1,252	1,246
Operations Audits	46	47	48	48
Special Audits	560	524	545	550
Defective Pricing	83	83	83	80
Cost Accounting Standards: Disclosure Statements, Cost Impact Audits, Etc.	96	95	96	95
Other Direct Audit Effort:				
Procurement Support	294	296	297	297
Audit Support & Planning	334	321	331	331
Total Other Direct	628	617	628	628
Field Support:				
Regional Offices	292	288	288	288
Field Support	102	102	102	102
Total Field Support	394	390	390	390
Headquarters	81	83	83	83
Total Work years	4,013	3,751	3,783	3,783

DEFENSE CONTRACT AUDIT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. Personnel Summary:	FY 2004	FY 2005	FY 2006	FY 2007	FY 2005/FY 2006	FY 2006/FY 2007
Civilian End Strength (Total)	4,064	3,734	3,787	3,758	53	-29
U.S. Direct Hire	4,059	3,729	3,782	3,753	53	-29
Foreign National Direct Hire	1	1	1	1	-	-
Total Direct Hire	4,060	3,730	3,783	3,754	53	-29
Foreign National Indirect Hire	4	4	4	4	-	-
(Reimbursable Civilians Included in Above (Memo))	(514)	(516)	(516)	(516)	-	-
Civilian FTEs (Total)	3,941	3,751	3,783	3,783	32	-
U.S. Direct Hire	3,936	3,746	3,778	3,778	32	-
Foreign National Direct Hire	1	1	1	1	-	-
Total Direct Hire	3,937	3,747	3,779	3,779	32	-
Foreign National Indirect Hire	4	4	4	4	-	-
(Reimbursable Civilians Included in Above (Memo))	(514)	(516)	(516)	(516)	-	-
Average Annual Civilian Salary	$ 91,283	$ 95,119	$ 97,179	$ 99,197		

DEFENSE CONTRACT AUDIT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

		Change FY 2004 - FY 2005			Change FY 2005 - FY 2006			Change FY 2006 - FY 2007		
	FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
CIVILIAN PERSONNEL COMPENSATION										
Executive, General & Special Schedules	312,549	13,177	-23,481	302,245	11,458	3,648	317,351	7,514	-1,486	323,379
Wage Board	81	10	-	91	2	-	93	1	-	94
Foreign National Direct Hire (FNDH)	53	8	-	61	1	-	62	1	-	63
Separation Liability (FNDH)	-	-	-	-	-	-	-	-	-	-
Benefits to Former Employees	25	6	-31	-	-	-	-	-	-	-
Voluntary Separation Incentive Payments	127	-	-102	25	-	-25	-	-	-	-
Disability Compensation	1,571	-	191	1,762	-	-	1,762	-	-	1,762
Total Civilian Personnel Compensation	314,406	13,201	-23,423	304,184	11,461	3,623	319,268	7,516	-1,486	325,298
TRAVEL										
Travel of Persons	13,415	268	-3,022	10,661	295	-152	10,804	227	-	11,031
Total Travel	13,415	268	-3,022	10,661	295	-152	10,804	227	-	11,031
OTHER FUND PURCHASES										
Defense Financing & Accounting Service	3,316	81	-130	3,267	-91	752	3,928	-381	203	3,750
Total Purchases	3,316	81	-130	3,267	-91	752	3,928	-381	203	3,750
TRANSPORTATION										
Commercial Transportation	719	14	-23	710	15	20	745	16	-	761
Total Transportation	719	14	-23	710	15	20	745	16	-	761
OTHER PURCHASES										
Rental Payments to GSA (SLUC)	9,045	135	-109	9,071	191	35	9,297	195	36	9,528
Purchased Utilities (Non-Fund)	34	1	1	36	1	-1	36	1	-	37
Purchased Communications (Non-Fund)	3,098	62	23	3,183	76	836	4,095	86	-56	4,125
Rents (Non-GSA)	949	19	98	1,066	22	-55	1,033	22	55	1,110
Postal Services (U.S.P.S.)	104	2	-15	91	2	-	93	2	-	95
Supplies & Materials (Non-Fund)	4,820	97	518	5,435	119	963	6,517	137	-1,544	5,110
Printing & Reproduction	-	-	-	-	-	-	-	-	-	-
Equipment Maintenance by Contract	146	2	131	279	6	-	285	6	-1	290
Equipment Purchases (Non-Fund)	3,623	72	-88	3,607	78	-20	3,665	77	-	3,742
Other Contracts	19,594	392	-1,650	18,336	381	159	18,876	389	2,421	21,686
Other Costs	900	-	405	1,305	-	-	1,305	-	-	1,305
Total Other Purchases	42,313	782	-686	42,409	876	1,917	45,202	915	911	47,028
TOTAL	374,169	14,346	-27,284	361,231	12,556	6,160	379,947	8,293	-372	387,868

* The FY 2004 Actuals column includes $16,184 thousand of FY 2004 Supplemental funds.
* The FY 2005 Estimate column excludes $15,412 thousand of FY 2004/FY 2005 Title IX obligations.

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Contract Management Agency (DCMA)

February 2005

DCMA

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DEFENSE CONTRACT MANAGEMENT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DCMA	994,445	35,896	-34,096	996,245	31,929	16,148	1,044,322	21,824	-17,086	1,049,060

* The FY 2004 Actuals column includes $5,691.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $5,692.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

Defense Contract Management Agency (DCMA) is America's vital link between the warfighter and industry. As the eyes and ears of the warfighter in contractor facilities, DCMA uses its insight into contractor operations to produce predictive information about contractor capability to meet program goals and schedules. DCMA's most important mission is its role as a combat support agency. DCMA provides customers with unparalleled contract management and acquisition support services wherever and whenever needed. DCMA is committed to continuously improving customer service.

DCMA is committed to achieving customer-identified outcomes through the transformation of DCMA's business practices. DCMA has reduced backroom functions/indirect costs, focused efforts on high and moderate risk work, increased investment in training and Human Capital Strategic Planning initiatives, and changed the rules of engagement to focus on customer outcomes.

I. Description of Operations Financed: (continued)

As the military services and Defense Agencies continue to transform, DCMA is faced with many challenges. DCMA has focused its strategic programming process and implemented transformation goals which align the agency to meet the challenges ahead. DCMA focuses on aligning resources to meet the Nation's, Department's, and stakeholders' strategic objectives.

DCMA initiatives reflected in this budget submission include:

- Dramatically increasing DCMA focus on Human Capital, Strategic Planning. Funds are required to reinvigorate Agency training efforts and ensure DCMA's workforce is postured to meet new workload;
- Consolidating Contract Management Offices (CMO) to leverage overhead at the local level (64 CMOs in FY 2002 to 50 CMO);
- Redirecting efforts from indirect/backroom functions to direct/mission workload;
- Providing workforce shaping dollars (Permanent Change of Station, Separation, Management Directed Reassignments, relocation and recruitment bonuses for hard to fill locations and skills) to allow the Agency to adapt to workload changes in this dynamic environment; and
- Increasing focus on high and moderate risk workload while minimizing efforts on low risk routine workload.

Information Technology:

DCMA continually strives to improve the efficiency and effectiveness of its business processes to support the nation's warfighter. The use of Information Technology (IT) is a major component of DCMA's success in this area; DCMA's workforce requires IT tools to perform their jobs and produce superior results.

I. Description of Operations Financed: (continued)

These efforts include applications that affect such vital DoD acquisition business matters as Pre-award Surveys of prospective contractors, contract price negotiation, material acceptances, contractor payment, and industrial workload analyses and assessments.

Visibility of key data and information at the team level supports performance-based management, allowing teams to self-direct the application of limited resources to the appropriate priorities.

The Military Departments and Defense Agencies benefit from these IT tools through faster and more accurate payments to contractors, and increased access to information such as contractor delivery status, manufacturing progress, quality assurance metrics, and status of negotiations with contractors. DCMA and its customers are better able to anticipate and resolve contract performance difficulties before they impact the warfighter.

The DCMA IT budget is displayed using the Global Information Grid (GIG) and Information Technology/Defense Information Infrastructure (IT/DII) reporting structure. The reporting structure includes Functional Area Applications, Communication and Computing Infrastructure, Related Technical Activities and Information Assurance.

This DCMA IT budget submission continues DCMA's focus on Web-basing all DCMA-unique software applications, which is essential because:

- Web-based applications dramatically reduce the cost associated with fielding new software mission capabilities, since only central servers need to be updated versus updating each employee's desktop computer; and

I. Description of Operations Financed: (continued)

- The move to Web-basing will make DCMA's software applications more adaptable to changes in the Department's procurement and financial management systems that result from the Department's Financial Management Modernization Improvement Program and Financial Management Enterprise Architecture.

IT infrastructure is vital to DCMA's mission and successful implementation of its initiatives. DCMA's technical architecture defines the computing and communications environment required to meet these goals.

The technical architecture includes the desktop computers, Local Area Networks (LANs), LAN servers, operating systems, wide area telecommunications, and system management utilities needed to deploy, run, and use DoD-wide and DCMA-unique mission software applications, the Defense Messaging System, office productivity applications (e.g., Microsoft Office), and Knowledge Management and workgroup collaboration tools. As new mission needs and business requirements are identified, DCMA updates its technical architecture. An example of a technical architecture update is the migration from client/server applications to Worldwide Web-based applications supported by a DCMA Integrated Database/Data Mart.

Updates allow DCMA to improve its Information Assurance capabilities, implement DoD's mandated Public Key Infrastructure (i.e. digital identification and signature certificates, with secure data transmission protocols), and support DoD's Acquisition Excellence and Electronic Business/Electronic Commerce initiatives. Updates also decrease database administration requirements, reduce software deployment and maintenance costs, increase adaptability to changing business and mission requirements, and reduce the time needed to field new functionalities. Updates also allow DCMA to manage systems' resources centrally for improved reliability and reduced maintenance expenses.

I. Description of Operations Financed: (continued)

DCMA replaces one-third of its desktop personal computers and LAN servers each year to keep up with the increases in computing power required by successive new generations of operating systems and Commercial-Off-The-Shelf (COTS) software, as well as to facilitate DCMA's transition to Web-based applications and improved central system management.

The three year replacement cycle is advantageous because:

1. It matches manufacturers' standard three-year no-cost on-site repair or replacement warranties.

2. Industry-wide experience shows that computer components (particularly hard drive storage devices) start failing at accelerated rates in the fourth year after delivery.

3. The costs of maintenance and repair services for computers and servers whose warranties have expired quickly mount up to the purchase prices for new equipment with three-year warranties.

4. Computers and servers more than three years old generally cannot cope with the demands imposed by newer software such as the latest versions of Microsoft's Windows operating system and Office line of products. In addition, software vendors typically stop all technical support for their products two years after the introduction of any replacement products. That means that operation of older software on older machines results in significant and protracted interruptions of service for end users, and becomes technically non-viable.

I. Description of Operations Financed: (continued)

DISA Tier 2 and Processing:

The Defense Information Service Agency (DISA) serves as a manager for all Defense Information Systems Network (DISN) activities. DISN is a wide-area communications component in the Global Information Grid (GIG). Through DISN, DCMA receives interoperable, secure Internet Protocol (IP) and Asynchronous Transfer Mode (ATM) data communication services. DISA also provides global voice services through the Defense Switched Network (DSN) which is a worldwide private-line telephone network. DISA's charges for these services are included in DCMA's budget under DISA Tier 2 Long Haul.

DCMA's budget also includes charges for DISA Processing and Testbed services. Those are the charges for operation and maintenance of DoD-wide and DCMA applications hosted by DISA on DCMA's behalf. For DCMA, DISA hosts MOCAS, CUSTOMS, Contract Audit Follow-up and an Administrative Contracting Officer Modifications Module-to-MOCAS communications database.

The DISA Electronic Commerce Centers (DECCs) at Columbus, OH and Odgen, UT also maintain 14 test instances of MOCAS for testing MOCAS system modifications before they are put into production. Those test instances are very important given that MOCAS processes approximately 1.5 million contractor invoices worth $70 billion each year.

The agency's DISA processing charges include all expense related to equipment depreciation and replacement, software, licensing fees, and the DISA labor required to operate and maintain these systems.

I. Description of Operations Financed: (continued)

Reimbursable Earnings:

DCMA performs contract management services on a reimbursable basis for non-DoD customers. Most of this reimbursable work, including support of Foreign Military Sales (FMS), NASA and other civilian agency customers, is billed monthly at a standard annual rate. Outside Continental United States (OCONUS) reimbursable work (limited in scope) is primarily reimbursed on an actual cost basis.

Contract management hours in support of FMS in the Continental United States (CONUS) are computed based on an annual ratio of FMS contract disbursements to total contract disbursements and account for 45 percent of the DCMA's estimated reimbursable budget for FY 2005. In FY 2000, the FMS annual ratio was 10.2 percent. The ratio decreased to 7.3 percent in FY 2001, 6.53 percent in FY 2002, 6.21 percent in FY 2003, 5.5 percent in FY 2004, and 4.75 percent in FY 2005. We project that the ratio will decrease to 4.0 percent in FY 2006, resulting in a decrease of approximately 42 civilian full-time equivalencies. We anticipate that the FMS annual ratio for FY 2007 will continue the declining trend, resulting in further decreases in FMS earnings.

The majority of the decreases in DCMA’s FMS earnings relate to significant reductions in FMS disbursements on FMS sales to Saudi Arabia. The level of DoD disbursements has significantly risen beginning March 2003 as a result of the war in Iraq. The increased pace of DoD disbursements has impacted the annual ratio (FMS disbursements/Total disbursements (FMS + DoD)).

DCMA hours worked in support of NASA and associated DCMA reimbursable earnings decreased approximately 27 percent from FY 1996 through FY 2000. However, from FY 2000 to FY 2001, the NASA hours stabilized and increased slightly (2.7 percent). The increase in hours

I. Description of Operations Financed: (continued)

was attributable to delegated work to support Johnson Space Center for the Space Shuttle and the International Space Station.

The September 11, 2001, terrorist attacks and other safety issues impacted scheduled launches and NASA hours from FY 2001 to FY 2003 decreased by 11.3 percent. During FY 2004, the downward trend stabilized and we project actual earnings for FY 2005 will increase (7.9 percent from FY 2003 actuals).

We anticipate earnings will again stabilize for FY 2006, with a very slight reduction from the hours projected for FY 2005 (less than 1 percent).

Standard Procurement System (SPS):

The Standard Procurement System (SPS) is a joint information technology initiative, commenced in 1994 by the Department of Defense (DoD) to enhance readiness and support to warfighters through standardization and optimization of procurement systems and activities across the Army, Navy, Air Force, Marine Corps, Defense Logistics Agency, Defense Contract Management Agency, and the other Defense Agencies. During FY 2003, operational procurement professionals relied on SPS, which is currently DoD's only standard business system, to complete more than 600 thousand contract actions totaling over 41 billion dollars.

SPS supports contract writing and contract administration for over 22,800 (target over 43,000) procurement professionals. The Defense Finance and Accounting Service also uses SPS to obtain obligation and receipt data support for contract disbursements and reconciliation. As a DoD program that affects three domains (logistics, finance, and procurement), its broad spectrum of stakeholders exerts a range of influence:

I. Description of Operations Financed: (continued)

- Assistant Secretary of Defense-Networks and Information Integration (ASD NII): Management and oversight of this ACAT 1AM program. Acquisition control exercised through the Overarching Integrated Product Team (IPT).
- Defense Procurement and Acquisition Policy (DPAP): Functional management and oversight through the acquisition domain. Functional control exercised through the Acquisition Governance Board (AGB) and Joint Acquisition Electronic Business Oversight Board (JAEBOB).
- Defense Contract Management Agency (DCMA): Planning, Programming, Budgeting, and Execution (PPBE) exercised through the Program Manager, Program Executive Office (PEO), and DCMA.
- Department of the Army, Program Executive Office-Enterprise Information Systems (PEO-EIS): Program control and policy/direction exercised through the Program Manager and the PEO.
- Military Departments and Defense Agencies: Program influence provided via requirements levied through membership in the AGB, JAEBOB, Joint Requirements Board (JRB), Sustainment Requirements Board (SRB), Technical Working Group (TWG), Report Writing Group (RWG) and participation in decentralized product testing.

SPS will prepare legacy procurement system users to use SPS and enable retirement decisions for 13 major legacy systems. SPS has replaced five legacy systems: the U.S. Navy's Automation of Procurement and Accounting Data Entry (APADE); the U.S. Marine Corps' Base Contracting Automation System (BCAS); the U.S. Army's Standard Army Automated Contracting System (SAACONS); the other Defense activities' Federal Standard Automated Contracting System (SACONS); and the U.S. Air Force's Base Contracting Automation System (BCAS).

I. Description of Operations Financed: (continued)

Operation and Maintenance funds are used for SPS support activities, such as Help Desk Support, Program Management Support, Personnel, Software Maintenance, and Travel. Help Desk Support, under the sub-activity software maintenance/COTS, is approximately 45 percent of the Operations and Maintenance budget in all budget years and encompasses the following areas:

- Core help desk support provides SPS users assistance and a mechanism for reporting operational deficiencies and necessary functional system changes.
- Infrastructure support provides assistance to SPS system administrators with database management and corruption issues, software related connectivity issues, and issues relating to software reinstallation.
- Web support provides SPS users with a globally accessible product knowledge base that includes software updates and documents that help users operate the SPS software more efficiently. This medium also provides a real-time, online, ability to generate and monitor the status of service requests.

II. Force Structure Summary: N/A

DEFENSE CONTRACT MANAGEMENT AGENCY
Operation and Maintenance, Defense-Wide
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III. Financial Summary (O&M): ($ in Thousands):

A. Sub Activities:

			FY 2005			
	FY 2004 Actual	Budget Request	Appropriation	Normalized Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Contract Administration Services						
Personnel Compensation and Benefits	886,250	927,458	905,076	917,901	928,560	926,893
Voluntary Separation Incentive pay	0,103	1,375	1,245	0,000	0,000	0,000
PCS	22,648	15,308	15,308	14,688	14,996	15,311
Travel	25,646	22,257	18,410	22,235	24,141	25,133
Training	16,515	19,570	19,570	17,689	20,893	20,669
Finance and Accounting Services	6,194	3,590	3,590	6,200	6,500	5,800
Furniture and Non-ADP Equipment	3,936	1,188	1,188	1,703	2,030	1,593
Other Operating Support Costs	56,219	79,022	77,844	40,250	47,294	44,026
Sub Total	1,017,511	1,069,768	1,042,231	1,020,666	1,044,414	1,039,425
DCMA Information Technology						
Functional Area Application	1,256	1,628	1,628	1,120	0,701	0,712
Communication & Computing Infrastructure	32,979	30,479	30,479	17,932	33,913	37,423
Related Technical Activities	34,443	9,277	9,277	42,751	42,137	41,987
Information Assurance	2,545	1,990	1,990	2,301	2,787	2,560
Sub Total	71,223	43,374	43,374	64,104	79,538	82,682
Information Services - DISA Processing	5,004	9,095	5,548	5,548	6,998	7,298
Information Services - DISA Tier 2	10,085	9,232	7,805	7,805	11,057	14,737
Standard Procurement System (SPS)	9,375	12,790	12,790	12,790	13,036	13,100
Grand Total	1,113,198	1,144,259	1,111,748	1,110,912	1,155,043	1,157,242
Less: Reimbursable Earning	118,753	114,667	114,667	114,667	110,721	108,182
Appropriated O&M Total	994,445	1,029,592	997,081	996,245	1,044,322	1,049,060

III. Financial Summary (O&M): ($ in Thousands): (continued)

B. Reconciliation Summary:	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**1,029,592**	**996,245**	**1,044,322**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Adjustments meet Congressional Intent	-588		
Congressional Adjustments (General Provisions)	-31,923		
Subtotal Appropriated Amount	997,081	996,245	1,044,322
Fact-of-Life Changes (CY to CY only)			
Subtotal Baseline Funding	**997,081**	**996,245**	**1,044,322**
Title IX Supplemental funding	5,692		
Reprogramming			
Price Changes		31,929	21,824
Functional Transfer			
Program Changes	-836	16,184	-17,086
Current Estimates	**1,001,937**	**1,044,322**	**1,049,060**
Less: Title IX Supplemental funding	-5,692		
Current Normalized Estimate	**996,245**		

III. Financial Summary (O&M): ($ in Thousands): (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**1,029,592**
1. Congressional Adjustments		-32,511
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions	**-31,923**	
1) Sec 8095 – Advisory and Assistance Services	-13,240	
2) Sec 8122 – Management Improvement Savings	-1,696	
3) Sec 8140 – Unobligated Balances	-16,317	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-670	
e. Congressional Earmarks	**-588**	
Sec 8044 – Mitigation of environmental impacts including training and technical assistance to tribes on Indian lands		
FY 2005 Appropriated Amount		**997,081**
2. War-Related and Disaster Supplemental Appropriations		5,692
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287)	5,692	
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)		
3. Fact of Life Changes		-836
a. Functional Transfers		
b. Technical Adjustments		
c. Emergent Requirements		
1) Program Increases:		
2) Program Decreases:		

III. Financial Summary (O&M): ($ in Thousands): (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
a. Below Threshold Reprogramming to Defense Logistics Agency for the Mid Range Financial Systems audit program.	-600	
b. Below Threshold Reprogramming to Defense Human Resources Activity for Pipeline Reemployment Program	-236	
FY 2005 Baseline Funding		**1,001,937**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2005 Estimate		**1,001,937**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-5,692
FY 2005 Normalized Current Estimate		**996,245**
6. Price Change		31,929
7. Functional Transfers		
8. Program Increases		28,844
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006		
1) Increase college assistance and functional training for employees to meet growing customer demand for technical support (FY 2005: $17,689K)	3,204	
2) Increase TDY travel to handle workload surges and requirement for special skillsets. Avoids permanent hires and supports Task Force Organization, an ad hoc team of functional specialists doing direct mission work in support or contract or external customer for new	4,124	

III. Financial Summary (O&M): ($ in Thousands): (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
mission starts (FY 2005: $22,235K)		
3) Increase Communication services (DISA) Tier 2 cost due to increased bandwidth needs (FY 2005: $7,805K)	4,272	
4) Increase DISA Electronic Commerce Center processing charges due to MOCAS activity increase because of Defense acquisition spending increase (FY 2005: $5,548K)	1,506	
5) Restore equipment purchases to 1/3 of Agency IT requirements per planned replacement cycle. To accommodate the FY 2005 General Provisions reductions, DCMA virtually eliminated its planned IT replacement. Planned FY 2006 level supports cyclic replacement requirements. Restoration will avoid end user interruptions and additional maintenance and repair. (FY 2005: $1,539K)	15,270	
6) Increase DFAS based on service provider cost (FY 2005: $6,200K)	467	
9. Program Decreases		-12,695
a. One-Time FY 2005 Costs		
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006	-12,695	
1) FTE declines (FY 2005: $816,377K)	-6,699	
2) One less paid day (FY 2005: $3,616K)	-3,315	
3) Communication and contract support services decline due to operating cost efficiencies resulting from field activity consolidation. (FY 2005: $79,801K)	-2,627	
FY 2006 Budget Request		**1,044,322**
10. Price Change		21,824
11. Transfers		

III. Financial Summary (O&M): ($ in Thousands): (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
12. Program Increases		4,528
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007	4,528	
1) Increase DISA Electronic Commerce Center processing charges due to MOCAS activity increase because of Defense acquisition spending increase (FY 2006: $6,998K)	308	
2) Increase Communication services (DISA) Tier 2 cost due to increased bandwidth needs (FY 2006: $11,057K)	4,220	
13. Program Decreases		-21,614
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007	-21,614	
1) FTE declines (FY 2006: $843,155K)	-16,925	
2) Decrease travel due to normalization of TFO efforts (FY 2006: $34,696K)	-1,207	
3) Decrease DFAS cost based on service provider cost (FY 2006: $6,500K)	-70	
4) Communication and contract support services decline due to operating cost efficiencies resulting from field activity consolidation. (FY 2006: $89,461K)	-3,413	
FY 2007 Budget Estimate		**1,049,060**

IV. Performance Criteria and Evaluation Summary:

As a combat support agency, DCMA provides a full range of acquisition support to the military departments for acquisition of weapons and other critical equipment. DCMA provides acquisition planning and support services during the early phases of the acquisition cycle to help construct effective solicitations, identify and mitigate potential performance risks, select capable contractors and write contracts that are easily managed with less risk of costly modification. The Agency teams with Defense Components and defense contractors to ensure product, cost and schedule are in compliance with the terms and conditions for the contract and meet the needs of the war fighter. DCMA is also responsible for ensuring procured material is of satisfactory quality, delivered when and where needed and provided at reasonable price and meets performance requirements. DCMA's strategic goals include: enabling DCMA's people to excel; delivering great customer support; improving business processes; and improving financial management through performance and budget integration. The FY 2004-2009 DoD Performance Contract for DCMA contains fifteen goals that are associated with the Agency's mission performance and the Agency's transformation. The eight mission performance goals discussed below have been assigned specific targets.

1. Ensure 100 percent of DCMA acquisition employees are certified within 18 months of assignment in the Defense Acquisition Workforce Improvement Act (DAWIA) career field and level of their current position or have an approved waiver. The focus of this goal is to (a) accurately identify Defense Acquisition University (DAU) quota requirements and (b) prioritize the distribution of the DAU quotas received. This goal supports the President's Management Agenda regarding strategic management of human capital.

2. Increase payments processed electronically by year-end for DCMA-managed contracts. An increase in productivity and efficiency is sought through use of increased

IV. Performance Criteria and Evaluation Summary:

electronic processing of invoices. This supports the President's Management Agenda item on expansion of electronic government.

3. Increase acceptance documents for source acceptance received and processed electronically for DCMA administered contracts. The ultimate goal is to increase the percentage of day-to-day contract administration activities, such as DD250s, conducted electronically. This goal also supports the President's Management Agenda item on expansion of electronic government.

4. Reduce the cost per unit of output for contract management by three percent annually from the FY 1998 baseline through improvements in productivity. DCMA has implemented a unit cost and activity-based costing system. The forecast assumes stable contract workload and no major change in delegation of contract authority. This goal supports the President's management agenda item related to budget and performance integration.

5. Achieve a rating of five or greater, on a six point scale, on 90 percent of the responses regarding overall customer satisfaction. The goal is set for five or better because the Agency should strive for a minimum rating of "satisfied". Problems identified in the survey will be assessed for corrective action.

6. Achieve closeout of contracts 90 percent of the time within the Federal Acquisition Regulation/Defense Federal Acquisition Regulation Supplement-mandated timeframes. Since much of the documentation required to close out contracts is provided by the contractor and other organizations (i.e. Defense Contract Audit Agency, Defense Finance and Accounting Services, and program offices), DCMA will continue to team with them to work out systemic issues that would delay closeout.

IV. Performance Criteria and Evaluation Summary:

7. Close all physically complete contracts with final acceptance dates older than six calendar years (from September 30 each year). DCMA strives to close all contracts within the FAR-mandated timeframe, but there is a population of contracts that are already late in closing. DCMA has put special emphasis on closing these contracts. This goal complements goal 6.

8. Ensure 95 percent of canceling funds identified as (1) "at risk" of canceling, and (2) likely to require replacement funds, do not cancel. DCMA works canceling funds to minimize the needs for its customers to pay for prior contractual obligations with current funds.

Standard Procurement Systems (SPS)

The SPS Joint Program Management Office monitors Help Desk metrics monthly for call volume and to ensure that the contractor is meeting the performance criteria. Contracting Officer Representatives monitor contractor performance to ensure all required tasks are accomplished and support the Program's mission and goals. Project Plans and Progress Reports are required monthly to ensure that contractors are meeting performance requirements. When working on service requests, the SPS Help Desk is required to meet target percentages for average response and average resolution times, as follows:

IV. Performance Criteria and Evaluation Summary:

PS Help Desk Metrics	50% in	75% in	100% in
Monthly Average Response Times			
Severity 1 Service Requests	4 hours		8 hours
Severity 2 Service Requests	8 hours		16 hours
Severity 3 Service Requests	16 hours		2.5 weeks
Monthly Average Resolution Times			
Severity 1 Service Requests		24 hours	60 hours
Severity 2 Service Requests	44 hours		96 hours
Severity 3 Service Requests	5 weeks		10 weeks

Definitions:

Response time is the time it takes the first SPS Help Desk analyst who attempts to troubleshoot the Service Request to contact an Authorized Caller.

Resolution time, which commences when a Service Request is opened, is the time required by the SPS Help Desk to identify a correct solution to an Authorized Caller's Service Request, less any time the SPS Help Desk is awaiting a response from the Authorized Caller or a third party vendor Help Desk support staff.

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V. Personnel Summary:

	FY 2004	FY2005	FY2006	FY2007	Change FY2005/ FY 2006	Change FY2006/ FY 2007
Active Military End Strength (E/S) Total	599	599	563	563	36	0
Officer	507	496	496	496	11	0
Enlisted	92	67	67	67	25	0
Civilian End Strength Total	11,236	10,409	10,762	10,067	353	(695)
US Direct Hires	11,137	10,311	10,664	9,969	353	(695)
Foreign National Direct Hire	82	79	79	79	0	0
Total Direct Hire	11,219	10,390	10,743	10,048	353	(695)
Foreign National Indirect Hire	17	19	19	19	0	0
(Reimbursable Civilian - Memo)	986	917	881	850	(36)	(31)
Active Military FTEs (Total)	599	599	563	599	(36)	36
Officer	507	507	496	507	(11)	11
Enlisted	92	92	67	92	(25)	25
Civilian End FTEs (Total)	10,755	11,028	10,733	10,415	(295	(318)
US Direct Hires	10,656	10,930	10,635	10,317	(295)	(318)
Foreign National Direct Hire	82	79	79	79	0	0
Total Direct Hire	10,738	11,009	10,714	10,396	(295)	(318)
Foreign National Indirect Hire	17	19	19	19	0	0
(Reimbursable Civilian - Memo)	986	917	881	850	(36)	(31)
Average Annual Civilian Salary	84,002	84,350	87,459	89,990		

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VI. OP 32 Line Items

		FY 2004 Program	Price Growth	Program Growth	FY 2005 Program
	CIVILIAN PERSONNEL COMPENSATION				
101	EXECUTIVE, GENERAL AND SPECIAL SCHEDULES	802,094	31,885	-11,631	822,348
103	WAGE BOARD	293	12	-82	223
104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	4,028	165	-982	3,211
106	BENEFITS TO FORMER EMPLOYEES	77	0	97	174
107	VOLUNTARY SEPARATION INCENTIVE PAY	92	0	-92	0
111	DISABILITY COMPENSATION	3,828	0	176	4,004
	TOTAL CIVILIAN PERSONNEL COMPENSATION	810,412	32,062	-12,514	829,960
	TRAVEL				
308	TRAVEL OF PERSONS	32,606	652	-2,960	30,298
	TOTAL TRAVEL	32,606	652	-2,960	30,298
	TRANSPORTATION				
771	COMMERICAL TRANSPORTATION	3,171	57	63	3,291
	TRANSPORTAION	3,171	57	63	3,291
	OTHER PURCHASES				
901	FOREIGN NATIONAL INDIRECT HIRES (FNID)	653	13	5	671
912	RENTAL PAYMENTS TO GSA (SLUC)	16,113	242	-1,790	14,565
913	PURCHASED UTILITIES (NON-FUND)	436	9	27	482
914	PURCHASED COMMUNICATIONS (NON-FUND)	8,221	164	-3,901	4,484
915	RENTS (NON-GSA)	1,720	35	581	2,336
917	POSTAL SERVICES (U.S.P.S.)	567	0	-22	545
920	SUPPLIES & MATERIALS (NON-FUNDS)	13,727	275	114	14,116
921	PRINTING & REPRODUCTION	290	6	125	421
922	EQUIPMENT MAINTENACE BY CONTRACT	944	19	12	975

VI. OP 32 Line Items: (continued)

		FY 2004 Program	Price Growth	Program Growth	FY 2005 Program
	OTHER PURCHASES				
923	FACILITY SUSTAINMENT, RESTORATION, AND MODERIZATION BY CONTRACT	1,908	38	24	1,970
925	EQUIPMENT PURCHASES (NON-FUND)	17,704	354	-16,519	1,539
931	CONTRACT CONSULTANTS	16,052	321	-16,373	0
932	MANAGEMENT & PROFESSIONAL SUPPORT SERVICES	757	15	-772	0
987	OTHER INTRA-GOVERNMENT PURCHASES	144	3	38	185
989	OTHER CONTRACTS (NOT CAAS)	49,887	998	25,419	76,304
998	OTHER COSTS	121	2	119	242
	TOTAL OTHER PURCHASES	129,244	2,494	-12,903	118,835
	INFORMATION SERVICES				
647	DISA INFORMATION SYSTEMS (MEGACENTERS)	4,470	26	1,052	5,548
671	COMM SVCS TIER 2	9,009	-93	-1,111	7,805
	TOTAL INFORMATION SERVICES	13,479	-67	-59	13,353
	FINANCIAL OPERATIONS				
673	DEFENSE FINANCING AND ACCOUNTING SERVICE	5,533	134	533	6,200
	TOTAL FINANCIAL OPERATIONS	5,533	134	533	6,200
9999	TOTAL	994,445	35,332	-27,840	1,001,937

VI. OP 32 Line Items: (continued)

		FY 2005 Program	Price Growth	Program Growth	FY 2006 Program
	CIVILIAN PERSONNEL COMPENSATION				
101	EXECUTIVE, GENERAL AND SPECIAL SCHEDULES	819,961	29,930	-10,014	839,877
103	WAGE BOARD	223	8	-3	228
104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	3,211	117	-49	3,279
106	BENEFITS TO FORMER EMPLOYEES	174	0	-1	173
111	DISABILITY COMPENSATION	4,004	0	0	4,004
	TOTAL CIVILIAN PERSONNEL COMPENSATION	827,573	30,055	-10,067	847,561
	TRAVEL				
308	TRAVEL OF PERSONS	28,172	592	5,932	34,696
	TOTAL TRAVEL	28,172	592	5,932	34,696
	TRANSPORTATION				
771	COMMERICAL TRANSPORTATION	3,291	66	1	3,358
	TOTAL TRANSPORTAION	3,291	66	1	3,358
	OTHER PURCHASES				
901	FOREIGN NATIONAL INDIRECT HIRES (FNID)	671	15	0	686
912	RENTAL PAYMENTS TO GSA (SLUC)	14,565	306	0	14,871
913	PURCHASED UTILITIES (NON-FUND)	482	10	0	492
914	PURCHASED COMMUNICATIONS (NON-FUND)	4,409	93	-511	3,991
915	RENTS (NON-GSA)	2,336	49	0	2,385
917	POSTAL SERVICES (U.S.P.S.)	545	0	0	545
920	SUPPLIES & MATERIALS (NON-FUNDS)	13,578	285	549	14,412
921	PRINTING & REPRODUCTION	421	9	0	430
922	EQUIPMENT MAINTENACE BY CONTRACT	975	20	0	995

VI. OP 32 Line Items: (continued)

		FY 2005 Program	Price Growth	Program Growth	FY 2006 Program
	OTHER PURCHASES				
923	FACILITY SUSTAINMENT, RESTORATION, AND MODERIZATION BY CONTRACT	1,970	41	0	2,011
925	EQUIPMENT PURCHASES (NON-FUND)	1,539	32	15,270	16,841
932	MANAGEMENT & PROFESSIONAL SUPPORT SERVICES	0	16	-16	0
933	STUDIES, ANALYSIS, & EVALUATIONS SERVICES	0	4	-4	0
987	OTHER INTRA-GOVERNMENT PURCHASES	185	4	0	189
989	OTHER CONTRACTS (NOT CAAS)	75,738	1,570	-1,251	76,057
998	OTHER COSTS	242	5	0	247
	TOTAL OTHER PURCHASES	117,656	2,459	14,037	134,152
	INFORMATION SERVICES				
647	DISA INFORMATION SYSTEMS (MEGACENTERS)	5,548	-56	1,506	6,998
671	COMM SVCS TIER 2	7,805	-1,020	4,272	11,057
	TOTAL INFORMATION SERVICES	13,353	-1,076	5,778	18,055
	FINANCIAL OPERATIONS				
673	DEFENSE FINANCING AND ACCOUNTING SERVICE	6,200	-167	467	6,500
	TOTAL FINANCIAL OPERATIONS	6,200	-167	467	6,500
9999	TOTAL	996,245	31,929	16,148	1,044,322

VI. OP 32 Line Items: (continued)

		FY 2006 Program	Price Growth	Program Growth	FY 2007 Program
	CIVILIAN PERSONNEL COMPENSATION				
101	EXECUTIVE, GENERAL AND SPECIAL SCHEDULES	839,877	19,317	-16,935	842,259
103	WAGE BOARD	228	6	0	234
104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	3,279	75	11	3,365
106	BENEFITS TO FORMER EMPLOYEES	173	0	0	173
111	DISABILITY COMPENSATION	4,004	0	0	4,004
	TOTAL CIVILIAN PERSONNEL COMPENSATION	847,561	19,398	-16,924	850,035
	TRAVEL				
308	TRAVEL OF PERSONS	34,696	729	-1,207	34,218
	TOTAL TRAVEL	34,696	729	-1,207	34,218
	TRANSPORTATION				
771	COMMERICAL TRANSPORTATION	3,358	70	0	3,428
	TOTAL TRANSPORTAION	3,358	70	0	3,428
	OTHER PURCHASES				
901	FOREIGN NATIONAL INDIRECT HIRES (FNID)	686	14	0	700
912	RENTAL PAYMENTS TO GSA (SLUC)	14,871	312	0	15,183
913	PURCHASED UTILITIES (NON-FUND)	492	10	0	502
914	PURCHASED COMMUNICATIONS (NON-FUND)	3,991	85	0	4,076
915	RENTS (NON-GSA)	2,385	50	0	2,435
917	POSTAL SERVICES (U.S.P.S.)	545	0	0	545
920	SUPPLIES & MATERIALS (NON-FUNDS)	14,412	303	-2,043	12,672
921	PRINTING & REPRODUCTION	430	9	0	439
922	EQUIPMENT MAINTENACE BY CONTRACT	995	21	0	1,016

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VI. OP 32 Line Items: (continued)

		FY 2006 Program	Price Growth	Program Growth	FY 2007 Program
	OTHER PURCHASES				
923	FACILITY SUSTAINMENT, RESTORATION, AND MODERIZATION BY CONTRACT	2,011	42	0	2,053
925	EQUIPMENT PURCHASES (NON-FUND)	16,841	354	0	17,195
932	MANAGEMENT & PROFESSIONAL SUPPORT SERVICES	0	17	-17	0
933	STUDIES, ANALYSIS, & EVALUATIONS	0	4	-4	0
987	OTHER INTRA-GOVERNMENT PURCHASES	189	4	0	193
989	OTHER CONTRACTS (NOT CAAS)	76,057	1,576	-1,350	76,283
998	OTHER COSTS	247	5	0	252
	TOTAL OTHER PURCHASES	134,152	2,806	-3,414	133,544
	INFORMATION SERVICES				
647	DISA INFORMATION SYSTEMS (MEGACENTERS)	6,998	-8	308	7,298
671	COMM SVCS TIER 2	11,057	-540	4,220	14,737
	TOTAL INFORMATION SERVICES	18,055	-548	4,528	22,035
	FINANCIAL OPERATIONS				
673	DEFENSE FINANCING AND ACCOUNTING SERVICE	6,500	-631	-69	5,800
	TOTAL FINANCIAL OPERATIONS	6,500	-631	-69	5,800
9999	TOTAL	1,044,322	21,824	-17,086	1,049,060

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates
Defense Finance and Accounting Service (DFAS)

February 2005

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DEFENSE FINANCE AND ACCOUNTING SERVICE
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Operation and Maintenance, Defense-Wide Summary ($ in thousands)

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DFAS										
BA-4	5,243	86	-1,151	4,178	106	1,197	5,481	117	-350	5,248

* The FY 2004 actual column and FY 2005 column include no Supplemental funds.

I. Description of Operations Financed:

The Defense Finance and Accounting Service (DFAS) serves as the Executive Agent, responsible for finance and accounting activities within the DoD. It is the single organization responsible for finance and accounting operations, procedures, and systems. While the Defense Working Capital Fund (DWCF) finances most DFAS functions, two programs are financed in the Operation and Maintenance, Defense-Wide appropriation:

1. **DoD Overseas Military Banking and Travel Card** program management oversight.

2. **Intergovernmental Transaction System (IGTS)** encompasses the design, development and implementation of a transaction repository infrastructure to manage DoD buyer and seller exchange transactions for DoD entities that acquire goods or services from each other, or that have buyer/seller exchange transactions with other federal agencies. The IGTS program will develop and execute a strategy to implement a DoD-wide solution for tracking intra-governmental buyer and seller transactions. For the Financial Management Domain, IGTS will provide a consolidated, standardized repository of transactions to facilitate the preparation of DoD-wide financial statements. For the Acquisition and Procurement Domain, IGTS will provide the standard Reimbursable Order Writing System.

The IGTS program will develop and execute a strategy to implement a DoD-wide solution for tracking intra-governmental buyer and seller transactions. The IGTS Program will:

- Provide the means to accomplish inter-DoD elimination entry postings while facilitating DoD's migration to the OMB Intragovernmental Transaction Exchange (IGTE).
- Incorporate the optimum system architecture including compliance with the DoD Business Enterprise Architecture (BEA) while re-utilizing technology where possible to achieve standardization and cost savings.
- Ensure compliance with the OMB Business Rules for intra-governmental transactions (OMB memo M-03-02, dated, October 4, 2002) and with the DoD Concept of the Operations for Intra-governmental Transactions dated October 23, 2003.
- Interface/integrate IGTS with other pertinent DoD systems to ensure completeness of accounting information.
- Improve services and information available to users and customers.

II. Force Structure Summary: N/A

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III. Financial Summary: ($ in Thousands)

		FY 2005				
A. Budget Activity (BA) 4	**FY 2004 Actuals**	**Budget Request**	**Appropriation**	**Current Estimate**	**FY 2006 Estimate**	**FY 2007 Estimate**
DoD Overseas Banking Program Management	676	300	291	291	600	625
DoD Travel Card Program Management	950	325	315	315	1,138	1,100
Intergovernmental Transaction System	3,617	3,685	3,572	3,572	3,743	3,523
Total	5,243	4,310	4,178	4,178	5,481	5,248

B. Reconciliation Summary	**Change FY 2005/FY 2005**	**Change FY 2005/FY 2006**	**Change FY 2006/FY 2007**
Baseline Funding	**4,310**	**4,178**	**5,481**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-130		
Congressional Earmarks	-2		
Subtotal Appropriated Amount	**4,178**		
Fact-of-Life Changes			
Subtotal Baseline Funding	**4,178**	**4,178**	**5,481**
Anticipated Supplemental			
Reprogrammings			
Price Changes		106	117
Functional Transfers			
Program Changes		1,197	-350
Current Estimate	**4,178**	**5,481**	**5,248**

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request (Amended, if applicable)		**4,310**
1. Congressional Adjustments		-132
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8095 – Advisory and Assistance Services	-55	
2) Sec 8122 – Management Improvement Savings	-7	
3) Sec 8140 – Unobligated Balances	-68	
4) Sec 8141 – Excessive Growth in Travel and Transportation		
e. Congressional Earmarks – Indian Lands Environmental Impact	-2	
FY 2005 Appropriated Amount		**4,178**
2. War-Related and Disaster Supplemental Appropriations		
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287)		
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)		
3. Fact of Life Changes		
a. Functional Transfers		
b. Technical Adjustments		
c. Emergent Requirements		
FY 2005 Baseline Funding		**4,178**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2005 Estimate		**4,178**

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2005 Normalized Current Estimate		**4,178**
6. Price Change		106
7. Functional Transfers		
8. Program Increases		1,208
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006		
1) Increase in contract support for the Overseas Military Banking and Travel Card program (FY 2005 baseline: $606)	1,108	
2) Increase in contract support for the Intergovernmental Transaction System (FY 2005 baseline: $3,572)	100	
9. Program Decreases		-11
a. Annualization of FY 2005 Program Decreases		
b. One-Time FY 2006 Costs		
c. Program Decreases in FY 2006		
1) Decrease in the average grade of civilian personnel. (FY 2005 baseline: $1,282)	-11	
FY 2006 Budget Request		**5,481**
10. Price Change		117
11. Transfers		
12. Program Increases		
13. Program Decreases		-350
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
c. Program Decreases in FY 2007		
1) Decrease in the average grade of civilian personnel. (FY 2006 baseline: $1,316)	-34	
2) Decrease in contract support for the Intergovernmental Transaction System (FY 2006 baseline: $3,743)	-316	
FY 2007 Budget Estimate		**5,248**

IV. Performance Criteria and Evaluation Summary:

The Defense Financial Institution Services Office manages the DoD Overseas Military Banking Program. This office oversees the day-to-day operations of a world-wide contract that provides banking products and services to authorized customers in overseas locations. This office also oversees the maintenance of regulations as they pertain to military banking and credit union located on DoD installations. The Office measures its performance through periodic customer satisfaction surveys.

Travel Card Program Management Office provides fully qualified personnel to act as program managers for the Services and Defense Agencies, and serve as the Department of Defense's program manager and liaison with the General Services Administration and the Bank of America.

In FY 2005, IGTS will complete requirements gathering, implement an initial operating capability, and achieve Milestones A, B, and C. In FY 2006 IGTS will be deployed throughout DoD and achieve Full Operating Capability. In FY 2007, IGTS will transition to operational mode ensuring continued accountability of intragovernmental transactions.

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V. Personnel Summary

	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Civilian End Strength (Total)	**22**	**32**	**32**	**32**	**-**	**-**
U.S. Direct Hire	5	11	11	11	-	-
Foreign National Direct Hire						
Total Direct Hire	5	11	11	11	-	-
Foreign National Indirect Hire						
Memo: Military Technician Included Above						
Memo: Reimbursable Civilians Included	17	21	21	21	-	-
Memo: Additional Military Technicians Assigned to USSOCOM						
Civilian FTEs (Total)	22	32	32	32	-	-
U.S. Direct Hire	5	11	11	11	-	-
Foreign National Direct Hire						
Total Direct Hire	5	11	11	11	-	-
Foreign National Indirect Hire						
Memo: Military Technician Included						
Memo: Reimbursable Civilians Included	17	21	21	21	-	-
Average Annual Civilian Salary ($000)	92	110	113	115		

DEFENSE FINANCE AND ACCOUNTING SERVICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

	FY 2004 Program	Price Growth	Program Growth	FY 2005 Program	Price Growth	Program Growth	FY 2006 Program	Price Growth	Program Growth	FY 2007 Program
CIVILIAN PERSONNEL COMPENSATION										
Executive, General and Special Schedules	459	19	804	1,282	45	-11	1,316	30	-34	1,312
OTHER PURCHASES										
Other Contracts	4,784	67	-1,955	2,896	61	1,208	4,165	87	-316	3,936
TOTAL	5,243	86	-1,151	4,178	106	1,197	5,481	117	-350	5,248

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Human Resources Activity (DHRA)

February 2005

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DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DHRA	324,429	7,683	36,930	369,042	8,083	25,673	402,798	8,477	9,100	420,375
BA-4										

* The FY 2004 Actuals column includes $750.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Actuals column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

The Defense Human Resources Activity (DHRA) finances management and improvement of the Department's principal human resources management organizations and systems. DHRA administers personnel policies, maintains comprehensive databases, provides a variety of education, research, military recruiting and executive leadership training programs, and supports benefit, readiness, force protection and financial management efforts. These programs use automation and innovative technology to enable the Department's policymakers, warfighters, and civilian managers to do their jobs more efficiently and effectively.

The increase of resources to DHRA over the budget years reflects the commitment the Department of Defense is making to address and meet key human resources management issues.

The Defense Language Office was created to meet present and future requirements for language and regional expertise. The Sexual Assault Prevention and Response Office was created as the single point of accountability for sexual assault issues in the

I. Description of Operations Financed: (continued)

Department. Additional requirements are funded for the National Security Personnel System (NSPS), scheduled to begin implementation in July, 2005.

In FY 2006, additional resources are programmed to develop, implement, and sustain the Defense Integrated Military Human Resources (DIMHRS) Personnel and Pay (Pers/Pay) system to replace the multiple disjointed systems currently used to track and serve Active, Reserve, and Guard personnel. DHRA will also fully implement the Pipeline Reemployment Program to transition injured employees from the injury compensation rolls to full-time employment, using savings from injury compensation costs to fund the program. DHRA's premier programs for attracting, training, educating, and developing senior Department of Defense civilians, the Defense Leadership and Management Program and Defense Business Fellows, will re-focus resources to address the critical need to attract and develop civilian leadership Department-wide. Several systems managed within DHRA have additional funding in FY 2006 for system development and modification, software refresh, operating costs, and contractor support, including the NSPS, Real Time Automated Personnel Identification System (RAPIDS), and the Regionalization and Systems Modernization (Reg/Mod) of the Defense Civilian Personnel Data System (DCPDS). In FY 2006, funding transfers to DHRA include resources to realign the Statistical Information Analysis Division from Washington Headquarters Service to DHRA, and funding transferred from the Defense Health Program for modification of the Defense Enrollment Eligibility Reporting (DEERS) system to accommodate enhancements to TRICARE (TRICARE Next Generation (TNex)). The Joint Advertising and Market Research Study program and DHRA operations are reduced in FY 2006 reflecting program demand and efficiencies, and the Quadrennial Review of Military Compensation is completed in FY 2005.

In FY 2007, increased funding is provided for DIMHRS sustainment, employer outreach activities of the Employer Support to the Guard and Reserve (ESGR) program, the Joint Requirements and Integration Office (JR&IO) Information Management activities, the Defense Business Fellows program and DHRA operations. Program funding decreases are

I. Description of Operations Financed: (continued)

shown for DEERS, as current modernization efforts are completed, and for NSPS, as system modifications are completed and the program implemented.

DHRA programs include:

Defense Integrated Military Human Resources System (DIMHRS) Personnel and Pay (Pers/Pay)
The DIMHRS (Pers/Pay) initiative supports a totally integrated pay and personnel system for the DoD Components' operational requirements. DHRA's Joint Requirements and Integration Office (JR&IO) provides functional direction and oversight for DIMHRS (Pers/Pay). In FY 2002, design and development funds were transferred to the Navy as the acquisition agency for DIMHRS. In FY 2005, funding was transferred back to DHRA. This transfer enables OSD to provide more effective oversight of program execution and ensure that DIMHRS (Pers/Pay) supports DoD-wide priorities and complies with Congressional mandate and Department policy, which gives the OSD Principal Staff Assistants additional responsibilities for Information Technology Portfolio Management.

DIMHRS (Pers/Pay) is a fully integrated military personnel/pay management system that will serve Service members and their families, Combatant Commands, and the Services into the 21st century. DIMHRS (Pers/Pay) is currently under development. There are also two future programs that are in the planning stages: DIMHRS (Manpower) and DIMHRS (Training). In compliance with the Clinger-Cohen Act and the Government Performance and Results Act, DIMHRS (Pers/Pay) is being developed on a Commercial-Off-the-Shelf platform. OASD NII certified that DIMHRS (Pers/Pay) met the Clinger-Cohen Act requirements under section 8121 of the FY 2000 Defense Appropriations Act for Milestone I approval. DIMHRS (Pers/Pay) received Milestone B1 approval in May 2003 when OUSD(Comptroller) certified that DIMHRS (Pers/Pay) is consistent with the Department's Business Enterprise Architecture. The DIMHRS (Pers/Pay) Acquisition Decision Memorandum (ADM), signed by the

I. Description of Operations Financed: (continued)

ASD(NII) in May 2003, approved DIMHRS (Pers/Pay) entry into System Development and Demonstration.

Joint Requirements & Integration Office (JR&IO) Information Management (IM)

DHRA's JR&IO supports the Information Management responsibilities of the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)). The office is responsible for information management, strategic plans, mission area analyses, and portfolio management. The office provides oversight and execution of the Human Resources Management domain and, as such, is responsible for initiating, coordinating, and executing project/program areas such as Interagency BPR, IM Analysis, Information Assurance, Critical Infrastructure Protection, Information Technology, Functional Data Administration, and Data Standardization. The office also has responsibility for key Department-wide systems such as the Defense Integrated Military Human Resources System (DIMHRS). JR&IO coordinates participation in budget and program reviews and supports working level and executive participation in the interagency personnel records area. JR&IO sponsors business processing reengineering projects and conducts prototype demonstrations of innovative work processes and enabling information technologies such as automated exchange of digitized personnel records.

Human Resources Management Domain

As part of the DoD Business Management Modernization Program (BMMP), the Human Resources Management (HRM) Domain is responsible for the Department’s most important resource – its people. The HRM Domain is committed to developing and supporting policies and procedures to attract, retain, and motivate a highly qualified and diverse workforce, capable of meeting mission requirements. To execute this responsibility, the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) has established three Sub-domains: Civilian Human Resources Management, Military Medical, and Military and Other

I. Description of Operations Financed: (continued)

Human Resources Management. The Director, Joint Requirements and Integration Office (JR&IO) coordinates the activities of the three Sub-domains and manages the Military and Other Human Resources Management Sub-domain. The Director, Civilian Personnel Management Service (CPMS) manages the civilian HRM Sub-Domain. The Health Affairs Chief Enterprise Architect manages the Military Medical Sub-domain. The resources supporting civilian and military HRM Sub-domain activities are in the DHRA budget.

The Civilian HRM Sub-domain is charged with providing corporate level leadership in human resources management. The Sub-domain develops and manages human resources programs and systems; develops and recommends policy and provides guidance on all aspects of civilian personnel management; and advises all levels of DoD management regarding civilian human resources issues.

Military Medical Sub-domain oversees the Department of Defense - Health Affairs, Military Health System (MHS). The Sub-domain is responsible for ensuring the nation has a healthy fighting force available at all times, supported by a combat-ready healthcare system.

The Military and Other Human Resources Management (HRM) Sub-domain supports the entire life cycle of military personnel, from recruiting and initial entry through transition, and compensation and benefits. The Sub-domain also addresses law enforcement and personnel security.

Defense Enrollment Eligibility Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC)

The DEERS, RAPIDS and CAC programs are interrelated and inter-dependent. All three programs continue to develop DoD-wide systems and capitalize on existing infrastructure.

I. Description of Operations Financed: (continued)

These highly successful, operational, production systems support critical missions throughout the Department.

- DEERS is the Department's Personnel Data Repository (PDR).
- CAC uses the DEERS PDR database for authentication and personnel information.
- RAPIDS is the application through which DoD ID cards (including CAC) are issued and the DEERS PDR database is updated.

DEERS is the DoD's only database containing personnel records of all Service members, retirees, family members, DoD civilians, and selected contractors. It facilitates rapid implementation of DoD initiatives, programs, and directed mission changes. DEERS is the DoD's first fully operational modern, Joint-Service, worldwide automated personnel system. It provides benefits verification, identity authentication and protection, and identification card issuance to over 27.1 million Service members, family members, retirees, and civilian employees of the DoD. It processes over 3 million transactions daily, updating information from over 100 systems within the DoD. This system is continually updated and maintained to secure sensitive information protected by the Privacy Act of 1974.

The personal and affiliation information in DEERS is used to verify eligibility of beneficiaries for benefits and services. This improves the management, planning, and allocation of DoD benefits, thereby reducing fraud/abuse of DoD pay and benefit programs. DEERS facilitates correct and efficient determination of member entitlements and benefits through a world-class network-based authentication infrastructure. These benefits include: medical, dental, life insurance, and Montgomery GI Bill (MGIB) educational benefits, as well as commissary and exchange privileges.

I. Description of Operations Financed: (continued)

DEERS has been modified to implement the DoD's enterprise requirements for the Healthcare Insurance Portability and Accountability Act (HIPAA) and T-Nex, the next generation of TRICARE contracts. Recent enhancements have been made to the system to meet these new requirements such as centralization of catastrophic cap, deductible, and fee payment amounts; validation of pharmacy claims through a new point of sale system; provisioning beneficiary access to perform their own enrollment functions via the web, if they desire to do so, including establishing a Family Member PIN (personal identity number)option for authentication. By streamlining enrollments and claims processing, DEERS increases benefit portability, and improves service to beneficiaries.

The DEERS Support Office (DSO) provides assistance to Service members and their families by providing eligibility information for DoD medical and dental benefits packages including qualification and registration requirements for each package. DSO customer service representatives are readily available to assist beneficiaries with any questions or problems associated with these programs. It provides a human touch for members and their families experiencing real problems in collecting entitlements and benefits. Sponsors and family members contact the DSO to request DEERS record changes, obtain assistance in resolving TRICARE claim denials, and check on eligibility for TRICARE, Medicare, the TRICARE Senior Pharmacy Program, and the TRICARE For Life Program.

DEERS continues to evolve and seek new ways to enhance the Quality of Life for our Service members and their families and address documented "dis-satisfiers". One example is the introduction of the Universal Beneficiary Card, more commonly known as the TRICARE card. The TRICARE card provides a single nationwide card customized for specific regions and medical plans, facilitating benefit portability and seamless integration of fees, deductibles and catastrophic caps for families separated across regions. Before DHRA instituted this card, service members (beneficiaries) were required to re-enroll for

I. Description of Operations Financed: (continued)

TRICARE benefits as they moved from region to region and new cards were issued by each TRICARE contractor as the beneficiaries moved – at significant cost. Additionally, through the establishment of a "self-service portal", DEERS will streamline the process of verifying the member's enrollment and eligibility for benefits and entitlements, providing another Quality of Life enhancer. This portal will permit beneficiaries, sponsors and family members to view their DoD medical benefits and entitlements information, enroll/dis-enroll in TRICARE programs and view details on co-payments, catastrophic caps and other related functions.

Through new technology and means of authentication, such as the Common Access Card (CAC), we are able to provide these capabilities while remaining compliant with the Privacy Act of 1974. We can assure our deployed troops that their families have convenient, secure access to important benefit information, while they are protecting our National Security.

In addition to its personnel and medical role, DEERS has consistently proven its value to the DoD's overall mission playing an essential role in Homeland Defense. DEERS serves as a flagship for identity management and authentication services, and promotes the Presidential initiatives for e-Government and Homeland Security. The Personnel Identity Protection Program (PIP) is the DoD's proactive approach, using DEERS and the DEERS infrastructure, to protect the identities of our Service members, employees, and families while securing access to Government assets through strong identity authentication. Supporting the Federal Government's mandate to provide electronic access to Government services, DEERS is poised to provide comprehensive authentication services to the DoD. Within DoD, DEERS will provide credential validation in both logical and physical access systems to permit authorized access to a computer application, a Government building, or a military installation.

I. Description of Operations Financed: (continued)

RAPIDS and CAC

The RAPIDS and CAC programs are the DoD's enterprise solution for annually issuing four to five million Uniformed Services Identification and Privilege Cards to Service members, active and Reserve components, civilian employees, retired members, eligible family members, and selected contractors. This system is deployed to over 1,400 locations around the world, including fixed-sites, mobilized Guard and Reserve activities, Navy ships and deployable units. In addition, RAPIDS provides the means to collect family member information so that eligible family members are appropriately categorized, entered into DEERS and issued ID cards that correctly reflect their entitlements and privileges. RAPIDS infrastructure, both hardware and software, is centrally managed by the Defense Manpower Data Center (DMDC). The infrastructure includes comprehensive user support consisting of a multi-tiered help desk, telecommunication expertise, training, equipment installation and maintenance.

RAPIDS issues the Common Access Card (CAC), the DoD smart card. The CAC is a technologically advanced identification card that enables the DoD to reform business processes, resulting in better service and support for our Service men and women. Because it contains the Public Key Infrastructure (PKI) digital certificates, it is the key to: protecting the DoD information technology infrastructure; conducting electronic commerce with our business partners moving to web-based personnel and health administration; and the reengineered Defense Travel System. As the authentication database for CAC PKI, DEERS stores information related to the digital certificates held by approximately 4 million CAC holders. The CAC is the DoD's passport to the electronic world. Technology on the CAC provides authentication of cardholders through the use of digital credentials, eliminating the need for a multitude of user identities and passwords to access different systems. Both the digital signature and the authentication

I. Description of Operations Financed: (continued)

allow the DoD to move business and commerce toward e-business and paperless goals, by replacing cumbersome, paper-based systems. The CAC will be the principal card used for physical access to DoD buildings and controlled access spaces. The CAC's physical access capability supports both the DoD Business Initiative Council Directive and the Federal Government initiative to forge a common, interoperable physical access solution for all Federal Government employees. The card contains bar codes, as well as a magnetic stripe to support current access systems. Future access systems may be tied to a contact-less chip contained on the CAC.

Using the existing DEERS/RAPIDS infrastructure to implement the CAC has allowed the DoD to field this essential piece of the DoD Information Assurance solution quickly, with minimal additional costs. DEERS and RAPIDS' hardware and software are continuously updated and refreshed in order to meet DoD information assurance requirements.

RAPIDS systems are deployed to forward locations including the Balkans, Afghanistan, Djibouti, and Iraq. In addition, CACs are issued to all Coast Guard, Public Health Service (HHS) and National Oceanographic and Atmospheric Administration (DOC) members and to selected members of all other Federal departments assigned overseas.

To further the goal of protecting the identity of our military Members and their families, our civilian employees, our affiliates, and our contractor/vendor partners, the Department is leveraging DEERS/RAPIDS and CAC for the Personnel Identity Protection (PIP) program. The goal of PIP is to develop and enhance identity protection systems. Examples of PIP systems include the Defense Biometric Identification System (DBIDS), Defense National Visitors Center (DNVC), and Defense Cross-Credentialing System (DCCIS). These systems protect personnel identity in three major ways: (1) by strongly authenticating credentials in logical and physical environments making it much more

I. Description of Operations Financed: (continued)

difficult to steal another person's identity or gain unauthorized access to Government assets; (2) by authenticating with just enough information to confirm that the credential was issued by the organization to the individual presenting the credential and that the credential is still valid. Choosing the amount or level of data required to authenticate a credential, limits the privacy information provided to DoD systems, facilities, websites, and reduces the risk of compromise; and (3) by limiting the number of databases that must store personal privacy information for logical and physical authentication, compromise of the data is further reduced.

The Personnel Identity Protection program and the associated DoD systems – The Defense Biometric Identification System, Defense National Visitors Center and Defense Cross Credentialing Identification System, place the Department in a leadership role on identity management and ahead of the power curve for implementing the new Presidential Directive, "Policy for a Uniform Identification Standard."

DHRA is working with its Federal partners in Homeland Security to support Emergency Support Function (ESF) access control processes, e.g., First Responder Passport. These projects continue to demonstrate the identity management and authentication services forged within DoD that can be leveraged throughout the Government.

Statistical Information Analysis Division (SIAD)

The SIAD function is a transfer to DHRA from Washington Headquarters Service (WHS) effective December 26, 2004. SIAD is responsible for applying information technology strategies to meet reporting requirements of the DoD and for supporting management processes within the Department in the functional areas of DoD workforce (military and civilian), military casualties and procurement information. Customers include DoD components, other Federal Government organizations, state and local governments,

I. Description of Operations Financed: (continued)

Congress, and the public. Key SIAD initiatives and activities for FY 2006 and FY 2007 will focus on complete integration of functionally transferred SIAD workforce, casualty and procurement statistical reporting responsibilities and capabilities with mainstream DHRA mission activities.

Human Resources Strategic Assessment Program (HRSAP)

The HRSAP has the primary mission of providing DoD with a Web-based and paper-and-pencil (P&P) survey capability to quickly and accurately access the attitudes and opinions of the entire DoD community – Active-duty and Reserve components members and DoD civilian employees. The HRSAP Web surveys have dramatically transformed DoD's capability to track attitudes of its workforce populations. Pencil and paper (P&P) surveys of Active and Reserve members were conducted every six or seven years but Web surveys are now conducted two (Reserve) and three (Active) times per year; this allows the Department to monitor important metrics such as intentions to stay in service. Surveys of DoD civilians were rare. Web surveys are now conducted twice each year and allow the Department, for example, to track attitudes toward the new National Security Personnel System (NSPS). The HRSAP also provides a traditional P&P survey capability for use with hard to reach populations (e.g., military spouses) and for sensitive topics (e.g., sexual harassment surveys). As a result of more timely information available to policy makers, course corrections can be made while it makes a difference in the lives of our Service members and their families and our civilian employees.

In FY 2006 and 2007, HRSAP will:

- administer a total of seven Web surveys per year of Active and Reserve component members and DoD civilian employees;
- administer one pencil and paper survey each year – Active-Duty Sexual Harassment Survey in 2006 and Reserve Equal Opportunity Survey in 2007;

I. Description of Operations Financed: (continued)

- administer sexual harassment/assault surveys to the three Military Service Academies;
- analyze and report on items and topics of the surveys; and
- improve survey assessment methods and procedures and continue to exploit the use of technology in this survey program.

Regionalization and Systems Modernization

The Defense Civilian Personnel Data System (DCPDS) is the largest automated human resources (HR) system in the world, providing HR information system support for the DoD civilian workforce worldwide. The system replaced the legacy DCPDS, and supports over 800,000 civilian employee records that include appropriated and non-appropriated fund (NAF) employees, as well as local national and National Guard Bureau (NGB) personnel. Systems support is provided through 22 DOD Regional Service Centers (RSCs) and 302 Customer Support Units (CSUs) worldwide.

The combined results of the Department's restructuring of civilian HR operations, improving and reengineering business processes, and completing the fielding of DCPDS, have greatly streamlined HR operations and reduced the number of required staff, with savings already reflected in the Defense budget. These initiatives have been implemented systematically to achieve the highest level of efficiency, ensuring that there are no adverse mission consequences, and improving civilian HR operations worldwide.

DCPDS was designed to improve and simplify personnel transaction processing, the delivery of personnel services, and retrieval of timely civilian workforce information. The DHRA Civilian Personnel Management Service (CPMS) is responsible for functional and technical oversight of DCPDS. Deployment of the system began in October 1999, and reached full operating capability on September 27, 2002. Since DCPDS development and deployment, the

I. Description of Operations Financed: (continued)

contracted operation, maintenance, and sustainment of DCPDS has been provided by Lockheed Martin Information Technology (LMIT). The sustainment phase includes the addition of system enhancements to add new functionality or improve existing capabilities. The migration of DCPDS from a client-server to web-based environment was completed in 2003, upgrading the application software to the newest release. With this web upgrade, users now access the DCPDS Oracle application through a standard web browser, taking advantage of Internet technology and improved system navigation.

The system uses a Commercial-Off-the-Shelf (COTS) product (Oracle HR), customized for the Federal and Defense environments, to provide personnel transaction processing. Resumix (owned by Yahoo Corporation), another COTS product, supports an automated recruitment and staffing process.

In addition to COTS software, DoD developed customized code to support 12 demonstration projects, 11 unique local national applications to support requirements for 17 countries, NAF employees, and NGB employees. Other applications developed by DoD and incorporated into DCPDS are: COREDOC, used to support the position classification process and develop position descriptions; AutoRif, for conducting reduction-in-force actions; a Customer Support Unit (CSU) application for standard report retrieval and ad hoc querying; and Productivity to track and capture information on the status and timeliness of personnel action processing.

The development and operation of a single, modern civilian HR information system ensures a coherent, standardized, and cost-effective system for the entire Department. Consistent with Goal 5.2.6 of the Department of Defense Human Resource Strategic Plan, DCPDS provides management systems and tools that support total force planning and informed decision-making. This budget contains the resources for the maintenance,

I. Description of Operations Financed: (continued)

sustainment, and operation of DCPDS. Enhancements planned for DCPDS include integrating employee self-service functionality and incorporating other HR automated system solutions, such as a corporate data warehousing capability. In collaboration with the Program Executive Office (PEO) National Security Personnel System (NSPS), CPMS will develop, test, and deploy the system changes for DCPDS beginning in FY 2005. Funding provided by the PEO will ensure that sufficient resources are available for the Department's IT system development and transition to NSPS.

National Security Personnel System

The National Security Personnel System program was authorized under the National Defense Authorization Act for FY 2004 (signed by the President on November 24, 2003). The legislation allows DoD to build a new civilian personnel management system. It will change how civilians are hired, assigned, rewarded, advanced, and removed, as well as how appeals are handled and how labor management relations are conducted -- all within the context of merit system principles, accommodation of veterans' preference, and respect for bargaining. NSPS will enable the Department to acquire, develop, and sustain an agile and responsive workforce to meet the demands of DoD's ever-changing national security mission.

The DHRA budget includes costs of the Program Executive Office activities and operations associated with the overarching design, development, and implementation planning of NSPS. This includes centrally developed core training modules; deployment planning, scheduling, and monitoring; development of regulations and DoD-level directives, policies, procedures, and other issuances needed to implement NSPS; development of DoD level communications tools (e.g., key messages, press kits); management of statutory collaboration process with employee unions (including sponsorship of formal meetings); modification and development of HR information systems to accommodate NSPS; and program

I. Description of Operations Financed: (continued)

evaluation (surveys, data collection and analysis, reporting). Costs borne by the Components are primarily for the preparation and execution of NSPS deployment, including training delivery, Component-unique IT systems modifications, program office operations, deployment execution, distribution of communications materials, and development of Component-unique supplemental guidance, policies and procedures.

The program is being administered and managed by the NSPS Program Executive Office, established in May 2004, which will oversee and coordinate actions to design and implement the system, in cooperation and partnership with the Defense Components and the Office of Personnel Management.

Office of Complaint Investigations (OCI)

OCI performs alternative dispute resolution (ADR) and conducts timely Equal Employment Opportunity(EEO) investigations on alleged violations of the Civil Rights Act or anti-discrimination laws.

DoD is required by regulation to investigate allegations of violation of Civil Rights Act or anti-discrimination laws, and to provide a process for the resolution of such complaints during the EEO process. Consistent with Goal 1.1 of the Department of Defense Human Resource (DoDHR) Strategic Plan, OCI provides services to assist DoD Components and Agencies in the processing of EEO complaints by expanding the use of ADR and improving investigative times to meet regulatory requirements. For FY 2004, OCI offered alternative dispute resolution on 100% of the formal EEO cases that the Department processed.

Alternative Dispute Resolution - Equal Employment Opportunity Commission (EEOC) regulations require DoD to have an ADR program for dealing with complaints of

I. Description of Operations Financed: (continued)

discrimination. OCI plays a vital role in supplementing the Military Departments and Defense agencies ADR programs. OCI's success in resolving cases through ADR improves DoD EEO statistics, reduces EEO case processing times, lowers administrative and legal costs, and enhances employee morale. The exponential benefit of early resolution extends to all parties of an EEO complaint, and is the reason Military Departments, Defense agencies, and OCI developed a joint goal to increase the use of ADR in 2004.

Timely Investigations - DoD complies with EEOC federal sector complaint processing regulations (29 CFR Part 1614) when EEO cases are investigated within 180 days. The timeliness of EEO case processing is monitored by EEOC, DoD, and OCI. Timeliness is a critical performance element for OCI and is tracked each step of the investigative process. Additional emphasis has been placed on timeliness by:

- The Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act) which requires each Federal agency to post, quarterly on their Web site, specific statistical data relating to their EEO complaints. Timeliness is one of the most visible reporting elements.
- 29 CFR Part 1614, which grants EEOC authority to sanction agencies that do not comply with regulatory timeframes.
- EEOC Management Directive – 110, which outlines specific time frames for processing in each step of the formal complaint process.
- EEOC Management Directive - 715, which grants EEOC oversight authority over agencies' EEO, case processing.
- EEOC Management Directive - 715 also allows EEOC to conduct evaluations of agency EEO programs to ensure compliance with EEOC policy, statutes, and regulations all of which require case completion within 180 days.

I. Description of Operations Financed: (continued)

Civilian Assistance and Re-Employment (CARE) Program

Since the beginning of Fiscal Year 1989, the Department of Defense has been downsizing, reorganizing, realigning, transforming, and closing bases. This will continue. Even with this prolonged organizational and employee upheaval, the Department has been extremely successful in effectively reducing the number of civilian positions in a humane and efficient manner without mission disruption. This has largely been the result of careful strategic planning and the implementation of management flexibilities that allow Commanders and Agency Heads the freedom to manage and restructure through authority delegations, and the implementation and use of innovative legislative and transition assistance tools. To date, DoD has accounted for the majority of the downsizing of the Federal workforce. Indeed, between the beginning of FY 1989 and through the end of FY 2004, DoD has reduced its civilian employment by over 421,000 positions. By September 2009, several thousand additional positions are projected to be lost. These projections do not include administration reductions and realignment initiatives (including the imminent round of base realignments and closures and the redeployment of forces from Asia and Europe).

The Civilian Assistance and Re-Employment (CARE) Division manages the operation of all Department of Defense civilian reduction and career transition assistance programs, such as the DoD Priority Placement Program (PPP), the Voluntary Early Retirement Authority (VERA), the Voluntary Separation Incentive Program (VSIP or Buyout), which are designed to restructure/reshape the DoD workforce. These Congressional, policy, and programmatic efforts support the achievement of necessary reductions with minimum workforce disruption. The success of the Department's transition programs are evaluated quarterly by assessing the number of employee placements through the PPP, the use of VSIP and VERA authorities, and through the SecDef Biennial Review of Defense Agencies and DoD Field Activities. To further ensure the Department is on the leading edge in its transition

I. Description of Operations Financed: (continued)

assistance programs, development of legislative language to implement new programs or extend current downsizing and workforce restructuring initiatives continues and is evident in the CARE Divisions annual submission of legislative proposals in the Department's Unified Legislative Budget (ULB) process. Such efforts are consistent with providing a Human Resources (HR) program that ensures the readiness of tomorrow's integrated force structure and by benchmarking HR processes and practices against industry best practices as outlined in the Department of Defense Human Resources Strategic Plan. These highly effective and emulated programs include the:

- Priority Placement Program (PPP), which has successfully placed more than 171,000 displaced employees since its inception in 1965, and continues to place an average of 137 employees each month.
- Voluntary Separation Incentive Pay (VSIP) or "buyout" program, through which DoD has avoided over 179,000 involuntary separations (reduction in force actions) since 1993. The authority was expanded in 2001, to include workforce restructuring actions to allow for a structured, decentralized approach to overcoming the critical skill imbalances resulting from continued downsizing and an aging workforce.
- Voluntary Early Retirement Authority (VERA) program through which employees retire with reduced age and service to help mitigate reductions in force or for workforce restructuring. More than 76,600 employees have retired under this program since 1993.

These three programs are likewise used to support the President's Management Agenda in his Government-wide initiative – Strategic Management of Human Capital – as well as the Department's Base Realignment and Closure initiative.

Injury/Unemployment Compensation Program (ICUC)

By law, DoD civilian employees who are injured on the job are compensated for lost wages. Injury compensation claims are processed and adjudicated by the Department of Labor,

I. Description of Operations Financed: (continued)

which bills DoD for approved claims. For FY 2004, the Defense Department was billed $615 million for injury compensation claims. DoD leads the Federal Government in cost containment.

An Injury and Unemployment Compensation tracking system was developed to aid DoD liaisons and installation managers. The system was upgraded in 2002 to enable customers to gain access over the Internet and to file claim forms electronically to the Department of Labor (DOL). This electronic interchange with DOL expedites the processing of claims for injured workers and hastens medical authorizations, treatment and bill payment. The tracking system is presently used by over 400 activities. In FY 2003 a web based Defense Portal and Analysis Center (DefPAC) program was deployed to support personnel, safety and occupational health managers in gathering statistical data necessary to identify are as program improvements. Users can extract reports and prepare charts showing historical trends in cost and injuries for DoD civilians. The use of the system is required by all Components, consistent with Goal 2.1 of the Department of Defense Human Resource (DoDHR) Strategic Plan. For the last quarter of FY 04, electronic submission usage by DoD installations was measured at 75.4%.

In FY 1993, the Department established a centralized, consolidated case review and claims verification process for all DoD unemployment claims. DoD civilian employees, who are separated through no fault of their own, are entitled to unemployment compensation (UC) benefits. Audits on 424,327 unemployment compensation claims produced a cost avoidance of $9.6 million for FY 1994 – FY 2004.

The ICUC Division provides consolidated technical and administrative services to DoD Components and installations in the administration of their injury and unemployment

I. Description of Operations Financed: (continued)

compensation programs. To this end, ICUC renders injury compensation advisory services, assists claims management, establishes verification procedures, provides liaisons collocated with Department of Labor (DOL) district offices, automates links between DOL and DoD data, nurtures home visit initiatives, and reduces program-related costs. It also provides unemployment compensation training and technical assistance to Components and installations and serves as the primary contact between DoD, DOL, and the State Employment Security Agencies. The ICUC records and audits quarterly State unemployment compensation charges. As part of the audit function the Division disputes unsupported charges and ensures that credits are received from the States. The Division provides a consolidated Department-wide injury and unemployment tracking system that eliminates duplication and enhances claims administration.

Defense Leadership and Management Program

The Commission on Roles and Missions (CORM) in March 1995 called for changes in the way senior DoD civilians were trained, educated, and developed. The CORM recommended mandatory rotational assignments, a structured educational system, enhanced opportunities for civilians to attend military service schools, and DoD organizational cost reimbursement for participants engaged in long term training via "backfill." In response, the Defense Leadership and Management Program (DLAMP) was established in April 1997, by DoD Directive 1430.16, as an executive development program to produce world-class leaders for key DoD leadership positions. Under DLAMP, high potential civilian employees from within the Department take an individualized program of education and training experiences designed to optimize their executive leadership and managerial skills and to expand their knowledge and understanding of the Department’s national security mission. The Department of Defense Human Resources Activity's (DHRA) Civilian Personnel Management Service (CPMS) is responsible for program management and stewardship of centralized DLAMP funding.

I. Description of Operations Financed: (continued)

Based on an extensive program assessment, DLAMP was refocused in FY 2002, resulting in a more streamlined, flexible, and mission-oriented program. During FY 2004, transition to the refocused program was complete and all pillars of the refocused program became operational.

As refocused, DLAMP serves as a major component of the Department of Defense succession management strategy, helping DoD prepare for the anticipated exodus of senior civilian employees over the next decade. With as many as 67 percent of the DoD career Senior Executive Service members eligible to retire by 2008, it is critical that we invest now in the maturation of a cadre of future civilian leaders to fill anticipated vacancies.

The three mandatory elements of the program that each participant must complete are:

- Professional Military Education (PME). Participants complete an introductory course on national security strategy in preparation for Senior Service School attendance. Each DLAMP participant is required to complete either the traditional 10-month PME course at a Senior Service School or a non-resident Senior Service School course. The objective of the PME course is to expand the DLAMP participant's knowledge of the Department's national security mission and foster an environment that strengthens communication between the Department's senior military and civilian leaders.
- Graduate Education. Each DLAMP participant who enters the program without an advanced degree must complete a Master's Degree. Up to one hundred full-time masters program fellowships will be funded each year; other participants will attend graduate school on a part-time basis at local universities or through distance learning. Participants who possess an advanced degree (Master's or PhD) may require additional courses to satisfactorily meet DLAMP educational requirements. In this

I. Description of Operations Financed: (continued)

case, the DLAMP participant can take up to six graduate courses in business management and public policy areas to develop familiarity with the range of contemporary subjects and issues facing Defense leaders. For example, these courses would cover such subject areas as finance, information systems, economics, human resources, statistics, and law and public policy.

- Leadership Courses. Each DLAMP participant will complete two courses in leadership; one upon entry to the program and a final course prior to program completion.

Of critical importance to the success of the program is the provision for "backfills", whereby DLAMP provides funding to the DoD Components to hire temporary replacements for DLAMP participants who are away on mandatory long-term training (the full-time master's degree fellowship or ten-month PME course).

The DLAMP program budget supports the master's degree fellowship and graduate education tuition assistance programs, PME costs, leadership course contract costs, program operations (including lease of the Executive Management Training Center in Southbridge, MA), new participant Orientation events; graduation ceremonies, administrative support, participant backfill, and participant TDY.

Defense Business Fellows Program (DBF)

The Deputy Secretary of Defense (DEPSECDEF) directed the Under Secretary of Defense, P&R to develop a plan to strengthen management ranks. With the pending retirement of some of the Department's most senior leaders with institutional knowledge of DoD's infrastructure, it is critical to begin the transference of those skills to other key decision makers and expand the pool of future leaders.

I. Description of Operations Financed: (continued)

The Defense Business Fellows Program's goal is to attract and retain to Federal service individuals with exceptional management potential who possess graduate degrees in business administration. The program will provide a platform for these individuals to advise senior managers in current and projected business and managerial trends. The program will help managers identify individuals with a high probability of success in permanent management positions and will facilitate placements and assignments.

As the Department executes the President's Management Agenda (PMA), this initiative clearly demonstrates not only the Department's support of the PMA, but its intent to show results. We are expected to assure the "continuity of leadership and knowledge through succession planning and professional development." Business skills and competencies are among those critical and core to the Department of Defense. The Department cannot wait for the skill gap crisis to happen.

Mishap Reduction Initiatives

In December 2004, the Defense Safety Oversight Council (DSOC) endorsed the Pipeline Reemployment Program for Defense Employees (Pipeline). The Office of the Secretary of Defense (OSD) authorized the Pipeline Program, and approved funding and Full Time Equivalent (FTE) positions to support these efforts. This program provides DoD organizations with over hire authority and civilian pay authority necessary to reemploy partially recovered employees suffering from job-related injuries and illnesses. Pipeline addresses two basic issues that have historically hindered reemployment efforts by installations: resource allocation and funding. The Pipeline Program removes these barriers by providing both to the DoD installation for a period of up to one year. Returning injured employees to suitable productive duty as soon as they are able, improves that employee's sense of value to the organization while minimizing the cost of

I. Description of Operations Financed: (continued)

workers' compensation disability payments. This Program is consistent with Goal 1.5 of the Department of Defense Human Resource Strategic Plan.

Joint Advertising, Market Research and Studies (JAMRS)

JAMRS is comprised of three programs described below: (1) Joint Advertising; (2) Joint Market Research; and (3) Joint Military Recruiting Studies. Together, these programs provide marketing communications and marketing solutions in order to:

- bolster the effectiveness of the Department's recruiting programs by providing the Services with core functions including corporate-level market research, personal contact information on millions of prospective recruits, and the tracking of the effectiveness of the Services' individual advertisements;
- eliminate redundancies within each of the Services' advertising and market research efforts yielding substantial cost savings; and
- provide the corporate-level campaign designed to complement the advertising efforts of the individual Services. This campaign has been designed to build advocacy among parents, teachers, coaches, who are the primary influencers of youth, and demonstrates the values and benefits of service to our country.

Joint Advertising

Joint Advertising is the corporate-level, recruiting advertising arm of the Department. In FY 2005 funding will allow this program to:

- execute an enhanced corporate marketing communications campaign to increase the likelihood that adult influencers (i.e. parents, teachers, coaches) will recommend military service to young people;
- manage the purchase of more than 3.1 million graduating seniors' names for use in the Services' direct mail and lead generation programs;

I. Description of Operations Financed: (continued)

- upgrade and update internet websites such as www.todaysmilitary.com and www.myfuture.com that present military service as a smart choice;
- monitor the Services' individual advertisements by sponsoring the Department's central advertising tracking system; and
- contract with the Selective Service for monthly Joint-Service direct mail campaigns to new registrants to generate recruiting leads for the Services.

FY 2006 and FY 2007 funding levels will include managing the purchase of more than 3.1 million graduating seniors' names for use in the Services' direct mail and lead generation programs.

Joint Market Research

The mission of Joint Market Research is to conduct studies that enable the Department to develop research-based communications and marketing strategies/solutions for its target markets. In FY 2005 funding will allow this program to:

- expand the Department's knowledge of the educator and college markets;
- conduct research on the barriers to enlistment;
- support Joint Service market research efforts to increase efficiencies and reduce redundancies; and
- conduct research on the opinions and attitudes of youth and adult influencers through the use of polls. Specifically, in FY 2005 Joint Market Research conducted two youth polls, one influencer poll and one adult poll that captured attitudes and opinions of these key target audiences on the Military and military service.

FY 2006 and FY 2007 funding levels will include:

I. Description of Operations Financed: (continued)

- conducting research on the opinions and attitudes of youth and adult influencers through the use of polls. Specifically, in FY 2006 and FY 2007, Joint Market Research will conduct two youth polls and one influencer poll that capture attitudes and opinions of these key target audiences on the Military and military service.
- maintaining the Recruit Market Information System (RMIS), a web-based system that contains demographic data on the youth market and enables the Services to establish recruiting goals for their geographic recruiting areas.

Joint Military Recruiting Studies

Joint Military Recruiting Studies is a program of separate studies to help ensure that Joint and Service recruiting resources are allocated effectively and efficiently while contributing to the Department's overall goal of recruiting, retaining, and developing military personnel. Efforts in FY 2005 include assessing the relative quality of officer accession markets and re-evaluating the DoD medical and physical enlistment standards. FY 2006 and FY 2007 funding will include:

- producing the annual Population Representation in the Military Services Report; and
- assessing the effects of medical entrance standards on enlistment.

Employer Support of the Guard and Reserve (ESGR)

ESGR's mission is to gain and maintain active support from public and private employers for the men and women of the National Guard and Reserve as defined by demonstrated employers' commitment to employee military service. Chartered by Presidential Proclamation in 1972 to develop and promote a positive, supportive relationship between National Guard and Reserve component service members and their employers, ESGR is now a

I. Description of Operations Financed: (continued)

community-based national network of 55 state and territory committees consisting of over 4,200 volunteers. ESGR provides free education, consultation and, if necessary, mediation for employers of Guard and Reserve employees.

The ESGR Headquarters not only provides training, guidance, direction, and financial and logistics support to these state and territory Committees, it creates and manages national employer education, advertising and outreach programs designed to further penetrate the employer community at all levels. These programs seek to increase employer awareness of their rights and responsibilities under the law as well as how they, through their support of their Guard and Reserve employees, are inextricably linked to the defense of the nation. ESGR is the central focal point within DoD for advising the senior Service staffs, Reserve Component chiefs, and DoD civilian leadership in the development of regulations, policies, and legislation concerning employer relations programs. It also provides resources for surveys, educational seminars, training workshops, management of information, and maintenance of information systems. ESGR also provides educational program support and ESGR programs awareness to the Reserve components down to the unit level through their Military Unit Liaison program.

As current operations continue to place unprecedented demands on the Reserve Components, the success of ESGR's mission is critical to recruiting and retention programs of the Reserve components. ESGR plans to expand national advertising and outreach programs aimed at employers and continue streamlining the administration of the contract and employer outreach program management at the state level.

Defense Resources Management Institute (DRMI)
The Defense Resources Management Institute is a jointly staffed DoD resource management educational institution operating under the supervision of a Policy Guidance Council.

I. Description of Operations Financed: (continued)

The Institute provides integrated professional education to selected military and civilian personnel involved in resource allocation and management. It is located at the Naval Postgraduate School in Monterey, California.

Office of the Actuary

Responsibilities of the DoD Office of the Actuary (OAct) have grown dramatically over the last ten years as a result of the Chief Financial Officers and Federal Financial Management Acts. OAct participates in financial statement audit committees for the Military Retirement Fund and the Retiree Health Care Fund and chairs the former. In addition, the Medicare-Eligible Retiree Health Care Fund was recently created, along with a Medicare-Eligible Retiree Health Care Board of Actuaries. OAct is tasked with assisting in the Fund's implementation and providing support to the Board. In particular, OAct is responsible for computing DoD and Treasury Fund contributions for inclusion in annual budgets and for estimating the Funds' liability to be reported in DoD and government-wide annual financial statements. This brings to four the number of trust funds for which OAct makes calculations, including liabilities of and contributions to the DoD Military Retirement Fund (MRF), the Education Benefits Fund, the Voluntary Separation Incentive Fund, and the new Medicare-Eligible Retiree Health Care Fund (MERHCF). The MRF and MERHCF financial statements are audited annually by the DoD IG. The MRF statements are the only statements with the Department that have consistently received an unqualified audit opinion. OAct calculates DoD's and Treasury's required annual contributions into each of the Funds using methods and assumptions approved by the DoD Retirement, Education Benefits, and Retiree Health Care Boards of Actuaries. These amounts are needed for annual budgets. Congress continues to modify military benefits for active duty personnel, retirees and survivors, and Reserve personnel (e.g., pay table reform, retirement benefit changes for post-1986 members, 30-year paid-up survivor benefits, and skilled nursing and home health care limitations). OAct is responsible for

I. Description of Operations Financed: (continued)

producing cost estimates for legislative proposals involving military benefits (such as Combat-Related Special Compensation and Concurrent Receipt Disability Pay) and for adapting retirement and retiree health care system valuation models to legislated changes. The number of benefit changes enacted requiring cost estimates is expected to continue to grow. OAct also oversees several contracts involved in the valuation of the retiree health care system and the reengineering of the retirement valuation program.

Quadrennial Review of Military Compensation (QRMC)

By law, the President is required to direct a complete review of the principles and concepts of the compensation system for members of the uniformed services. In the current environment, it is imperative that the Department of Defense continue to provide human resource policies and programs to ensure that we have the right size military force and that our military personnel have the requisite skills, abilities, and motivation to execute assigned missions effectively and efficiently. The 10th QRMC will undertake this review in FY 2005 and will follow on a larger Secretary of Defense initiative establishing a Defense Advisory Committee on Military Compensation. Both efforts are to ensure that the compensation system is appropriate to secure manpower needs. The QRMC will publish a report of its findings in FY 2006.

I. Description of Operations Financed: (continued)

Defense Personnel Security Research Center (PERSEREC)

PERSEREC performs personnel security research and analysis for DoD Components and members of the intelligence community and evaluates improvements to personnel security procedures, programs, and policies. This effort includes:

- conducting long-term programmatic research for the security and intelligence communities;
- carrying out rapid-response studies and analyses in support of policy formulation and systems operation;
- disseminating research information to security policymakers and practitioners; and
- developing innovative tools, systems, and job aids for security professionals.

PERSEREC products include briefings to policymakers; technical and management reports; full-scale computer systems; desktop aids, and intranet/internet applications. PERSEREC also offers consultation and recommendations on many subjects related to personnel security.

PERSEREC specializes in translating practical problems related to security policy and programs into researchable questions, collecting and analyzing empirical data, and then reporting recommendations and findings in a way that is intelligible and useful to policymakers and practitioners. For example, in 2004 PERSEREC research and recommendations regarding the use of a "Phased Periodic Reinvestigation" resulted in a national policy change allowing government agencies to conduct required continuing evaluation of Top Secret clearance holders faster, more cost-effectively, and with no adverse impact on risk. PERSEREC's research program is divided into six programmatic

I. Description of Operations Financed: (continued)

areas: Automated Personnel Security Systems, Trust Betrayal, Vetting Systems, Continuing Evaluation, Special Projects, and Databases.

Department Advisory Committee on Women in the Services

The Defense Department Advisory Committee on Women in the Services (DACOWITS) provides the Department of Defense, through the Principal Deputy Under Secretary of Defense (Personnel and Readiness) (PUSD(P&R)), with advice and recommendations on matters and policies relating to the recruitment and retention, treatment, employment, integration, and well-being of highly qualified professional women in the Armed Forces. In addition, the Committee provides advice and recommendations on family issues related to the recruitment and retention of a highly qualified professional military.

Federal Voting Assistance Program

The Federal Voting Assistance Program (FVAP) administers the Uniformed and Overseas Citizens Absentee Voting Act, 42 USC 1973ff (UOCAVA); Title XVI of the National Defense Authorization Act of FY 2002, FY 2005 and portions of the Help America Vote Act of 2002. The UOCAVA covers the voting rights of all members of the Uniformed Services, Merchant Marine, their family members and all other U.S. citizens outside the United States. The Program has oversight responsibility for the Military Departments, including the Coast Guard and the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration, DoD Agencies and Federal Executive Branch Departments and Agencies. Management of the Program requires coordination with the Congress, State and Local Governments, political parties, U.S. Companies, and national and international organizations. The FVAP conducts national and international “Get Out the Vote” campaigns, maintains the automated Voting Information Center, and administers the National Voter Registration Act, which designates Armed Forces Recruiting Stations as Voter Registration Agencies.

I. Description of Operations Financed: (continued)

Defense Language Office

The lessons of Operation Iraqi/Enduring Freedom and the Global War on Terrorism have demonstrated that the Department's foreign language capability has not kept pace with the changing global environment. The purpose of the Defense Language Office is to ensure a strategic focus on meeting present and future requirements for language and regional expertise among military and civilian employees. Its mission is to transform the foreign language capability of the Department, resulting in more members of the force speaking foreign languages required for current and future operations, increasing proficiency levels, and providing a surge capability to supplement organic forces. Responding to the Strategic Planning Guidance, the office oversees and manages the implementation of a comprehensive Department-wide Language Transformation Roadmap to achieve these ends. The Defense Language Office identifies policy, procedural, and resource needs associated with providing needed language capability. It recommends, oversees, and evaluates policies and programs for language training, testing, and sustainment. The office oversees policy regarding the development, management, and utilization of civilian employees and members of the Armed Forces; monitors trends in the promotion, accession, and retention of individuals with these critical skills; and explores innovative concepts to expand the foreign language capabilities. In addition, the office conducts research and analyzes studies, reports and lessons learned from the Global War on Terrorism and current military operations as they pertain to language and regional area expertise.

Sexual Assault Prevention and Response Office

The Sexual Assault Prevention and Response Office (SAPRO) is established to provide a single point of accountability for sexual assault issues in the Department of Defense. It is established in response to the recommendations of the Task Force on the Care for Victims of Sexual Assault, which was commissioned by the Secretary of Defense in response to concerns about sexual assault among deployed forces. The office continues the work of

I. Description of Operations Financed: (continued)

the time limited Joint Task Force on Sexual Assault Prevention and Response. This Task Force has established a new set of sexual assault policies for the Department of Defense. The SAPRO will oversee implementation of these policies, revising or expanding them as necessary; develop and evaluate Department-wide training; establish and maintain metrics and reports of sexual assault; oversee the capability of the Department to respond to the needs of victims of sexual assault; maximize opportunities for accountability and prosecution of sexual assault perpetrators, and coordinate policies related to the role and training of Victim's Advocates and other first responders. SAPRO will conduct field visits and review annual reports received from the Military Departments to determine the efficacy of policies and programs, and prepare annual reports to the Congress on the Department's policies and initiatives.

Labor
Funding is for costs associated with salary and benefits for DHRA employees.

Operations
Costs are associated with the day-to-day operations of this Field Activity that enable DHRA to support a variety of offices throughout the Department of Defense and other Federal Agencies. Included in Operations are payments for rent, utilities, communications, general training, supplies, equipment, printing, postage, inter-service support agreements, the Defense Finance and Accounting Service, and other costs.

II. Force Structure Summary: n/a

III. Financial Summary ($ in Thousands)

A. Budget Activity (BA 4) Subactivities	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appropriation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Training and Recruiting:	**35,882**	**54,508**	**58,924**	**48,929**	**39,726**	**40,448**
Joint Advertising & Marketing Research Studies (JAMRS)	14,305	18,359	28,359	24,201	7,171	7,531
Defense Leadership & Management Training (DLAMP)	20,289	34,861	29,283	23,446	31,183	31,520
Defense Resource Management Institute (DRMI)	1,288	1,288	1,282	1,282	1,372	1,397
Administration & Service-wide Activities:	**288,547**	**320,499**	**303,000**	**320,113**	**363,072**	**379,937**
Defense Integrated Military Human Resource System (DIMHRS)	14,896	38,771	37,662	36,529	49,531	64,913
Joint Requirements & Integration Office (JR&IO) Information Management	3,041	2,690	2,682	2,682	2,739	3,458
Human Resources Management Domain	6,090	8,002	6,975	6,975	8,949	9,023
Defense Enrollment Eligibility Reporting System (DEERS)	48,059	53,539	50,845	50,845	55,277	49,966
Real Time Automated Personnel Identification System (RAPIDS)	37,805	27,046	25,694	25,694	28,290	29,355
Common Access Card (CAC)	18,761	17,609	16,763	16,763	17,921	18,572
Statistical Information Analysis Division (SIAD)	0	0	0	444	390	366
Human Resources Strategic Assessment Program (HRSAP)	4,548	4,704	4,474	4,474	4,681	4,754
Regionalization and Systems Modernization (Reg/Mod)	38,194	37,291	34,666	31,902	34,402	34,285
National Security Personnel System (NSPS)	5,800	7,000	6,790	8,294	10,495	8,444

III. Financial Summary: ($ in Thousands) (continued)

A. Budget Activity (BA 4) Subactivities	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appropriation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Office of Complaint Investigations (OCI)	500	461	333	333	353	381
Civilian Assistance and Re-Employment (CARE)	87	98	73	73	77	83
Injury/Unemployment Compensation (ICUC)	173	222	100	100	106	114
Defense Business Fellows (DBF)	300	4,400	0	0	4,812	5,455
Mishap Reduction Initiatives – Pipeline Reemployment	0	0	0	4,736	12,193	12,607
Employer Support of the Guard and Reserve (ESGR)	9,846	8,419	7,884	7,884	8,529	9,857
Office of the Actuary	1,069	627	602	392	130	126
Quadrennial Review of Military Compensation (QRMC)	0	365	365	1,498	367	376
Defense Personnel Security Research Center (PERSEREC)	2,845	2,897	1,467	1,467	1,159	1,162
Department Advisory Committee on Women in the Services (DACOWITS)	277	315	305	303	310	315
Federal Voting Assistance Program (FVAP)	1,405	2,187	1,464	1,464	1,044	1,038
Defense Language Office (DLO)	750	0	0	1,840	1,350	1,427
Sexual Assault Prevention & Response Office (SAPRO)	0	0	0	2,935	2,575	2,671
Labor	74,807	78,714	78,714	85,501	92,992	95,006
Operations	19,294	25,142	25,142	26,985	24,400	26,183
Total	**324,429**	**375,007**	**361,924**	**369,042**	**402,798**	**420,375**
FY 2004 O&M Supplemental (DLO)	750					

III. Financial Summary: ($ in Thousands) (continued)

B. Reconciliation Summary	Change FY 2005/ FY 2005	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Baseline Funding	**375,007**	**369,042**	**402,798**
Congressional Adjustments (Distributed)	-1,400	-	-
Congressional Adjustments (Undistributed)	0	-	-
Adjustments to Meet Congressional Intent	0	-	-
Congressional Adjustments (General Provisions)	-11,469	-	-
Congressional Earmark	-214	-	-
Subtotal Appropriated Amount	**361,924**	-	-
Fact-of-Life Changes (CY to CY Only)	-	-	-
Subtotal Baseline Funding	**361,924**	**369,042**	**402,798**
Anticipated Supplemental	-	-	-
Reprogrammings	-	-	-
Price Changes	-	+8,083	+8,477
Functional Transfers	+7,118	-	-
Program Changes	-	+25,673	+9,100
Current Estimate	**369,042**	**402,798**	**420,375**

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request (Amended, if applicable)		**375,007**
1. Congressional Adjustments		
a. Distributed Adjustments		-1,400
1) Joint Advertising and Marketing Research Studies (JAMRS)	+10,000	
2) Defense Leadership and Management Program (DLAMP)	-5,000	
3) Defense Business Fellows (DBF)	-4,400	
4) Business Systems	-2,000	
b. Undistributed Adjustments		-
c. Adjustments to meet Congressional Intent		-
d. General Provisions		-11,469
1) Sec 8095 – Advisory and Assistance Services	-4,804	
2) Sec 8122 – Management Improvement Savings	-615	

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
3) Sec 8140 – Unobligated Balances	-5,921	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-129	
e. Congressional Earmarks – Indian Lands Environmental Impact		-214
FY 2005 Appropriated Amount		**361,924**
2. War-Related and Disaster Supplemental Appropriations		-
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.O. 108-287)	-	
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.O. 108-324)	-	
3. Fact of Life Changes		
a. Functional Transfers		-
1) Transfers In	-	
2) Transfers Out	-	
b. Technical Adjustments		0
1) Increases: Realigned from BA-3 for consolidation of Budget Activities within the Defense-Wide appropriation.	+48,929	
2) Decreases: Realigned to BA-4 for consolidation of Budget Activities within the Defense-Wide appropriation.	-48,929	
c. Emergent Requirements		
1) Program Increases		+9,400
a) One-Time Costs	-	
b) Program Growth		
i) Defense Language Office (DLO) – DHRA has permanently established the DLO to ensure a strategic focus on meeting present and future requirements for language and regional expertise within the Department of Defense to meet requirements for current and future operations. Reductions were made to the DLAMP and JAMRS programs for this purpose.	+2,900	

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
ii) Sexual Assault Prevention and Response Office (SAPRO) – The SAPRO is established to provide a single point of accountability for sexual assault issues in the Department of Defense, established in response to the recommendations of the Task Force on the Care for Victims of Sexual Assault. Reductions were made to the DLAMP program for this purpose.	+3,500	
iii) National Security Personnel System – Additional resources allow the NSPS program to develop an implementation plan, to include regulation, policies and procedures to establish and refine the NSPS program. Reductions were made to the JAMRS program for this purpose.	+3,000	
2) Program Reductions		-9,400
a) One-Time Costs		-
b) Program Decreases		
i) Defense Leadership and Management Program (DLAMP) – Emergent, high-priority DHRA programs required a one-time reduction to the DLAMP program for FY 2005. Remaining FY 2005 resources fund fixed costs, with no new student accessions. DLAMP resources were used to establish and set up the Defense Language Office and the Sexual Assault Prevention and Response Office.	-5,400	
ii) Joint Advertising & Market Research Studies (JAMRS) - Emergent, high-priority DHRA programs required a one-time reduction to the JAMRS program for FY 2005. JAMRS resources were used to establish and set up the Defense Language Office and fund additional program costs associated with the NSPS program.	-4,000	
FY 2005 Baseline Funding		**361,924**

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
4. Reprogrammings		
a. Increases		+7,118
1) Statistical Information Analysis Division – Funding for the SIAD transfers from Washington Headquarters Service to DHRA during FY 2005 to better align this function and its mission under the DHRA organizational structure.	+2,218	
2) Pipeline Reemployment Program - Resources transfer from the Military Departments and Department-Wide civilian pay accounts used for injury compensation to DHRA to begin reemploying 200 Department-wide employees per year from the Injury Compensation rolls and administer the Pipeline Reemployment Program. (Prior approval 1415 Reprogramming Required)	+4,900	
b. Decreases		-
Revised FY 2005 Estimate		**369,042**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-
FY 2005 Normalized Current Estimate		**369,042**
6. Price Change		+8,083
7. Functional Transfers		+11,358
a. Transfers In		
1) Pipeline Reemployment Program – Additional resources transfer from the Military Departments and Department-Wide civilian pay accounts used for injury compensation to DHRA to reemploy 200 Department-wide employees per year from the Injury Compensation rolls and administer full-year costs of the Pipeline Reemployment Program. (FY 2005 baseline $4,900)	+7,358	

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
2) DEERS/TRICARE Next Generation (TNex) Transfer - Funding from the Defense Health Program in FY 2006 and beyond to the DEERS program to fund continued business process improvements to the Department's Military Healthcare System. Enhancements to TRICARE, known as TRICARE Next Generation (TNex), require significant modification to DEERS. (FY 2005 baseline $50,845)	+4,000	
b. Transfers Out		-
8. Program Increases		+36,980
a. Annualization of New FY 2005 Program	-	
b. One-Time FY 2006 Costs	-	
c. Program Growth in FY 2006		
1) Defense Integrated Military Human Resource System – DIMHRS program implementation results in increased sustainment costs in FY 2006. This increase is based on an anticipated completion of development and deployment, and movement to sustainment of the system in FY 2006. (FY 2005 baseline $36,529)	+12,235	
2) Defense Leadership and Management Program – FY 2006 program provides funding to resume intake of new students into the DLAMP program and continue development and education of students already in the program pipeline. (FY 2005 baseline $23,446)	+7,245	
3) Labor – Funding for DHRA civilian pay increases to fund end strengths associated with new DHRA programs and additional end strengths for existing programs, including the NSPS, Pipeline Reemployment Program, Defense Language Office, Sexual Assault Prevention and Response Office, Statistical Information Analysis Division, and DHRA operations. (FY 2005 baseline $85,501)	+5,268	

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
4) Defense Business Fellows – The Defense Business Fellows program is designed to attract skilled individuals with graduate degrees in business administration to leadership positions in the Department, thereby strengthening DoD management ranks and addressing the pending retirement of some of the Department's most senior leaders. FY 2006 program funding will bring talented new decision makers into the Department to expand the pool of future leaders and begin transferring the institutional knowledge of senior leaders to other key decision makers. (FY 2005 baseline $0)	+4,812	
5) Real Time Automated Personnel Identification System – Increased funding in FY 2006 funds hardware and software refresh of RAPIDS. (FY 2005 baseline $25,694)	+2,056	
6) National Security Personnel System – Additional FY 2006 funding reflects the costs associated with NSPS implementation and deployment to include: additional development, modification and deployment of automated tools to support NSPS; training delivery and execution; and program assessment and evaluation. The "spiral" implementation of NSPS currently forecasts the largest number of civilian employees to be moved to NSPS during FY 2006 (FY 2005 baseline $8,294)	+2,027	
7) Reg/Mod – Additional FY 2006 funding reflects the costs to continue streamlined Defense Civilian Personnel Data System operations. (FY 2005 baseline $31,902)	+1,830	

III. Financial Summary: ($ in Thousands) (continued)

8) Human Resources Management (HRM) Domain – Increased FY 2006 funding provides the minimum funding required for the HRM Domain to meet its responsibilities under the DoD Business Management Modernization Program, to develop and support policies and procedures to attract, retain, and motivate a highly qualified and diverse workforce. (FY 2005 baseline $6,975)	+1,507	
9. Program Decreases		-22,665
a. One-Time FY 2005 Costs		
Establishment of the Sexual Assault Prevention and Response Office and the Defense Language Office resulted in one-time set-up costs in FY 2005 (FY 2005 baseline $2,935)	-810	
b. Annualization of FY 2005 Program Decreases	-	
c. Program Decreases in FY 2006		
1) Joint Advertising and Market Research Studies – The JAMRS program reflects a reduction in marketing campaigns and the number of opinion polls. (FY 2005 baseline $24,201)	-17,538	
2) Operations – Streamlined operations throughout DHRA will reduce funding required in FY 2006. (FY 2005 baseline $26,985)	-3,152	
3) QRMC – Completion of the Quadrennial Review of Military Compensation in FY 2005 reduces funding required in FY 2006. (FY 2005 baseline $1,498)	-1,165	
FY 2006 Budget Request		**402,798**
10. Price Change		+8,477
11. Transfers		-
a. Transfers In		
b. Transfers Out		
12. Program Increases		+17,843
a. Annualization of New FY 2006 Program	-	

III. Financial Summary: ($ in Thousands) (continued)

b. One-Time FY 2007 Costs	-	
c. Program Growth in FY 2007		
1) DIMHRS – Additional funds provide for the increased sustainment costs associated with full implementation of the DIMHRS program. (FY 2006 baseline $49,531)	+14,342	
2) Operations – Additional FY 2007 funding provides minimum resources required to support new and expanding DHRA programs and operations, to include rent, utilities, communications, accounting, and other costs. (FY 2006 baseline $24,400)	+1,271	
3) Employer Support for the Guard and Reserve – With current operations dramatically increasing mobilizations and demobilizations of Guard and Reserve personnel, additional funds in the ESGR program will provide increased interaction between Selected Reserve units and employers, support marketing and employer outreach campaigns, and conduct surveys to assess employer attitudes toward employee participation in the Guard and Reserve. (FY 2006 baseline $8,529)	+1,149	
4) Joint Requirements and Integration Office (JR&IO) Information Management – Increased funding in FY 2007 will support on-going and new Information Management Initiative contract costs. (FY 2006 baseline $2,739)	+661	
5) Defense Business Fellows – The increase will fund costs associated with additional Fellows to be brought into the program in FY 2007 and program management costs. (FY 2006 baseline $4,812)	+420	
13. Program Decreases		-8,743
a. One-Time FY 2006 Costs	-	
b. Annualization of FY 2007 Program Decreases	-	

III. Financial Summary: ($ in Thousands) (continued)

c. Program Decreases in FY 2007		
1) DEERS – The DEERS modernization effort and transition will be completed in FY 2006, eliminating future costs of maintaining and operating the legacy system, thereby reducing total overall cost of DEERS program. (FY 2006 baseline $55,277)	-6,472	
2) National Security Personnel System – Decreased FY 2007 funding reflects training development efforts completed in FY 2006, and decreased costs for development and modification of human resources information systems (FY 2006 baseline $10,495)	-2,271	
FY 2007 Budget Estimate		**420,375**

IV. Performance Criteria and Evaluation Summary:

DHRA's programs have been reviewed for compliance with the President's Management Agenda, Performance Management Goals of the USD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Each program has developed metrics to measure and evaluate its performance and has identified the BSC quadrant and OUSD P&R Performance Metric it supports. USD (P&R) Performance Metrics include leading the Department's compliance with the President's Management Agenda's Government-wide Initiatives, including the Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government and Budget and Performance Integration.

Defense Integrated Military Human Resources System (DIMHRS) Personnel and Pay (Pers/Pay)

The Performance goals of the DIMHRS (Pers/Pay) System will enable the transformation of all aspects of military personnel and pay management to support the requirements to streamline procedures essential to war fighting for the global war on terrorism, which requires high morale, support for joint operations, and effective management decisions. The program will design, develop, test and deploy a fully integrated military personnel and pay system, using a Commercial-Off-the-Shelf (COTS) platform, which will enable human resources transformation and provide superior, world class operating capabilities while reducing cost.

USD (P&R) is aligning its performance goals and measures with the President’s Management Agenda and risk management framework. The information management program supports the “Strategic Management of Human Capital” as the primary performance metric. The following measures and goals support this responsibility and are related to the four risk factors

IV. Performance Criteria and Evaluation Summary: (continued)

from the balanced scorecard concept: Force Management Risk, Operational Risk, Future Challenges Risk, and Institutional Risk.

FY 2005 goals and metrics:

- **Continue development of Personnel and Pay functionality for all components;**
- **Develop DIMHRS (Pers/Pay) initial operating capability;**
- **Perform System Integration Testing and System Acceptance Testing;**
- **Complete development of the interfaces for the Army; and**
- **Begin development of interfaces for the Air Force, Navy, and Marine Corps.**

FY 2006 goals and metrics:

- **Perform combined developmental testing and operational testing;**
- **Begin deployment of DIMHRS (Pers/Pay) to the Army and Air Force;**
- **Continue development of interfaces for Air Force, Navy, and Marine Corps;**
- **Perform System Integration Testing and System Acceptance Testing for Air Force, Navy, and Marine Corps; and**
- **Perform Full Operational Test and Evaluation of DIMHRS (Pers/Pay).**

FY 2007 goals and metrics include:

- **Complete deployment of DIMHRS (Pers/Pay) to the Army and Air Force; and**
- **Deploy DIMHRS (Pers/Pay) to the Navy and Marine Corps.**

Joint Requirements and Integration Office Information Management (JR&IO IM)

The OUSD (P&R) is aligning its performance goals and measures with the President’s Management Agenda and the Department's Balanced Scorecard Concept's risk management framework. The information management program supports the “Strategic Management of

IV. Performance Criteria and Evaluation Summary: (continued)

Human Capital" as the primary President's Management Agenda initiative. The following measures and goals support this responsibility.

Information Management performance goals ensure that OUSD(P&R) has the functional support necessary for policy management, Departmental representation in various committees, Business Process Reengineering management, Planning, Programming, and Budget processes, and Military Personnel and Pay Issues Resolution.

The following performance goals and metrics are for budget years FY 2005 through FY 2007 and apply to the Balanced Scorecard Concept of Institutional Risk:

- establishing the baseline Human Resources Management (HRM) domain architecture;
- establishing HRM domain procedures and guidance for portfolio management;
- establishing an inventory of HRM domain systems;
- providing timely support for the development of Departmental Human Resources Information Technology (IT) policies;
- conducting Business Process Reengineering and prototype information management initiatives in the mission area of military personnel and readiness;
- completing documentation of Inter-Agency interface requirements;
- participating in E-Gov initiatives to make military personnel information available electronically to all authorized Federal users to provide benefits and entitlements, expedite employment clearances, and respond to other routine uses of military records;
- building stakeholder awareness, understanding, and acceptance of change relative to HRM domain information technology initiatives;
- identifying functions and processes associated with the Manpower business area toward defining the scope of DIMHRS (Manpower);

IV. Performance Criteria and Evaluation Summary: (continued)

- applying Business Process Reengineering/Improvement (BPR/I) techniques with focus on adopting commercial software, common industry standards, streamline processes and standardized data across the Department, with the documentation of functional requirements for DIMHRS (Manpower);
- achieving full operating capability for the Defense Personnel Records Imaging System (DPRIS);
- participating in the Planning, Programming, Budgeting, and Execution process to obtain and fully use resources in support of military personnel and readiness IM initiatives; and
- resolving all Military Personnel and Pay issues.

Human Resources Management Domain

The following performance goals and metrics are for budget years FY 2005 through FY 2007 and apply to the Balanced Scorecard Concept of Institutional Risk:

- establishing the baseline Human Resources Management (HRM) domain architecture;
- ensuring that the HRM policies and priorities are reflected in the BMMP;
- establishing HRM domain procedures and guidance for portfolio management; and
- establishing an inventory of HRM domain systems.

Defense Enrollment Eligibility Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC)

These programs support Expanded Electronic Government and Strategic Management of Human Capital through the use of cutting edge technology for identification and authentication purposes. Under the Balanced Scorecard Concept for Defense, these programs support the Military's Health Care System's performance goals (Force Management Risk); provide essential accurate data needed to assess the size and readiness of the Force; and support force protection (Operational Risk). The DEERS program was cited in the President's

IV. Performance Criteria and Evaluation Summary: (continued)

Management Agenda as an essential contributor to Program Initiative #14 "Coordination of Veteran's Affairs and Defense Programs and Systems."

DEERS performance goals include:

- Establishing and maintaining the highest standards of accuracy for over 27 million records and worldwide access times for over 3 million transactions processed daily. These transactions represent Active and Reserve members, their families, and retirees being provided access to their eligible entitlements and medical services. The right people getting the right services at the right time;
- Establishing greater than 99.5% availability for the database outside of scheduled maintenance;
- Achieving Sub two second response time to coverage and claim queries (about 3 million transactions a day); and
- Posting of updated information from the uniformed services no more than 24 hours from receipt.

RAPIDS performance goals are to:

- Provide timely support of Service member mobilizations within 24 hours of notification;
- Achieve average issuance times of less than 15 minutes for all DoD Identification card forms;
- Achieve 97% availability for the RAPIDS system, as measured as an aggregate, across all locations; and
- Sustain issuance of all Uniform Service Identification and Privilege cards, including CACs.

CAC performance goals include:

IV. Performance Criteria and Evaluation Summary: (continued)

- Ensuring card technology remains state-of-the-art, interoperable, and sufficiently secure to facilitate e-Government and secure electronic transactions;
- Accomplishing configuration management actions for card and DoD-wide applications;
- Facilitating smart card program implementation by other Government agencies and pioneer smart card technology advancement within the Federal Government via support for the Government Smart Card Interoperability Specification (GSC-IS) sponsored by the National Institute of Standards (NIST);
- Providing processes, procedures and lessons learned to other Government agencies to reduce life-cycle costs to the Government;
- Maintaining User Outreach Program to promote usage of the CAC and PK-enabled application development;
- Providing information and presentations to the user community, and plan major educational events at least 4 times during FY 2005;
- Ensuring CAC adheres to Federal Government interoperability specifications and becomes a leader in the standardization of smart cards;
- Providing essential post-issuance capability;
- Limiting times required to download necessary client software to not more than 2 minutes; and
- Providing technical support for the “aggregate buy” of smart cards in the Federal Government.

The DEERS Support Office (DSO) monitors the number of cases, ensuring they are researched accurately and responded to in a timely manner. The DSO annually handles more that 675,000 calls, researches 90,000 cases, and mails over 687,000 letters in response to beneficiary correspondence. In addition, over 470,000 letters were mailed to beneficiaries in support of legislative changes and over 950 requests for Panoral

IV. Performance Criteria and Evaluation Summary: (continued)

Radiographs were answered to assist in post mortem identification of Service members. These services represent real people getting real answers to real problems.

DSO performance goals are:

- Measure the level of beneficiary support provided consistently;
- Maintain an average response time of less than 2 weeks for written queries;
- Answer beneficiary phone calls in under one minute wait time;
- Respond to Panograph retrieval requests within 24 hours to assist in the identification of casualties;
- Create and retain accurate reporting required by law or regulation, such as: MGIB, verification of military education, actuarial data, PERSTEMPO, linguist tracking, child and spouse abuse, federal parent locator, Defense incident reporting which feeds the National Incident Based Reporting System, EEO, Census, and demographics data; and
- Provide accurate information and analysis for decision makers in DoD and other Federal Government entities.

Human Resources Strategic Assessment Program (HRSAP)

The HRSAP provides input to USD (P&R)'s Human Resources Strategic Plan and one quadrant in DoD's Balanced Scorecard (BSC): Force Management Risk. HRSAP has metrics to measure and evaluate its performance in providing survey data to track policies and programs in support of numerous OUSD (P&R) policy offices.

HRSAP performance goals include:

- Administer eight surveys per year. Every year, three Web-based surveys of Active-Duty members, two Web-based surveys of Reserve Component members, two Web-based surveys of DoD civilian employees are conducted. In addition, one paper-and-pencil

IV. Performance Criteria and Evaluation Summary: (continued)

Active-Duty Sexual Harassment Survey is scheduled in FY 2006 and one Reserve Component Equal Opportunity Survey is scheduled in FY 2007;

- For each survey, provide P&R policy offices with a tabulation of responses report, a briefing, and summaries of research;
- Provide data for measures and metrics for DoD's Balanced Scorecard quadrant "Force Management Risk";
- Provide relevant data and analysis for OUSD P&R policies;
- Use scientifically accepted practices in item development to ensure reliable, valid results and maintain internal consistency (i.e., reliability) of any reported scale, at not less than .70 in terms of Chronbach's alpha. Representatives from OUSD (P&R) policy offices and external subject matter experts will be involved in the identification of survey content, and will ensure items are state-of-the-art measures of the content areas;
- Draw samples of participants for each survey using a technically accepted stratified random sampling approach;
- Weight samples to ensure representative summaries of survey questions and acceptable margins of error not to exceed +/- 5%in reported results for 90% of pre-established interest groups;
- Ensure data from Web survey results are available to the DoD within 90 days of closing the survey field; and
- Widely distribute survey information within the DoD manpower and personnel community via a survey Web site and other dissemination methods.

IV. Performance Criteria and Evaluation Summary: (continued)

Statistical Information Analysis Division (SIAD)

SIAD's statistical reporting function supports numerous programmed Departmental decision making processes as well as those that are ad hoc in nature, driven by current events. Publications and reports produced by SIAD either directly or indirectly satisfy and/or support recurring Departmental Congressionally mandated reporting requirements.

SIAD performance goals include:

- Complete recurring DoD reports and publications on schedule;
- Complete all congressionally mandated reports per established deadlines;
- Post all Web site statistical information in accordance with published schedules;
- Maintain an average response time of two weeks or less for routine written queries;
- Maintain an average response time of one week or less for FOIA requests;
- Maintain an average response time of one week or less for web-based inquiries; and
- Provide accurate information and analysis for decision makers in DoD and other Federal Government organizations.

Regionalization and Systems Modernization

The Defense Civilian Personnel Data System (DCPDS) provides civilian HR information system support for the DoD civilian workforce worldwide, replacing the legacy DCPDS, and supporting over 800,000 employee records and approximately 1.5 million position records.

When combined with the regionalization of civilian HR servicing, DCPDS will allow the Department to reach a target-servicing ratio of 1:88. DCPDS has enabled a significant improvement in the servicing ratio (the number of personnelists to employees served) achieving significant savings by improving the 1:66 ratio at program inception to 1:80 currently. Additional gains are expected. The DCPDS enterprise system eliminates duplicative Component system costs associated with previously used mainframe computer

IV. Performance Criteria and Evaluation Summary: (continued)

operations. Improved systems performance gained through upgrades to the system software and employment of newer, more scaleable technology will continue to facilitate further consolidation of the technical infrastructure supporting DCPDS.

The Economic Analysis (EA) for DCPDS projects approximately $200 million in annual savings after full implementation of DCPDS across the Department and servicing ratio goals (1:88) are attained. These reduced costs are attributable to decreases in HR staff and facilities costs, and the elimination of duplicate legacy system maintenance. Independent review and analyses of DCPDS completed in April 2003 and August 2004 supported this projection over the lifecycle of the program through FY 2011.

Sustainment, operation, and maintenance of DCPDS are managed by CPMS through outsourcing to a firm fixed-price contract. System and vendor performance metrics have been established and implemented to assess contractor performance. The contract provides incentives for reducing overall system maintenance costs and increasing efficiencies in operations. Contract management oversight exercised by this organization will leverage use of these incentives to increase efficiency and reduce costs. CPMS uses an automated system that captures performance metrics (such as system uptime, network availability, and patch time.)

The success of the Regionalization and Systems Modernization Program is measured by systems development accomplishments, the quality of system functionality, customer feedback, and efficiencies achieved through automated process improvements. These measurement factors are assessed through customer feedback concerning the level of assistance provided and the avoidance of service disruption. The success of the program is best measured subsequent to deployment through the evaluation of regionalization and systems modernization technical and functional benefits. In 2003 and 2004, an independent program review (Post Implementation Review (PIR)) was conducted through a commercial

IV. Performance Criteria and Evaluation Summary: (continued)

vendor. The key measure, for both the regionalization and modernization efforts, is improvement in the ratio of civilian HR staff to supported population across DoD. Results of the PIR indicate that the program continues to support the savings projections of the DCPDS EA, and customer satisfaction continues to increase. Consolidation of operations is another efficiency resulting from the robustness of the enterprise system. During FY 2003 all Army regional databases were consolidated at a single location on a single database instance. In 2004, Navy moved its regional servers to a single location in preparation for a similar consolidation initiative. These actions indicate the potential for additional regional service center reorganization and increased Component savings.

National Security Personnel System

The design and implementation of NSPS must meet a number of Key Performance Parameters (KPPs). A KPP is a capability or characteristic that is so significant that failure to meet a minimum "threshold" can be cause for that element, concept, or system to be reevaluated, or the program to be reassessed or terminated. The NSPS Requirements Document approved by the NSPS Senior Executive on 25 September 2004 identifies six KPPs:

- High Performing Workforce and Management: Employees and supervisors are compensated and retained based on their performance and contribution to mission.
- Agile and Responsive Workforce and Management: Workforce can be easily sized, shaped, and deployed to meet changing mission requirements.
- Credible and Trusted: System assures openness, clarity, accountability, and adherence to the public employment principles of merit and fitness.
- Fiscally Sound: Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance.
- Supporting Infrastructure: Information technology support, training, and change management plans are available and funded.

IV. Performance Criteria and Evaluation Summary: (continued)

- Schedule: NSPS will be operational and stable in sufficient time to evaluate it before the Labor Relations system sunset date [November 2009].

Office of Complaint Investigations (OCI)

The success of OCI services is measured by the ratio of ADR attempts to cases received, investigative processing times, and customer feedback.

Alternative Dispute Resolution: OCI performance criteria calls for ADR to be offered on 100% of EEO cases, for ADR to be the preferred method of closing EEO cases, and for EEO Investigators to actively encourage early dispute resolution.

- Since FY 2001 OCI: processed over 14,180 EEO complaints; resolved 4,574; and avoided potential processing and litigation costs of between $274 million and $1.0 billion.
- During FY 2004 OCI: offered alternative dispute resolution on 100% of the 3,598 formal EEO cases that the Department processed; resolved 1,183 EEO Complaints; and avoided potential processing and litigation costs of between $71 million and $278 million.
- By FY 2006 OCI: will continue to offer ADR on 100 percent of available EEO cases; increase early resolutions to over 50 percent; avoid potential processing and litigation cost of between $103 million and $403 million; reduce processing time to less than 120 days; and develop new efficiencies that will improve DoD No FEAR statistics for all Military Departments and Defense agencies.

A.

Timely EEO Investigations: OCI works closely with the Military Departments and Defense agencies to accomplish the joint goal of completing DoD EEO cases in less than 180 days.

- Since FY 2001: EEO investigations were completed by OCI within an average of 126 days. This efficiency contributed to the Military Department and Defense agencies regulatory requirement, and goal, of case completion in less than 180 days.

IV. Performance Criteria and Evaluation Summary: (continued)

- During FY 2004: The No FEAR Act served to renew the emphasis DoD places on eliminating old cases. Concentrating on the elimination of old cases and revised EEOC regulations allowing the amendment of cases, increased the average processing time for OCI to, an unusually high, 138 day for an investigation.
- By FY 2006 OCI: OCI will continue to work with the Military Departments and Defense agencies to execute joint goals, implement new efficiencies to increase the number of cases closed within 180 days to 75%, and meet still undefined No FEAR Act and EEOC MD-715 requirements.

Civilian Assistance and Re-Employment (CARE) Program

The DoD Priority Placement Program (PPP) is the Department's cornerstone placement program. The PPP focus, the placement of displaced/dislocated workers, is enhanced through the use of web-based technology. These initiatives combined with other systems innovations, e.g., development of meta-tags that easily identify on-line policy and procedural guidance for PPP counselors, and an on-going project to incrementally adapt the formal 3½-day PPP Training Course to on-line Electronic Distance Learning Training, have significantly reduced, and will continue to reduce, required staff time. We have developed six course modules on PPP training, two of which have been deployed and the remaining four are being converted to Lectora multi-media software for imminent deployment.

In FY 2005, the CARE staff will reinstitute PPP program assessments at selected activities across the Department. The initiative provides a systematic approach to ensuring program compliance and determining the level of program expertise within field organizations. The results of the evaluations will provide critical data in focusing training efforts as the Department moves into the next round of BRAC realignments and closures and the redeployment of the Department's forces from Asia and Europe.

IV. Performance Criteria and Evaluation Summary: (continued)

The success of Department's transition assistance programs is measured by the number of displaced employees placed through PPP, the satisfaction of managers who receive employees placed through PPP, the number of employees who accept VSIP and/or VERA to mitigate the effects of downsizing or other restructuring actions, and the quality of training provided to program managers of the PPP and their subsequent administration of the program. These successes are measured in the Civilian Personnel Management Service's (CPMS) Strategic Plan, i.e., Goal 1 (Become the "Provider of Choice" for human resources products and services.), Goal 2 (Continuously seek and employ innovative solutions. Use state-of-art technology to enhance business practices. Reach for future technology and uncharted ideas to improve programs, processes, and services.), and Goal 4 (Sustain customer service orientation in the delivery of CPMS products and services).

During FY 2004, the program placed 1,637 displaced employees and received more than 3,600 registrations in its databank. We expect the number of displaced registrants to increase based on:

- Continued downsizing - Based on 2005 President’s Budget data, the Department projects approximately five thousand additional reductions in its civilian strength through the end of FY 2009.
- Projected base realignments and closures - Current law (Pub. L. 107-107) establishes the authority for another round of realignment and closure of military installations beginning in FY 2005. This office has begun and will continue to seek regulatory and legislative changes to assist employees affected by these actions in transitioning to other positions, careers, or to private life. We expect, following a decade-plus of downsizing, that the continued Defense employment of affected employees to be a challenge. There are not enough DoD positions to accommodate such massive reductions. As such, we are now planning to establish employment partnerships with other Federal, state, county and local governments to include trade/professional organizations, local Chambers of Commerce and private industry.

IV. Performance Criteria and Evaluation Summary: (continued)

- Competitive Sourcing - Projections indicate a loss of approximately thirty thousand civilian positions in FY 2006-2007 resulting from the public-private competition of commercial activities performed with DoD civilian positions. The result of these competitions either eliminates the civilian positions (for contract decisions) or reduces the civilian positions (for in-house decisions). This number is expected to remain fairly constant for the competitions projected in the FY 2005 President's Budget.
- Proposed redeployment of forces from Asia and Europe. In August, 2004, President Bush announced the redeployment of 70,000 troops and 100,000 family members and DoD employees from overseas bases. The return of vast numbers of employees from overseas locations will result in realignments and reorganizations requiring the expanded use of the PPP, VSIP, and VERA programs. The CARE staff is in the process of evaluating the impact the President's proposal will have on program operations so adjustments can be made to ensure a smooth transition of those employees and organizations.
- Sustained workforce restructuring – Over a decade of reductions have left the Department with critical skill imbalances. To offset this and avoid any crucial mission degradation, Section 9902(i) of title 5, United States Code (U.S.C.) as enacted by Section 1101 of the National Defense Authorization Act for Fiscal Year 2004, Pub. L. 108-136, November 23, 2203, provided the Department permanent authority to use separation incentives (buyouts) and early retirements for shaping the workforce (no mandatory loss of position). It is anticipated that these incentives will be used significantly in the out-years to avoid employee separations and downgrades associated with ongoing reductions and realignment initiatives.

The CARE transition tools and the PPP have enabled DoD to maintain an overall involuntary separation rate of less than 10 percent of total reductions. This, combined with a 45 percent placement rate, makes the PPP a model for other Federal agencies. Once base

IV. Performance Criteria and Evaluation Summary: (continued)

closures are announced, CARE anticipates a jump in PPP registrations of up to 300 percent, as announced activities will want to start early registration and placement actions. This is based on an increase in registration numbers resulting from prior realignment and closure announcements. Accordingly, we expect a corresponding spike in workload and travel to conduct PPP workforce briefings, employee counseling, and PPP registration actions. As a responsible employer and advocate of the Congressional closure authority, we will continue to show a presence at most, if not all, realigned or potential closure locations.

In late FY 2003, CARE completed the development and assumed oversight responsibility for the DoD-wide automated Reemployment Priority List (RPL). The RPL, which is mandated by Federal regulations, provides reemployment consideration for employees who are separated by reduction in force. Consequently, when base closure activity increases enrollment in the PPP, RPL activity will simultaneously increase. As a relatively new program, it is not possible to gauge the affect of major downsizing on the CARE RPL workload, but it will undoubtedly be significant.

Since 1994, the CARE staff has conducted briefings on the PPP and the CARE programs for 97,175 employees, 7,886 managers, and 843 union representatives. In FY 2004, briefings were conducted at 35 installations in the U.S. and overseas. This action will continue. Based on past experience, we project about 15,000 (combined) employees will receive counseling in FY 2005; 20,000 in FY 2006; 23,000 in FY 2007; and 25,000 in FY 2008.

Injury/Unemployment Compensation Program

The success of the Injury Compensation Program is measured by cost avoidance and customer satisfaction. The customers who shape the organization’s workload are the DoD Components, installation level program managers, installation/activity commanders, employees, and the Department of Labor (DOL). Prior to consolidation, most of the

IV. Performance Criteria and Evaluation Summary: (continued)

Components did not have the benefit of liaison specialists collocated at DOL offices to review injury cases, conduct home visits to injured employees, train, advise, and assist in reemployment efforts. Since October 1993, home visits were conducted in 70 areas with 3,262 claimants visited, and more are planned in future years consistent with Goal 1.5 of the DoDHR Strategic Plan. Since 1994, the Government-wide injury compensation bill increased by 29.0 percent. In contrast, the DoD injury compensation bill only increased 1.6 percent providing DoD a cost avoidance of $166 million. Most individuals receiving wage loss and death benefits received a 1.6 percent increase in 2004 due to a cost of living adjustment, and overall Federal government costs for injured employees increased by 0.7 percent, but the DoD injury compensation bill decreased by 2.0 percent in 2004.

To ensure similar savings for FY 2006 through FY 2007, the DoD Quality Occupational Environment Working Group will continue, in accordance with Goal 1.5 of the DoD Strategic Plan, to recommend and develop action plans to improve the overall quality of the work environment.

Defense Leadership and Management Program (DLAMP)

The number of program graduates who achieve key leadership positions in the Department of Defense, and the contributions they make to the mission will ultimately measure the long-term success of DLAMP. To date, 125 DLAMP participants have achieved positions in, or equivalent to, the Senior Executive Service. Additionally, over 50 percent of current participants have been promoted at least one grade level, and almost 20 percent have been promoted two grade levels, while participating in the program.

Program participants are highly educated, relatively young (compared to DoD employees overall at their grade levels), and represent a wide variety of occupational expertise throughout all DoD Components. The DLAMP cadre is diverse. Representation of women and minority employees in DLAMP exceeds that of the overall DoD population at comparable

IV. Performance Criteria and Evaluation Summary: (continued)

grade levels. Retention in DoD is high. Since program inception in 1997, only 8 percent of participants have left DoD, many to take positions in other Federal agencies in the national security arena.

DLAMP is a long-term developmental program. Interim goals and measures have been established to gauge progress, as follows:

- Cadre. To meet on-going requirements for highly qualified civilian executives requires a DLAMP cadre of 1500-1700 active participants pursuing individualized programs of education, training and development. The current cadre stands at 1,026. With annual accessions from 1997 through 2002, the DLAMP cadre grew to a total of over 1650. During 2003 and 2004, no new participants were admitted, due to the refocus efforts.
- Class of 2005 is underway as of December 2004, and new participants will be on board by spring 2005.
- Graduates. The goal is a minimum of 200 graduates per year. By 2001, participants began to complete their multi-year programs, and the first 8 participants graduated in October 2001. During the transition to a refocused program (2002 – 2003) there were no graduates, but in December 2004, sixty-one participants completed the refocused program; another 100 are due to graduate in July 2005. Approximately 200 will complete DLAMP in FY 2006.
- Participants' fulfillment of the three mandatory elements:
    - Professional Military Education (PME). Through December 2004, 585 of the active DLAMP participants have completed PME. There are 83 participants enrolled in PME courses for academic year 2004-2005. At least another 100 participants will be enrolled in academic year 2005-2006. DLAMP continues to work with the PME schools to further increase the number of seats in resident and non-resident programs available to DLAMP students.

IV. Performance Criteria and Evaluation Summary: (continued)

- Graduate Education. As of December 2004, all but 120 active participants possess a master's or higher degree. In FY 2006, with the addition of the Class of 2005, an estimated 200 participants will attend graduate school for the purpose of achieving a Master's Degree on a full or part-time basis. In FY 2006, approximately 250 participants who have advanced degrees will take an estimated 600 graduate courses in business management and public policy areas to round out their skills as senior civilian leaders.
- Leadership Courses. Since these courses began in late FY 2004, 292 participants have completed the first course, and 119 participants have completed the second required course, which is the final element of the program. All new participants (approximately 350 annually) will take the first required leadership course each year. All participants preparing to complete the program (approximately 200 annually) will take the final leadership course each year.

Full participation in PME and full-time graduate program fellowships is contingent upon backfill funding, which provides salary and benefits for 25% of the participants on long-term education or training. Full funding in FY 2006 will enable backfill funding, giving line managers the support they need to release key employees to attend school on a full-time basis, and still meet the mission.

- Individual's progress. Each participant is evaluated annually for continued good standing in the program. After completion of all program elements, each participant is assessed on their leadership competencies to determine whether they are at the level expected of a senior leader in DoD.

Additional program enhancements are under development in FY 2005, culminating in recognition of DLAMP, by the Office of Personnel Management, as a Senior Executive Service Candidate Development Program.

IV. Performance Criteria and Evaluation Summary: (continued)

A comprehensive program evaluation strategy, incorporating the changes made within the past two years, is under development and will be fully implemented in FY 2005. This will include strategies for analyzing such issues as customer satisfaction, selection patterns, program retention, and return on investment. Further, it will further address the linkage of DLAMP program goals to the President's Management Agenda and any recommendations for further integration with the DoD Human Capital Strategic Plan.

Defense Business Fellows Program (DBF)

The DBF cadre will bring new ideas, energy and private sector management techniques to the Department, thereby strengthening DoD's leadership resources, and reducing the risks of unplanned succession to the next generation of leaders. The recruiting and development of Fellows and Interns will be centrally managed and funded by the Under Secretary of Defense (P&R). A joint selection panel of senior officials from the Office of the Secretary of Defense (OSD) and the Defense Components participating in the program will make selection and hiring decisions. After completing the two-year developmental program, Fellows meeting all program requirements will be converted to career or career-conditional appointments and will be managed and funded by the employing organization. Interns hired under the auspice of the DBF will be appointed to the Fellows program upon successful completion of graduate studies. The objective of the DBF program is to hire and retain talent for future leadership positions.

Quality of Fellows and Interns and subsequent retention rates will be used to determine the effectiveness of the DBF Program. Mentors will work with the Fellows throughout the entire program. Their duties include assisting in the development of the Individual Development Plan and serving as a resource and providing objective feedback. Mentors will conduct periodic discussions with the fellows, as needed, and provide general advice and guidance on program concerns.

IV. Performance Criteria and Evaluation Summary: (continued)

At the beginning of the Fellows assignment, the assignment supervisor and the Fellow will develop objectives and standards (organizational and individual) to be evaluated during the assignment. The supervisor will discuss the fellow's performance midway through the assignment to ensure that the fellow is performing satisfactorily. At the end of the assignment, the supervisor must evaluate the Fellow's performance. Copies of the signed evaluations are reviewed by the Fellow's mentor and the DBF Program Manager at the end of the assignment and prior to conversion of the Fellow to a permanent appointment. Additionally, the DBF Program Office staff will conduct interviews with management officials and program participants during and after program participation on a regular basis to determine and document the effectiveness of the program.

Mishap Reduction Initiatives

The ICUC Division will approve and track these job offers to ensure that such offers are made consistent with the goal of fully integrating the employee into the regular DoD workforce within a year of the return to employment date, and ensure that funds and FTE transactions are processed to and from DoD field installations by appropriate accounting methods.

Joint Advertising, Market Research and Studies (JAMRS) Program

All three programs of JAMRS support the OUSD (P&R) performance metrics for recruiting goals, which meet the objectives of the President's Management Agenda initiative of Strategic Management of Human Capital and fall primarily in the Force Management quadrant of the Balanced Scorecard. The program supports efforts to target the right number, quality, and job mix of military recruits. Recruit quantity, quality, and critical skills fill are measured in the Balanced Scorecard and reported in the Annual Defense Report and Performance Assessment Review.

IV. Performance Criteria and Evaluation Summary: (continued)

Joint market research performance evaluation will be based on the results of a year-end satisfaction survey of the services' recruiting commands. Results will be compared and analyzed in future years using fy 2002 base year as a benchmark. It includes satisfaction scales for each of the major projects within the program as well as the following overall measures:

- Overall satisfaction with joint market research services;
- "joint market research has been helpful in meeting my organization's objectives;"
- "intend to use joint market research as key resources in the future;" and
- "would recommend the information and services provided by joint market research."

Joint Military Recruiting Studies performance will also be assessed as part of a year-end satisfaction survey.

Employer Support of the Guard and Reserve (ESGR)

ESGR has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. This program has metrics in place to measure and evaluate its performance. It focuses on the balanced scorecard concept of Force Management Risk and Future Challenges Risk by ensuring support for Guard and Reserve service members is in place to facilitate deployments when needed. The program also addresses the OUSD P&R's efforts to improve Quality of Life for Service members.

IV. Performance Criteria and Evaluation Summary: (continued)

Performance goals include:

- growth of employer commitment;
- expansion of ESGR awareness through polling;
- increased awareness by employers of their vital duty to the national defense by providing a positive work environment conducive to the service of Guard and Reserve members; and
- continued monitoring of morale and productivity, and investing in training and professional development.

Metrics used to measure the program's performance include:

- the number of employment conflicts processed and resolved;
- the number of "Statements of Support" signed by Federal and state agencies and private employers;
- evidence of companies implementing policies as a result of "Bosslifts," "Briefings with the Boss," and other Employer Outreach programs;
- the number of volunteers trained at annual, regional, and local committee sponsored sessions;
- Service members briefed at CONUS Replacement Centers; Employer recognition awards processed; and
- the effectiveness of advertising placements.

Defense Resource Management Institute (DRMI)

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concepts (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance in achieving programmatic objectives remain in place. The DRMI

IV. Performance Criteria and Evaluation Summary: (continued)

will continue to conduct Defense Resources Management Courses, International Defense Management courses, and a Senior International Defense Management course. It will also conduct Mobile International Defense Management Courses and achieve other training objectives defined by Departmental leadership in support of transformation. This program addresses the BSCs of Institutional and Future Challenges Risk, and provides training in support of Improved Financial Performance as described in the President's Management Agenda.

(i) Office of the Actuary

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD(P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk, and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program focuses on the balanced scorecard concept of Institutional Risk by ensuring the Department is able to accurately forecast and meet its obligations regarding entitlements and benefits. This office supports the OUSD P&R's efforts to define and meet requirements and accurately project payment of retired pay. This program supports the President's Management Agenda's Government-wide Initiatives involving the Strategic Management of Human Capital, and Improved Financial Performance.

FY 2006 goals include:

- contributing to receiving a favorable audit opinion on the Military Retirement Fund’s annual financial statements;
- providing actuarial expertise to HA/OUSD(C) groups working to obtain a favorable audit opinion on the retiree health care liability reported in DoD and government-wide financial statements;

IV. Performance Criteria and Evaluation Summary: (continued)

- ensuring that the MRF remains funded on an actuarially sound basis by providing support to the DoD Medicare-Eligible Retiree Health Care Board of Actuaries in calculating DoD and Treasury required trust fund contribution amounts for annual budget preparation;
- ensuring that the DoD Military Retirement Fund remains funded on an actuarially sound basis by providing similar support to the DoD Retirement Board of Actuaries for calculations related to the MRF and the Voluntary Separation Incentive Fund;
- ensuring that the DoD Education Benefits Fund remains funded on an actuarially sound basis by providing similar support to DoD Education Benefits Board of Actuaries for calculations related to DoD Education Benefits Fund;
- assisting policymakers in evaluating proposed benefit changes by providing cost estimates; and
- ensuring that all four trust funds are projected to remain solvent over the 100-year projection period.

Defense Personnel Security Research Center (PERSEREC)

PERSEREC's performance is evaluated by assessing the extent to which research results lead to improvements in the efficiency, effectiveness and fairness of the DoD personnel security system. Two performance criteria are employed: productivity is measured by the number of new projects initiated each fiscal year, and implementation rate is measured by an index reflecting the degree to which the results of applied research projects actually improve personnel security policies or operations. Metrics to measure and evaluate its performance remain in place. This program supports the OUSD P&R's Human Resources Strategic Plan and the President's Management Agenda initiatives including the Strategic Management of Human Capital. It supports the Balanced Scorecard Concepts of Force Management and Operational Risk.

IV. Performance Criteria and Evaluation Summary: (continued)

Department Advisory Committee on Women in the Services

The Defense Department Advisory Committee on Women in the Services (DACOWITS) advises DoD on specified matters important to retaining highly qualified professional women and military families within all the Services. Performance criteria include: 1) assistance to the Department of Defense by advising on specified matters relating to the recruitment and retention, treatment, employment, integration, and well-being of highly qualified professional women in the services; 2) advice on family issues related to the recruitment and retention of a highly qualified professional military; 3) conducting approximately 14 installation visits, 4 business meetings, and subsequent research gathering information on women in the services and family related matters. The DACOWITS provides an annual report with substantive policy or legislative recommendations to the Department of Defense at the end of one year of effort. The Committee serves as a conduit of information and advice to the Department of Defense on issues relating to women in the services and family related matters.

Federal Voting Assistance Program

BY law, FVAP submits a Report to the President and Congress after every presidential election year on the effectiveness of assistance under the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA), including a statistical analysis of voter participation and a description of federal and state cooperation in carrying out the provisions of the Act. The FVAP conducts a post election survey to determine participation in the electoral process by citizens covered by the UOCAVA, assesses the impact of efforts designed to simplify and ease the process of voting absentee, evaluates other progress made to facilitate absentee voting participation, and identifies any remaining obstacles to voting by these citizens.

IV. Performance Criteria and Evaluation Summary: (continued)

The FY 2002 NDAA mandates a Report to the Congress in June 2005 on the Secretary's 2004 electronic voting project (i.e. the Secure Electronic Registration and Voting Experiment (SERVE)).

Performance measurement is derived from the UOCAVA, NVRA, DoD Goals and Objectives, and FVAP mission and strategic plan. Performance criteria are established in FVAP performance plans. Individual accomplishments towards the overall mission are evaluated on a continuing basis through daily feedback and discussion as well as formally during the performance review cycles. Accomplishments are documented and forwarded through the chain of command on an annual basis.

Defense Language Office

The mission of the Defense Language Office aligns directly with the Force Management quadrant of the Secretary of Defense Risk Management Framework, as well as Operational and Future Challenges Risk and responds directly to the Strategic Planning Guidance. It also supports the goals of the President's Management Agenda, Strategic Management of Human Capital, particularly with regard to the need to address critical skills. The Defense Language Office is designed to institutionalize change and improvement in foreign language capability, by providing a permanent management and oversight presence. The performance goals for the Office for Fiscal Year 2006/2007 are:

- Establish updated policies to support the development of the Department's Foreign Language Capability.
- Publish a Department of Defense Instruction providing guidance for language program management, to include testing, training and sustainment of language capability.
- Drive the development of a robust Foreign Area Officer program.
- Develop a foreign Language Readiness Index to measure our ability to meet prescribed language missions.

IV. Performance Criteria and Evaluation Summary: (continued)

- Publish a language/regional expertise planning tool to assist combatant commanders in articulating requirements.
- Participate in the development and sustainment of a personnel information system that maintains accurate data on all DoD personnel skilled with foreign language expertise.
- Establish a process to track progress of the Transformation Roadmap and monitor it regularly.
- Manage and support the Foreign Language Steering Committee.
- Facilitate the fielding of the Defense Language Proficiency Test V.
- Conduct an annual review of lessons learned and actions taken with regard to improving capability.
- Conduct a survey of civilian employees for language expertise in the force.
- Engage an interagency effort to maximize use of resources and spur a national agenda.

The office will establish metrics to track progress:

- A Balanced Scorecard will be used to track the performance of the Defense Language Program.
- A process and metrics to track the accession, separation and promotion rates of language professionals and Foreign Area Officers will be developed.

Sexual Assault Prevention and Response Office (SAPRO):

The SAPRO supports the objectives of the Force Management Risk quadrant of the Secretary of Defense's Risk Management Framework and also helps to mitigate Operational Risk in deployed locations. The ultimate goal of the SAPRO is to prompt a change in culture to instill confidence in victims to come forward and report assaults and also to discourage

IV. Performance Criteria and Evaluation Summary: (continued)

sexual assault. The SAPRO is a new office with the following performance goals in Fiscal Year 2006/2007:

- Oversee implementation of sexual assault polices and revise them if necessary.
- Evaluate the need for revised or follow-on policies and instructions.
- Disseminate information on DoD's sexual assault policies.
- Develop DoD-wide training and establish evaluation procedures.
- Develop and coordinate policies related to the role of the Victim's Advocate.
- Conduct field visits to review policy implementation
- Review Military Department Annual Reports and provide the results of their review to the Under Secretary of Defense for Personnel and Readiness.
- The office will establish performance metrics to track program progress and participate in establishing and maintaining systems to track reports of sexual assaults.

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)						
Officer	3	17	17	17	0	0
Enlisted	1	2	2	2	0	0
Civilian End Strength (Total)						
U.S. Direct Hire	777	818	866	875	+48	+9
Active Military Average Strength (A/S) (Total)						
Officer	3	17	17	17	0	0
Enlisted	1	2	2	2	0	0
Civilian FTEs (Total)						
U.S. Direct Hire	743	818	866	875	+48	+9
Average Annual Civilian Salary ($000)	$100	$103	$107	$108	+ $4	+ $1

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

		Change FY 2004/2005			Change FY 2005/2006			Change FY 2006/2007		
	FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
EXEC, GEN & SPEC SCHEDULE	74,782	2,730	7,164	66,328	2,202	6,114	92,992	2,139	(125)	95,006
BENEFITS TO FORMER EMPLOYEES	25	1	(26)	0	0	0	0	0	0	0
TOTAL CIVILIAN PERSONNEL COMP	**74,807**	**2,731**	**7,138**	**84,676**	**2,202**	**6,114**	**92,992**	**2,139**	**(125)**	**95,006**
TRAVEL OF PERSONS	7,919	158	(662)	7,415	156	874	8,445	177	415	9,037
TOTAL TRAVEL	**7,919**	**158**	**(662)**	**7,415**	**156**	**874**	**8,445**	**177**	**415**	**9,037**
DEFENSE FINANCE & ACCT SERV	1,009	25	1	1,035	(28)	45	1,052	(102)	121	1,071
TOTAL FINANCIAL OPERATIONS	**1,009**	**25**	**1**	**1,035**	**(28)**	**45**	**1,052**	**(102)**	**121**	**1,071**
COMMERCIAL TRANSPORTATION	60	1	(12)	49	1	252	302	6	16	324
TOTAL TRANSPORTATION	**60**	**1**	**(12)**	**49**	**1**	**252**	**302**	**6**	**16**	**324**
RENTAL PAYMENTS TO GSA LEASES	4,699	70	183	4,952	104	86	5,142	108	199	5,449
PURCHASED UTILITIES	36	1	41	78	2	(35)	45	1	3	49
PURCHASED COMMUNCIATIONS	3,027	61	73	3,161	66	286	3,513	74	109	3,696
RENT (NON-GSA)	3	0	9	12	0	1	13	0	2	15
POSTAL SERVICE (U.S.P.S.)	1,123	0	835	1,958	0	87	2,045	0	141	2,186
SUPPLIES & MATS (NON-FUND)	2,397	48	(1,317)	1,128	24	70	1,222	26	36	1,284
PRINTING & REPRODUCTION	79	2	(3)	78	2	6	86	2	4	92
EQUIPMENT MAINT BY CONTRACT	535	11	(217)	329	7	(13)	323	7	19	349
FACILITY MAINT BY CONTRACT	6	0	(6)	0	0	0	0	0	0	0
EQUIPMENT PURCHASES(NON-FUND)	1,187	24	(950)	261	5	(100)	166	3	3	172
CONTRACT CONSULTANTS	194	4	(198)	0	0	0	0	0	0	0
STUDIES, ANAL, & EVAL	122	2	(124)	0	0	0	0	0	0	0
ENG TECH SERVICES	940	19	741	1,700	36	(1,736)	0	0	0	0
OTHER INTER _GOVT PURCHASES	0	0	0	0	0	0	0	0	0	0
OTHER CONTRACTS	226,236	4,525	31,398	262,159	5,505	19,736	287,400	6,035	8,157	301,592
OTHER COSTS	50	1	0	51	1	0	52	1	0	53
TOTAL OTHER PURCHASES	**240,634**	**4,768**	**30,465**	**275,867**	**5,752**	**18,388**	**300,007**	**6,257**	**8,673**	**314,937**
TOTAL	**324,429**	**7,683**	**36,930**	**369,042**	**8,083**	**25,673**	**402,798**	**8,477**	**9,100**	**420,375**

Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Information Systems Agency (DISA)

February 2005

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DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

	FY 2004 Actual	Price Change	Program Change*	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DISA	1,239,576	20,066	-227,800	1,031,842	-4,643	17,926	1,045,125	21,355	-30,033	1,036,447

* The FY 2004 Actuals column includes $211,140 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $56,000 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

The Defense Information Systems Agency (DISA) is the combat support agency that plans, engineers, acquires, fields, and supports global net-centric solutions to serve the needs of the President, Vice President, the Secretary of Defense, warfighters and other DoD Components, under all conditions of peace and war. DISA provides telecommunications and information technology services common to the DoD components more effectively, economically, and efficiently than they could do individually. In support of the DoD goals for net centricity and interoperability, DISA provides products and leads activities that enable jointness. DISA operates under the direction, authority, and control of the Assistant Secretary of Defense (Networks and Information Integration (ASD (NII)). DISA's responsibilities include:

- Providing secure Joint Command, Control, Communications, and Computer Systems in support of peacetime, contingency, war or other crisis;
- Supporting contingency and wartime planning with the Joint Staff and the Combatant Commands (CoCOM);

I. Description of Operations Financed: (continued)

- Maintaining effective communications for deployed operations in Bosnia and Kosovo, and in Afghanistan, Kuwait, Qatar, and Iraq in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF);
- Acting as a force provider for USSTRATCOM Joint Force Headquarters-Information Operations, with responsibilities for global network operations and network defense capabilities;
- Providing support for Senior Leadership Communication capabilities for the President and Vice President, the Secretary of Defense and other DoD executives;
- Providing enterprise services for the Global Information Grid (GIG) in the form of applications and services;
- Providing enterprise-wide computing services for DoD;
- Supporting Joint Exercises;
- Supporting Homeland Defense in cases of natural disaster, terrorism and other contingencies;
- Conducting information technology testing of systems and related hardware and software, including developmental, conformance, interoperability, operational and validation testing and certification; and
- Providing electromagnetic spectrum access to meet DoD's global mission, and provide planning, international spectrum coordination, and other spectrum management services.

DISA transformed its organization and restructured the FY 2006 through FY 2011 program in support of DoD's new strategic framework; to further incorporate the goals and objectives in the President's Management Agenda; to address customer requirements and priorities; and to implement the DoD and DISA Balanced Scorecard strategies. The most relevant DoD priorities include: (1) successfully pursue the Global War on Terrorism; (2) strengthen

I. Description of Operations Financed: (continued)

joint and combined warfighting capabilities; (3) transform the Joint Force; and (4) streamline DoD processes.

DISA's aligns its mission, essential tasks, goals and strategies, and program resource structure across six mission areas. These mission areas reflect the DoD goals and represent DISA's transformed focused activities. Subsequent sections provide detailed descriptions of the mission areas:

1. **Transition to a net-centric environment** to transform the way DoD shares information by making data continuously available in a trusted environment.

2. Build and sustain the GIG transport infrastructure that **eliminates bandwidth constraints** and rapidly surges to meet demands, whenever and wherever needed.

3. **Operate, manage, and defend the GIG** to enhance critical warfighting and business capabilities in a net-centric environment.

4. Transition to DoD enterprise-wide capabilities for communities of interest, e.g. command and control, combat support, that **exploit the GIG for improved decision-making.**

5. Deliver capabilities, based on established requirements, **more effectively, economically, and efficiently,** than we do today.

6. Execute **Special Missions** to provide communications support required by the President as Commander in Chief including day-to-day management, fielding, operation and maintenance of communications and information technology.

I. Description of Operations Financed: (continued)

The first five categories reflect the customer support strategies of the DISA Balanced Scorecard, the sixth category represents DISA's special mission to support the Commander in Chief.

Significant Program Changes:

TO build the FY 2006/2007 budget, DISA assessed on-going activities in the context of their support to the Secretary of Defense's strategic direction. As a result, DISA strengthened support to net-centric operations, funded increased information and network operation security and placed legacy programs into sustainment in order to realign investment activities to the Net-Centric Enterprise Services (NCES) program. Understanding that DISA must continue essential operations, applications and other legacy functions as well as maintain support to the Presidential and special missions, the DISA senior leadership ensured that actions were risk adjusted to ensure continued operational support for our stakeholder and customer base. In doing so DISA realigned over $99 million of Operations and Maintenance from lower priority and legacy programs to transformation initiatives, supporting net-centric and communications transformation as well as human capital improvement efforts.

In addition, DoD senior leadership decisions considerably increased information assurance (Information System Security Program) and network operations (NetOps) resources required to support the expanded missions and required capabilities.

The DISA FY 2006/2007 budget reflects a significant element of the DoD's response to congressional concerns with respect to cost recovery for the Defense Information Systems Network (DISN) addressed in the FY 2002 and FY 2004 Appropriation issues. As a result of the extensive program and budget analyses of DoD Enterprise Computing and cost recovery

I. Description of Operations Financed: (continued)

mechanisms, the DoD Senior Leadership endorsed a subscription-based methodology to recover the costs of operating the DISN as well as addressing the requirement to treat DISN as an enterprise asset acquired through weapons systems like procedures. This new subscription approach eliminates the Tier One (military unique) and Tier Two (rate based recovery) funding for DISN, reduces the cost of operations of the DISN, and leverages the capabilities allowed by the continuing implementation of the Global Information Grid Expansion project. In addition, modernization of the DISN is no longer undertaken through Defense Working Capital Funding, but is now supported by appropriated (O&M and Procurement) mechanisms.

Key DoD/DISA initiatives reflected in this budget submission include:

- Introduction of the Defense Information Systems Network (DISN) subscription rate replaces Tier Two rate based billing and eliminates Tier One funding;
- Implementation of an organization transformation to realign functions into Strategic Business Units and Shared Services Units to enable streamlined decision processes and to develop a more effective organization of the agency to support high priority global net-centric solutions;
- Support for new force provider responsibilities in support of the new USSTRATCOM Global Network Operations and Defense missions assigned by the Secretary of Defense;
- Establishment of a Network Operations (NetOps) program through integration of Information Assurance and NetOps activities;
- Expansion of and extensive Computer Network Defense improvements for Computer Emergency Response Teams, expanding SIPRNet protection capabilities, and countering Insider Threat activities;

I. Description of Operations Financed: (continued)

- Reduction of legacy systems investments (such as Defense Collaborative Tool Set, Information Dissemination Management, and Defense Message System) funding to accelerate net-centric force support under the Net-centric Enterprise Services (NCES). Reducing investments in legacy programs and increasing appropriate funding for the NCES program is a key transformation initiative;
- Transition of the Global Command and Control System, (Block IV) Generation One Teleports and GIG-Bandwidth expansion programs from developmental programs to operational activities
- Continuation of critical sustainment support of E-Commerce activities and testing;
- Implementation of a DISA Total Cost Allocation Model that assigns costs of shared services to products and services; to gain increased understanding of the total cost of a program; to avoid unintended subsidy to the Defense Working Capital Fund and gain visibility and insight into cost and consumption of shared services;
- Ensuring funding for financial improvement activities such as a new accounting system, auditing, process and data improvements in conjunction with the Defense Enterprise Accounting Management System directed by the Business Transition activity;
- Conversion of 230 military billets to civilian positions, as a result of the Secretary of Defense's initiative to return military billets to the Services in support of military functions. This civilian conversion increases training, payroll and benefits costs to maintain the capabilities previously supported by military personnel; and
- Funding human resource initiatives to reshape DISA's workforce to meet future requirements, increase quality and technical depth. This includes emphasis on recruiting and retention of the critical skills, and expanded use of the Career

I. Description of Operations Financed: (continued)

Management Program, Executive Leadership Development and Intern programs. DISA increased engineers by 15% and almost doubled (97%) computer scientists while decreasing its administrative and support staff.

Support to the Global War on Terrorism (Supplemental):

The FY 2004 actuals include $211,140 thousand of obligations from the Emergency Supplemental Appropriations Act for Defense and the Reconstruction of Iraq and Afghanistan (P.L. 108-106) that provided support for telecommunications, hardware/software, circuitry, equipment, and personnel. Transmission services included fiber backbone to support CENTCOM and EUCOM bandwidth requirements. Resources supported commercial SATCOM requirements that provided direct, critical communications links for CENTCOM, SOCOM and warfighters operating in the Central Area of Responsibility. The funding also provided support to Defense Collaboration Tool Suite capabilities in the AOR and at CENTCOM Headquarters including on-site technical support, software maintenance and on-call technical experts at Iraq, Bahrain, and Qatar. This funding provided the hardware, software, software licenses, installation, integration and training, as well as onsite technical support for Information Dissemination Management/Content Staging deployment and sustainment in the USCENTCOM AOR. DISA implemented a standardized Information Assurance Vulnerability Management (IAVM) solution by procuring and fielding an enterprise software license which will provide real-time assessment of Information Assurance Vulnerability Assessment (IAVA) compliance, resulting in the detection of vulnerable computers on the SIPRNet and NIPRNet, and then operating automated tools to patch those vulnerabilities to protect the networked computers before malicious programs can be introduced and propagate. In addition, these supplemental resources purchased a data replication capability to ensure redundant, robust, storage of critical National

I. Description of Operations Financed: (continued)

Security Council files to support national-level decision makers at fixed and deployed locations.

FY 2005 Title IX funding provides $56,000 thousand in support of telecommunications hardware and software; circuitry; network management; maintenance support; and commercial SATCOM essential activities.

I. Description of Operations Financed: (continued)

Narrative Explanation of Changes:

FY 2005 to FY 2006: The net program increase between FY 2005 and FY 2006 (Price Change $-4,643K; Program Change $+17,926K) reflects:

- Implementation of the DoD Enterprise Level Communication subscription rate concept, resulting in elimination of centralized funding of military unique requirements for the DISN referred to as Tier-One funding; subscription funding mechanism also reduced funding for the direct cost recovery resources referred to as Tier Two;
- Significant Information Systems Security Program (ISSP) information assurance increases to support expanded Computer Emergency Reponses Teams (CERT), SIPRNet protection, and critical Insider Threat activities while maintaining robust IA equipment, software and licenses activities. These activities are now funded from O&M versus procurement and RDT&E as directed by changes to the expense/investment thresholds from $100 thousand to $250 thousand per item;
- Maintenance of critical testing capabilities;
- Support for the transition of major acquisitions to initial and additional increments of operational capabilities (DCTS; Teleports, GIG-BE, GCCS-J; GCSS);
- Realignment of legacy system funding into the Net-Centric Enterprise (NCES) Services program;
- Added mission support for the White House Communication Activity and White House Situational Staff Support;
- Increased maintenance and sustainment resources in support of the White House Communication Activity equipment added to support the Global War on Terrorism;

I. Description of Operations Financed: (continued)

Narrative Explanation of Changes:

- Critical support the new STRATCOM Network Operations (NetOps) mission;
- Appropriate mission travel levels to support developmental and fielding activities;
- Funding for recruitment, retention and training for the reshaped DISA technical workforce; and
- Funding for key financial improvement activities such as audits and the DISA portion of the Defense integrated financial system to support financial management and achieve a clean financial audit.

FY 2006 to FY 2007: The net program change between FY 2006 and FY 2007 (Price Change +$21,355K; Program Change -$30,033K) reflects the stable, and risk adjusted transformed program established in FY 2006, focusing on:

- Transitioning to Network Centric Enterprise Services;
- Support to the Joint Task Force-Global Network Operations mission;
- Continued enhanced level of information assurance support to the Information Systems Security Program (ISSP);
- Reduced equipment maintenance requirements as legacy programs and applications transition to Net-Centric services solutions;
- Increased funding for civilian pay and benefits due to military to civilian billet conversions, human resource workforce transformation (increased engineering) and financial improvement activities and systems;

I. Description of Operations Financed: (continued)

Narrative Explanation of Changes:

- Continuing reduction to legacy systems such as Defense Collaboration Tool Set (DCTS), Advanced Information Technology Services Joint Program Office, and Information Dissemination Management (IDM); and
- Continuing implementation of the DoD Enterprise Level Communications with completed transition to the GIG-BE.

I. Description of Operations Financed: (continued BY MISSION AREA)

1. Transition to Net Centric Environment: The ability to conduct network-centric operations is central to DoD's warfighter and business transformation. Reducing investment in legacy enterprise programs provided funding for Net-Centric Enterprise Services (NCES). The FY 2006 resource reductions reflect decreased investment and development for Information Dissemination Management (IDM), Defense Collaboration Tool Suite (DCTS), and Applications Services Management. Operations and sustainment of the existing capabilities continues for these initiatives until their capabilities are incorporated into NCES Increment 1 (fielding FY 2008). Funding from Command and Control Transformation Demonstration activities was realigned into NCES and program management funding for the Common Operating Environment (COE) was cut back while sustainment funds were added for COE through FY 2009, to synchronize the phase-out of COE with the requirements of those Global Command and Control System Family of Systems members that rely on COE. The following programs comprise the Transition to Net Centric Environment mission area:

Mission Area Component ($ in Thousands)	**FY 2005 Current**	**FY 2006**	**FY 2007**
a. Net-Centric Enterprise Services	25,736	22,776	26,070
b. Global Information Grid Engineering Services	55,712	66,345	70,079
c. Defense Collaboration Tool Suite	12,129	12,021	9,051
d. Advanced Information Technology Services Joint Program	6,599	5,724	6,300
e. Coalition Warrior Interoperability Demonstration	3,557	2,808	3,408
f. Information Dissemination Management	6,182	8,113	2,698
Transition to Net Centric Environment Total	**109,915**	**117,787**	**117,606**

I. Description of Operations Financed: (continued BY MISSION AREA)

a. **Net-Centric Enterprise Services (NCES)** is a key supporting infrastructure to the DoD GIG and a key component of DoD's strategy for meeting its transformation goals. NCES will eliminate duplicative services by providing a common set of interoperable services that support users in the warfighter and business domains. NCES is currently designated as a Pre-Major Automated Information System (MAIS). It achieved Milestone A approval on May 4, 2004, and received a signed Acquisition Decision Memorandum (ADM) on July 14, 2004. NCES is now in the Technology Development phase and working toward acquisition Milestone B.

NCES is the acquisition program responsible for enabling the Core Enterprise Service (CES) portion of the GIG Enterprise Services (GIG ES). As part of the larger GIG ES, NCES will support all joint Functional Concepts including Force Application, Battlespace Awareness, Command and Control, Force Protection, and Focused Logistics. NCES will enable information sharing for the entire DoD to include conventional and nuclear warfighters, warfighter support, military operations other than war, business units, and interface between DoD and non-DoD organizations. NCES will provide the common enterprise-wide services upon which DoD computer applications will rely as the department transforms to net-centric warfare concepts. NCES capabilities, deployed on Defense networks, will provide a consolidated, services-based IT infrastructure that reduces overall costs to deploy and maintain IT systems supporting day-to-day business and warfighter operations.

NCES is the key DoD GIG infrastructure element that provides common enterprise-wide services and capabilities for all GIG users, such as messaging, information assurance/security, discovery, collaboration, storage, mediation, enterprise services management, applications, and user assistance. This investment is a powerful transformational construct that will revolutionize the way DoD conducts warfighting and business operations throughout DoD. It will bring advanced speed, precision, and

I. Description of Operations Financed: (continued BY MISSION AREA)

efficiency through integrated joint net-centric operations. In FY 2005 through FY 2007 funding supports payroll, piloting/demonstrations and operational costs associated with the program management office and the initial acquisition documentation activities. Beginning in FY 2005, increases in funding reflect transition to implementation activities and production management activities such as documentation support costs; and site support costs including system administration, database administration, system engineering, managed services and security assessments for each NCES operational site. Integrated Logistics support includes contract and government furnished training costs associated with operating the equipment, enterprise services training, facilities management and other training. Mission critical support for the NCES Core Enterprise Services is necessary to manage the services after Initial Operation Capabilities (IOC) and Full Operation Capabilities (FOC) are achieved at each site (NCES demonstration phase is scheduled for FY 2006).

NCES uses O&M resources to sustain all facets of the program from the piloting, staging, Testing & Integration (T&I), and Production environments to the personnel support needed to execute and maintain the program. The O&M appropriation will help sustain the different environments (i.e., Pilot, Staging, T&I, etc.) during the Technology Development (TD), System Development and Demonstration (SDD), and Production and Deployment Phases of the Defense Acquisition Management Framework. The NCES PMO will initiate Equipment Operation and Maintenance contracts to sustain these environments from FY 2005 – FY 2007. The PMO will also purchase Non-Defense Working Capital Fund (DWCF) equipment with O&M appropriated funds to sustain multiple activities during the TD, SDD and Production and Deployment phases of the program. The O&M funding line also includes civilian pay, benefits, travel and all supplies needed for the sustainment of NCES during these phases.

I. Description of Operations Financed: (continued BY MISSION AREA)

NCES O&M can be categorized into four major cost areas; Production Management, Hosting Facility Support, Integrated Logistics, and Sustainment. Production Management includes all costs that encompass a variety of functions for services and documentation, beginning with the registration of services, the delivery and check-in of software and documentation, storage, and the build, packaging, reproduction and installation of core enterprise services offerings. Production management costs can be grouped into six subcategories; services engineering data documentation costs, services operations documentation costs, services maintenance support documentation costs, services user documentation costs, support documentation costs, and technical manuals.

Hosting Facility Support (Site Support) costs are required to activate and ensure full mission capability of NCES deployed at each operational site. Hosting Facility Support costs includes system administration, data base administration, system engineering, support for managed services, and costs to ensure specific security requirements are satisfied at each NCES operational site.

Integrated Logistics Support includes both contract and government furnished training costs. These costs result from all deliverable training services, devices, accessories, aids, equipment and parts used to facilitate instruction through which personnel will learn to operate and maintain the system, and users will learn to exploit the benefits of the NCES Core Enterprise Services. Integrated Logistics encompasses all effort associated with providing equipment used for training, as well as all travel, personnel costs, services, and facilities. Integrated Logistics can be grouped into four subcategories; core enterprise services training, equipment training, facilities training, and other training.

Mission critical support for NCES Core Enterprise Services (CES) is necessary after initial operational capabilities (IOC) and full operational capabilities (FOC) have been

I. Description of Operations Financed: (continued BY MISSION AREA)

achieved at each site. Sustainment support for NCES is required to keep the fielded system fully operational during the rest of its life cycle. The Sustainment components in support of the nine (9) CES that make up NCES are as follows:

1. Program Management: resources required for program management during the sustainment phase of NCES. Management includes the costs incurred in the process of acquiring, employing, and retraining needed personnel. This includes fully burdened salaries, benefits, relocation expenses, retirement actuarial, required TDY, and all costs associated with the personnel of the deployed NCES. It also includes the services, studies and support resources needed to manage the program after deployment.
2. Quality Assurance: sustainment resources required after FOC for Global System Problem Reports (GSPRs) fixes, software upgrades, and services integration maintenance (e.g., all post FOC software investment required to maintain systems integration).
3. System Security Maintenance: resources required for system security fixes and security system upgrades.
4. Help Desk Services: resources required for 24x7x365 availability support, call management, problem management, documentation and reporting.

Performance Criteria and Evaluation Summary:
NCES has developed several key metrics that are geared to improving operations and maintenance emphasizing quality of services, customer and performance satisfaction, and reduction in overall sustainment costs. Listed below are three (3) of the key performance metrics, definitions, and the measures that will be used to access Operations and Maintenance performance.

I. Description of Operations Financed: (continued BY MISSION AREA)

Performance Metric	Description	Measure
Quality Management	A measure of the usefulness, support, and responsiveness of NCES in processing Global System Problem Reports (GSPRs) at priority levels 1 and 2.	Number of trouble tickets opened and closed per month. Percentage of trouble tickets resolved to user satisfaction per month as indicated through Quality Management Surveys. Monthly report on sustainment costs.
Customer Satisfaction	Proactively work with our customers to answer their questions and provide timely solutions that address their needs so that job performance does not suffer.	Number of responses that meets or exceeds customer expectations. Percentage increase over established customer satisfaction baseline. A favorable rating of 4 out of a possible 5 on the customer satisfaction level as indicated in customer satisfaction surveys
Requirements Satisfaction	Demonstrate that NCES meets or exceeds program requirements as defined in the NCES Capabilities Development Document.	Monthly analysis of collected performance data on core enterprise services and overall system performance. Monthly report indicating requirement satisfaction.

b. **Global Information Grid Engineering Services (GIG ES)** includes the Chief Technical Officer (CTO) and the Systems Engineering, Architectures, and Integration (SEAI) Center.

I. Description of Operations Financed: (continued BY MISSION AREA)

The SEAI Center provides architecture, systems engineering and end-to-end analytical functions for DISA and its customers, ensuring integrated capabilities to fulfill warfighter mission requirements. SEAI performs a broad spectrum of activities for DoD communications planning and investment strategy, to include: application assessments; contingency planning; network capacity planning and diagnostics; evaluation of horizontal (cross-cutting) operational and system architectures; setting character-oriented message standards; and systems-level modeling and simulation. SEAI develops across-theater information awareness for CoCOMs through application solutions for integrated networks, to include DoD's missions in Iraq and Afghanistan and the DISN, by: 1) supporting the development and consistency of DoD's GIG Architectures and ensuring that critical GIG programs are consistent with them and with each other; 2) developing standardized DISA systems engineering and integration processes to improve systems integration across DISA for all DISA-developed communication systems and services; 3) developing, maintaining, and supporting enforcement of DOD's standards profile of the Joint Technical Architecture (JTA) and ensuring that such standards are relevant to evolving DOD future communication needs; and 4) providing the underlying modeling and simulation and analytical support for end-to-end DISA and DoD systems engineering and assessment. These SEAI operations are to provide DoD decision makers from the OSD level to the warfighter with services and a suite of tools capable of identifying key points of impact on DoD command and control information systems and recommending tradeoffs of within the GIG configuration with regard to prioritized performance, availability, and security.

The Chief Technology Officer (CTO), as the primary senior technical advisor to the Director, DISA, is responsible for ensuring the excellence and continued improvement of DISA supplied technology, recognizing opportunities to increase effectiveness, decrease cost, use existing capabilities for novel solutions, and to technologically position the agency to address unforeseen requirements. The purpose of these activities is to identify, create, and implement technology to provide Combatant Commanders, Joint and

I. Description of Operations Financed: (continued BY MISSION AREA)

Combined Task Forces, Services, and DoD and non-DoD agencies with a proven, superior and adaptable command and control capability. Interdisciplinary teams identify, assess, evaluate, and demonstrate capabilities built from commercial and government off-the-shelf technologies, services, and products to support the CTO. The emphasis of these efforts is to identify cost-effective solutions for operational requirements using both mature and emerging technologies.

Changes between FY 2005 to 2006: Based on Transformation priorities, DISA has realigned funding to GIG Engineering services as a result of the increased emphasis on DoD interoperability standards, and modeling and simulation for systems engineering to identifying tradeoffs within the GIG configuration with regard to prioritized performance, availability, and security.

Performance criteria and evaluation of the SEAI mission can be divided into two areas: 1) systems engineering, modeling and simulation and 2) interoperability standards. SEAI's systems engineering, modeling and simulation area is measured by its impact on DOD communications planning and investment strategy, with criteria based on SEAI's performance of a broad spectrum of technical activities. These include application assessments; contingency planning; network capacity planning and diagnostics; system architecture evaluation; technical and operational assessments of emerging technologies; and systems-level modeling and simulation.

c. **Defense Collaboration Tool Suite (DCTS)** provides CoCOMs, Military Services, and Defense Agencies with interoperable collaboration capability, including voice and video conferencing, document and application sharing, instant messaging, and whiteboard capability in support of planning and executing combat operations. This allows warfighters to interact, share plans, maps, and other information, and strategize on operational requirements through remote means rather than through physical meetings.

I. Description of Operations Financed: (continued BY MISSION AREA)

DCTS funding supports installation, integration and training for more than 200 DCTS sites. Sustainment efforts also provide 24X7 help desk, software distribution services, hardware and software maintenance, enterprise collaboration services, deployable technical and systems administration support, and enterprise software licenses. In FY 2005 DCTS, fielding on the unclassified network will greatly increase availability to users previously only available on classified networks. The unclassified capability will support warfighters temporarily displaced from their home base. FY 2006 and FY 2007 resources reflect an overall reduction as DCTS transitions to the sustainment phase. After 2007, DCTS capabilities are transitioned to the NCES core services collaboration capabilities.

d. **Advanced Information Technology Services Joint Program Office (AITS-JPO)** expedites the fielding of mature products into operational information systems that support the CoCOMs and our nation's warfighters. The primary mechanism for the transition of technology is the Advanced Concept Technology Demonstrations (ACTDs). ACTDs support the early and inexpensive evaluation of mature or maturing advanced technology to solve important military problems. If an ACTD is successful and proves its military utility, the capability may transition to a full acquisition program. The warfighter evaluates the technology to determine its military utility before commitments are made for formal acquisition. Products that result from AITS-JPO ACTDs may be put under DISA, or they may be given to a Military Service, DoD Agency, or Combatant Command (CoCOM).
In addition, the AITS-JPO: a) engineers and reinforces components for leave behind [(US only) after the Military Utility Assessment (MUA) proves that a particular capability is useful and needs to be fielded] and integration into the GIG; b) augments transitioning products with improved security, scalability, and NCES compliance; and c) provides advanced, hardened capabilities known as Leading Edge Services (LES). LES is a network infrastructure, pilot capability until the system of record can provide and deploy the capability, and value added services that include information processing, storage and

I. Description of Operations Financed: (continued BY MISSION AREA)

retrieval; communications (voice, data, video, multimedia); security technology and application in command and control, intelligence, and combat support for the worldwide DoD communities; and information sharing between the US and its coalition partners. The LES provide the network and computing infrastructure that supports ACTD demonstrations and evaluations. ACTD capabilities will be built upon and contribute to NCES as they evolve. As components mature in an ACTD, some of ACTD outputs will be network services. These services will transition into the NCES systems of record.

e. **Coalition Warrior Interoperability Demonstration (CWID)** (formerly referred to as the Joint Warrior Interoperability Demonstration) is the Chairman of the Joint Chiefs of Staff (CJCS) annual event that enables the U.S. CoCOMs, national civil authorities and the international community to investigate Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) solutions that focus on relevant and timely objectives for enhancing coalition interoperability and exploring new partnerships. This event is conducted in a simulated operational environment. In general, this consists of a U.S. lead coalition operation with a multinational task force staff conducting simulated coalition operations at the CoCOM, component and force execution echelons or equivalent interagency level. The environment may include homeland security missions. The CWID provides a forum for exploring solutions to these challenges. Funding provides network engineering through contract support to the host CoCOM and allows the host command to execute the CWID. FY 2006 and FY 2007 increase supports expanded CWID Joint Coalition requirements as directed by the Joint Staff.

f. **Information Dissemination Management (IDM)**, now called Content Staging/IDM, integrates government-off-the-shelf (GOTS) and commercial-off-the-shelf (COTS) advanced information management technology to provide Information Awareness, Access, Delivery Management, and Support services to C4ISR (surveillance and reconnaissance) systems to enhance their information dissemination performance. CS/IDM is a key enabler for achieving Information

I. Description of Operations Financed: (continued BY MISSION AREA)

Superiority. It supports information flow across echelons from national centers to tactical warfighters and coalitions by exposing awareness of information holdings to the GIG, access to that information, retrieval of information via smart pull, and management of information products via various communications paths. IDM was developed as an enabling component of the GIG and it has become a valuable tool to meet the warfighter's requirements for a responsive, integrated, secure system to provide consistent, assured, transparent, global access to information resources. The objective capability is achieved in FY 2005 timeframe, to include beginning installation at a CoCOM location, which is completed in FY 2006. Resources support the installation, mobile training and technical assistance visits, and sustainment activities that include helpdesk. IDM increases to support warfighter requirements pending the transition to NCES.

O&M will be used to procure engineering and technical services to sustain Content Staging's functionality at installed locations. CS/IDM provides awareness, or cataloging, functionality. Its enterprise-wide search capabilities and use of assured information delivery mechanism allow the seamless delivery of information across a wide range of transport media. The cataloging and accessibility of the information focus on enterprise staging of content. The objective CS capability will not be achieved until the FY 2005 timeframe. The sustainment strategy consists of transition to NCES and maintenance releases, onsite augmentation at CoCOM locations, user involvement, configuration management processes, maintenance of a 24x7 help desk and automated help environment, mobile training, and technical assistance. Program Office resources begin transition to NCES after FY 2006. Increased resources are necessary in FY 2006 to sustain the current level of support until the CoCOMs and other users have the opportunity to plan, program, and budget the transition of support. Essential legacy sustainment will continue through FY 2007 and FY 2008.

I. Description of Operations Financed: (continued BY MISSION AREA)

2. Eliminate Bandwidth Constraints: A robust information transport infrastructure that enables increased and rapid information sharing around the globe is a vital precursor to net-centric operations. The extensive investments made in the GIG terrestrial infrastructure under the GIG Bandwidth Expansion program will be integrated with the DISN between FY 2005 and FY 2008, providing DoD with a single, integrated, world-class transport network. DISA has provided funding to DISN program lines in the agency appropriated budget to ensure that essential sustainment activities are funded. The most significant FY 2006 change reflects the termination of centrally funded Tier-One military unique requirements and the implementation of the subscription-based methodology to recover DISN costs.

DISA balanced this initiative by assuming: (1) greater institutional risk through reducing key cross-cutting modeling and simulation capabilities and limiting growth in standards activities to only small increases over the FY 2005 funded levels; (2) greater future capabilities risk by limiting DISA commitments to fund Advanced Concept Technical Demonstrations (ACTDs); and (3) a lower level of operational risk by reducing investment funding for the legacy Defense Message System in FY 2008 through FY 2011. Included are:

Mission Area Component ($ in Thousands)	**FY 2005 Current**	**FY 2006**	**FY 2007**
a. Global Information Grid-Bandwidth Expansion	15,173	10,903	11,401
b. DoD Teleport Program	13,133	7,596	6,673
c. Joint Spectrum Center	14,567	15,190	15,856
d. Defense Spectrum Office	9,541	9,507	8,447
e. Defense Information Systems Network	269,348	164,653	141,698
Eliminate Bandwidth Constraints Total	**321,762**	**207,849**	**184,075**

I. Description of Operations Financed: (continued BY MISSION AREA)

a. **Global Information Grid-Bandwidth Expansion (GIG-BE)** provides the robust network foundation to enable worldwide network-centric operations. The program will connect key intelligence, command, and operational locations with high bandwidth capability over physically diverse routes. Removing current bandwidth limitations provides the catalyst for self-synchronization, shared situational awareness, sustainability, and speed of command and action, allowing those closest to the reality of combat full access to a rich and enabling set of information assets. This initiative corrects longstanding sub optimization and shortages in the acquisition and use of access bandwidth, which has hampered the deployment of joint applications and slowed network response times. It provides for network survivability by eliminating single points of failure. FY 2004 and FY 2005 funds provide leased communication circuits; support staff; and program management support to the GIG-BE for cost analysis, including earned value management, scheduling of the master plan, acquisition support and documentation. Beginning in FY 2006, GIG-BE operating costs transition to the Defense Working Capital Fund. FY 2005 and FY 2006 resources support implementation and installation program management activities associated with the program management office.

b. **DoD Teleport Program (Teleport)** is a satellite communications (SATCOM) gateway that links the deployed warfighter to the sustaining base. It provides high-throughput, multi-band, and multi-media telecommunications services for deployed forces of all Services, whether operating independently or as part of a Combined Task Force (CTF) or Joint Task Force (JTF), during operations and exercises. The DoD Teleport provides centralized integration capabilities, contingency capacity, and the necessary interfaces to access the DISN in a seamless, interoperable and economical manner. DoD Teleport is an upgrade of satellite telecommunication capabilities at selected Standardized Tactical Entry Point (STEP) sites. This upgrade represents a ten-fold increase to the throughput and functional capabilities of those sites. The Teleport system will provide deployed forces with interfaces for multi-band and multimedia connectivity from deployed locations

I. Description of Operations Financed: (continued BY MISSION AREA)

to online DISN Service Delivery Nodes (SDN) and GIG information sources and support. The system will greatly improve the interoperability between multiple SATCOM systems and deployed warfighters. The Teleport investment is driven by requirements validated by the Joint Chiefs of Staff and is linked to DISA's core strategic goal of transitioning to a net-centric environment to transform the way DoD shares information by making data continuously available in a trusted environment. The Teleport system and its capabilities support the Agency's transformational initiatives/goals and the President's Management Agenda by enabling effective communications for the warfighter through early implementation of net-centric capability; enhancing the capability and survivability of space systems and supporting infrastructure; and continuing to develop a joint interoperable Networks and Information Integration (NII) architecture. Teleport will provide seamless access to the DISN and GIG, which supports the DoD/Joint Staff/DISA goals associated with Command, Control, Communications, Computers and Intelligence (C4I) for the Warrior; and Joint Vision 2020, by providing a global, secured interoperable information transport infrastructure.

Teleport is being deployed incrementally in a multi-Generational FY 2001-FY 2012 program. Generation One will field capabilities for four Initial Operational Capabilities (IOC) events. IOC 1 implemented C, X, and Ku band Satellite Earth Terminals and associated baseband equipment at six sites to allow for a deployed warfighter anywhere between certain latitudes to be able to communicate with two Teleport sites. IOC 2 will implement Ultra High Frequency (UHF) Satellite Earth Terminals and associated baseband equipment at four sites. IOC 3 will implement additional C, Ku, UHF, and protected communications (Extremely High Frequency (EHF)) Satellite Earth Terminals and associated baseband equipment at six sites. This will allow the deployed warfighter access to three Teleports from any location (between certain latitudes). IOC 4 will complete the Generation One build-out by integrating military Ka SATCOM capabilities into five Teleport locations. Generation One, IOC 1 reached completion in March 2004. IOC 2, 3

I. Description of Operations Financed: (continued BY MISSION AREA)

and 4 will be completed by FY 2006. Generation Two will provide Ka band capacity increases at six sites; it will provide IP capability at six sites; it will provide Ka band SATCOM terminals at six sites.

The DoD Teleport Program is a Major Automated Information System (MAIS) ACAT-1AM program with the Assistant Secretary of Defense for Networks Information Integration (ASD (NII)) serving as the Milestone Decision Authority (MDA). ASD (NII) Designation Memorandum, dated May 5, 2000, identifies DISA as the Executive Agent (EA) for the DoD Teleport Program. The system will satisfy Joint Requirements Oversight Council (JROC) validated operational requirements. The Teleport Program Office (TPO) received Milestone C Authority to start procurement on April 15, 2002 for Generation One. Generation Two activities will commence in FY 2006.

FY 2005 to FY 2006 changes are attributed to the elimination of DISN Tier One military unique requirements funding and Tier Two rate based structure. These resources were realigned to the subscription DISN Price and Governance concept.

FY 2006 funding will be used to provide program management support to the DoD Teleport Program to include salaries, office supplies, equipment, travel of the PM staff, In-Service Engineering Agent (ISEA).

c. **Joint Spectrum Center (JSC)** exists to ensure the DoD's effective use of the Electromagnetic (EM) spectrum in support of national security and military objectives. The JSC serves as the DoD technical center of excellence for EM spectrum matters in support of the Unified Commands, Joint Staff, ASD (NII), Services, and Defense Agencies. The JSC supports the Electronic Protection missions of Information Warfare as they relate to spectrum supremacy. It is responsible for developing and maintaining DoD standard information systems that support DoD spectrum related activities and processes.

I. Description of Operations Financed: (continued BY MISSION AREA)

Specifically, the JSC designs, develops, and maintains DoD automated spectrum management systems, evaluation tools, and databases employed by the Unified Commands, Services, and Defense Agencies. The JSC provides technical assistance to DoD activities in support of spectrum policy decisions and ensuring the development, acquisition, and operational deployment of systems that are compatible with other spectrum dependent systems operating within the same electromagnetic environment. The JSC is the DoD focal point for technical spectrum related support, Electromagnetic Environmental Effects, and EM interference resolution assistance to operational units including deployable support to CoCOMs Joint Task Forces. The JSC mission is integral to other vital activities such as Information Operations (IO), Command and Control (C2), Protect and other defensive Information Warfare activities directed by the Joint Staff. Funds support salaries and benefits, communications services, facility operations, and contract support for spectrum management databases and analyses. In FY 2005, JSC consolidated production and developmental servers to reduce contract administration and maintenance costs. FY 2006 and FY 2007 increases support only standard pay raise growth.

d. **Defense Spectrum Office (DSO)** develops policy and reallocation strategies to ensure balanced utilization of spectrum amongst national security, public safety, and nation economic opportunities. DSO proposes actions necessary to enhance DoD's global access to the spectrum for current and future use. The activity leverages and guides enabling technology to ensure future warfighter requirements will be met and those spectrum management policies and procedures to avoid unreasonable limitation of the use of emerging spectrum-dependent technologies having military value. These efforts support the overarching strategy of assuring spectrum supportability to achieve net-centric warfare for DoD. FY 2005 through FY 2007 funds provide for salaries and contract support to policy development and related analyses.

I. Description of Operations Financed: (continued BY MISSION AREA)

e. **Defense Information Systems Network (DISN)** has evolved to be DoD's consolidated worldwide telecommunications infrastructure that provides end-to-end information transport for DoD operations, providing the warfighters and the Combatant Commanders with a robust Command, Control, Communications, Computers and Intelligence (C4I) information transport infrastructure. The DISN continues to evolve to meet DoD requirements now including Mobile Satellite Services (MSS), DISN-Global Broadcast Services Integration (GBS), National Command Authority (NCA) Conferencing Enhancement Project (NCEP) and the GIG-BE, have added specific activities/requirements. The DISN goal is to span the tactical, terrestrial and space strategic domains seamlessly, to provide the interoperable telecommunications connectivity and value-added services required to plan, implement, and support any operational mission. Driven by both evolving technology, and rapidly increasing customer requirements, the DISN is undergoing a transformation process in two forms: first, technological transformation-driving initiatives such as GIG-BE and the DISN Next Generation (DISN NG) replacement acquisition contracts and, second, the business transformation process being implemented through the DoD Enterprise Communications assessments. These initiatives share a common theme – to provide DISN services to the "edge". The vision of "power to the edge" is the availability of a ubiquitous, secure, robust, trusted, protected, and routinely used wide-bandwidth that is populated with the information and information services that our forces need. One of the keys to achieving "power to the edge" is the availability of the ubiquitous IP environment. A primary mission of the DISN, in coordination with Service and CoCOM initiatives, is to provide that environment along with a unique set of interoperable real-time services (e.g., secure/non-secure voice, video-teleconferencing) through the evolution of the Internet Protocol (IP) into a converged IP Environment that, from a warfighters' perspective, is a single physical and logical interface for IP-based services regardless of applications type or classification/access level and provides the levels of performance and availability appropriate for each mission.

I. Description of Operations Financed: (continued BY MISSION AREA)

The key elements of a ten-year evolutionary timeline are, first, the expansion of the secured core to the edge of the IP network, providing the ubiquitous IP network needed to support net-centric warfare, and second, the use of Net-Centric Enterprise Services (NCES) to achieve IP-convergence in the user interface and applications services. The resulting program requires the maintenance of the current operational baseline services while integrating and transitioning to service those newer offerings such as the GIG-BE and the DISN NG. This resulting breakout consists of the legacy DISN environment through FY 2007 with the integration of GIG-BE, the replacement services for the current DISN associated with the DISN NG, and the optimization of the DISN topology; the transformational vision for the post-GIG-BE and DISN NG transition period from FY 2008 through FY 2011 when the secure IP transport core is expanded further toward the edge and NCES services begin to appear a basic offering of the DISN service infrastructure; and the end state of FY 2015 when High Assurance Internet Protocol Encryptor (HAIPE) implementation has progressed to the information/applications level, the secured core has been extended into the base-level infrastructure, and DISN services have fully exploited the convergence enablers from the NCES program.

Using maximum competitive outsourcing mechanisms, DISN supports 17 elements ranging from the SIPRNET, NIPRNET, and Mobile Satellite Services (MSS) to the National Command Authority Conferencing Enhancement Project, as well as the SATCOM services. The O&M funding sustains the legacy capabilities of the DISN through the GIG-BE transition and into the follow-on transformation period associated with the Internet Protocol convergence effort. The funding is concentrated within three areas: first, the purchase of telecommunication services that are an integral part of the DISN infrastructure and not covered under the portion of DISN funded by the Defense Working Capital Fund (DWCF). This includes leases for commercial satellite communications capabilities supporting specific DoD mission areas such as Kosovo. The second expense is contractor operational support and maintenance activities associated primarily with satellite communications,

I. Description of Operations Financed: (continued BY MISSION AREA)

particularly those contracts for the operation of the Defense Satellite Communications System (DSCS) Operational Control System (DOCS), the maintenance of the DOCS supporting ground controller equipment, the DSCS Technical Assistance support contract, and the SATCOM Engineering Laboratory. Finally, varied system equipment maintenance acquisitions are expensed within these lines under Object Class 31.3.

The DoD Enterprise assessments developed a new Price and Governance Process for DISN. The major change between FY 2005 and FY 2006 funding reflects the termination of central DISA funding of DISN Tier One support to the Services and Defense Agency customers in preparation for a major realignment of DISN operational activities to the Working Capital Fund and the restructured customer billing concept. In FY 2007, direct funding for the subscription rate and non-recoverable program costs continue a downward trend.

3. GIG Network Operations and Defense: Transformation demands the continued evolution of the GIG in order to provide continuous flow of information from the highest strategic levels to the lowest echelon on the joint battlefield and among the nodes of the net-centric force. However, relying on net-centric capabilities increases operational vulnerabilities unless the information infrastructure can be reliably protected and managed. Network Operations (NetOps) is the operational construct that the Commander, USSTRATCOM, will use to operate and defend the GIG. The Joint Concept of Operations (CONOPS) for GIG NetOps, issued May 2004, defines DISA's roles and responsibilities associated with the NetOps operational hierarchy and the capabilities needed to implement NetOps with the emerging operational hierarchy.

In addition to the NetOps program, the Operate and Defend the GIG mission area includes the Information Systems Security Program, the ISSP. This Information Assurance program reflects significant increases in FY 2006 and FY 2007 as a result of the Secretary of

I. Description of Operations Financed: (continued BY MISSION AREA)

Defense's decision to support expanded Computer Emergency Reponses Teams (CERT) requirements and added SIPRNET protections and to add emphasis on Insider Threat activities to improve computer network defense. In addition this mission area contains the Pacific and Europe Field commands and field offices co-located with the 9 CoCOMs; and the Joint Staff Support Center (JSSC).

Mission Area Component ($ in Thousands)	**FY 2005 Current**	**FY 2006**	**FY 2007**
a. Network Operations	51,680	61,124	64,897
b. Information Systems Security Program/Info Assurance	121,331	195,807	198,597
c. Field Commands and Field Offices	40,013	45,041	46,457
d. Joint Staff Support Center	4,968	6,208	6,510
GIG Network Operations and Defense Total	**217,992**	**308,180**	**316,461**

a. **Network Operations (NetOps)** The Unified Command Plan assigned significant new roles and responsibilities to DISA and the Commander, U.S. Strategic Command with respect to NetOps. NetOps is the operational construct that is used to operate and defend the GIG. The goal of NetOps is to assure timely net-centric services across strategic, operational, and tactical boundaries in support of DoD's full spectrum of warfighting, intelligence, and business missions. NetOps Service Assurance goals include: assured system and network availability, assured information protection, and assured information delivery. Beginning in FY 2006, DISA realigns resources for better overarching management oversight, and coordination and integration of DISA provided capabilities to achieve the key NetOps elements. Capabilities include: applications and systems management, Enterprise Service Management/Network Management, Information Assurance/Computer Network Defense, and Content Staging/Information Dissemination Management.

I. Description of Operations Financed: (continued BY MISSION AREA)

DISA has extensive expertise in NetOps, amassed through four decades of exercising operational direction and management control of the Defense Information System Network (DISN) and its predecessor, the Defense Communications System. As a consequence, the Secretary of Defense and the Commander, USSTRATCOM looked to DISA to provide the operational elements -- the global and theater NetOps centers -- with the capabilities necessary to execute NetOps for the GIG.

To focus resources and actuate this mission, DISA consolidated FY 2006 to FY 2011 resources, drawn principally from existing network management and computer network defense activities in the agency. Managing the networks that compose the GIG must change from an administrative to an operational function, organizing DoD components/units to operate and secure these networks to be an integrated part of the warfighting command structure. NetOps provides the operational underpinnings to satisfy the net-centric requirements for producers and consumers of information to process, store, and transport information efficiently and effectively within the GIG and to produce relevant situation awareness of GIG configuration, status, and performance.

Achieving shared situational awareness of GIG system, network, and information availability is a critical enabling capability for NetOps. The primary purpose is to improve the quality and timeliness of collaborative decision-making regarding the employment, protection and defense of the GIG. To be fully effective, this GIG situational awareness must be available and shared in near real time by the relevant decision-makers. In addition to consolidating these resources into a program, DISA has added significant funding to the NetOps program to initiate a NETCOP demonstration effort that will provide insight into the key situational awareness capabilities.

The majority of resources realigned into the NetOps program element represent functional transfers of activities already on-going in DISA. Therefore there is no operational or

I. Description of Operations Financed: (continued BY MISSION AREA)

institutional risk involved in these changes, while aligning resources and capabilities with the approved transformational CONOPS reduces future capabilities risk.

The O&M resources provide system integration support to:

- Provide commercial off the shelf (COTS) hardware (H/W) and software (S/W) as well as H/W and S/W license maintenance, and technical support for three operational sites
- Integrate, customize, and implement new COTS H/W and S/W at three operational locations
- Sustain operations of DISA NETCOP systems at all operational sites
- Engineer/integrate Spiral 2 requirements; add functional capabilities; integrate new DISA management systems

b. **Information Systems Security Program (ISSP)/Information Assurance (IA)** is focused on designing and deploying proactive protections, deploying attack detection, and performing Information Assurance (IA) operations to ensure that adequate security is provided for information collected, processed, transmitted, stored, or disseminated on the GIG. These efforts include tasks associated with affording protection to telecommunications, information systems and information technology that process sensitive and classified data as well as efforts to ensure the confidentiality, authenticity, integrity, and availability of the information and the systems.

The DISA ISSP resources fund operational costs such as payroll, benefits and travel for civilian personnel, office supplies and materials, as well as funds to purchase test and prototype equipment, operate and maintain test and operational equipment, obtain technical and programmatic consulting services, and provide grants to identify improved programmatic and technical processes to support these goals in the DoD IA Strategic Plan:

I. Description of Operations Financed: (continued BY MISSION AREA)

PROTECT INFORMATION by safeguarding data as it is being created, used, modified, stored, moved, and destroyed, on the communication networks, within the enclave, at the enclave boundary, at the client, and within the computing environment to ensure that all information has a level of trust commensurate with mission needs. To support this goal DISA:

- assesses emerging security technologies to determine their applicability to all DoD systems and applications;
- develops and executes security certification plans and performs cost/risk assessments and tradeoff studies;
- develops IA technical standards which ensure compatibility and interoperability between GIG systems;
- prepares guidance and tools for incorporating IA into DISA/DoD applications;
- develops software filters, and integrates and sustains guarding technology;
- maintains the Public Key subscriber registry and other DoD PKI products;
- provides SATCOM / wireless security;
- provides voice over Internet Protocol (IP) security measures; and
- provides client / server enterprise license provides certificate maintenance and directory services.

DEFEND SYSTEMS AND NETWORKS to ensure that no access is uncontrolled and all systems and networks are capable of self-defense is accomplished by “building in” technologies that recognize, react, and respond to threats, vulnerabilities, and deficiencies. To support this goal DISA:

- maintains baseline GIG IA network defense architecture;

I. Description of Operations Financed: (continued BY MISSION AREA)

- sustains and improves coalition networks;
- performs penetration testing, onsite security reviews and risk assessments, and assists in the resolution of accreditation issues;
- performs vulnerability analysis and sustains system to track known and emerging IA vulnerabilities;
- develops, fields and operates automated capabilities to monitor and report security policy compliance;
- maintains a central repository for network information used to validate user authorizations;
- provides on-site assistance to Combatant Commanders to prepare for and respond to information warfare attacks;
- fields tools and infrastructure (such as Analysts Workstations) to reduce and correlate voluminous amounts of data generated by sensor systems that look for intrusions and anomalies at the enclave, network and host levels;
- produces an automated tool to set permissions, make registry changes, install patches, and disable unneeded services;
- distributes software patches for DoD systems;
- operates distributed host information database that translates names into addresses;
- tests, fields and sustains subnets that sit between trusted internal networks and non trusted external networks which allow outsiders to get shared data while keeping them away from unshared data;
- provides the Coast Guard and DoD enterprise antivirus software;
- assesses, acquires and implements enterprise tools to patch vulnerabilities in systems;

I. Description of Operations Financed: (continued BY MISSION AREA)

- develops, maintains, and provides militarized versions of operating systems; and
- sustains intrusion detection systems that are used to detect and report actual and attempted intrusions.

PROVIDE INTEGRATED IA SITUATIONAL AWARENESS/IA COMMAND AND CONTROL (C2), which involves providing decision makers and network operators at all command levels the tools for conducting IA/Computer Network Defense (CND) operations in Net-Centric Warfare (NCW). To support this goal DISA:

- maintains, enhances and operates a suite of computer incident reporting and tracking databases to support sharing data between DoD and other Federal activities;
- provides data analysis tools to detect potential attacks and determine impact to mission or business functions when a problem in the information systems infrastructure occurs;
- provides expertise at Combatant Commanders sites identifying critical IA security deficiencies, implementing system improvements, and analyzing the effectiveness of IA programs; and
- provides an Enterprise Sensor Grid for network boundaries, Common Operational Picture (COP), and User Defined Operational Picture.

TRANSFORM AND ENABLE IA CAPABILITIES innovatively by discovering emerging technologies, experimentation, and refining the development, delivery and deployment processes to improve cycle time, reduce risk exposure and increase return on investments is necessary to create a broader awareness, understanding, and knowledge base from which the IA community can grow. To support this goal DISA:

I. Description of Operations Financed: (continued BY MISSION AREA)

- co-sponsors with the National Security Agency (NSA) a forum for DoD organizations and the IA community at large to identify and resolve relevant IA issues, develop strategies, and demonstrate new technologies; and
- provides a web-based repository for disseminating documents, IA related links, resources and additional support to DoD IA professionals.

CREATE AN IA EMPOWERED WORKFORCE that is well equipped to support the changing demands of the IA environment requires the establishment of baseline certifications across the enterprise. To support this goal DISA:

- develops, refreshes, and delivers hands-on IA classroom training to security professionals, system and network administrators, and system users throughout the joint community;
- develops and disseminates standardized Computer Based Training (CBT), Web Based Training (WBT) and video overviews, descriptions and guide products identifies and disseminates new and emerging DoD/Federal training standards and IA personnel certification requirements via conferences, workshops, and Distance Learning (DL) initiatives; and
- identifies and disseminates new and emerging DoD/Federal training standards and IA personnel certification requirements via conferences, workshops, and Distance Learning (DL) initiatives.

The O&M program growth between FY 2005 and FY 2006 expands the ISSP capabilities and protections. The increases provide funds for supplies and materials, equipment operation and maintenance contracts, facility operation and maintenance contracts, equipment purchases, and engineering and technical services to:

I. Description of Operations Financed: (continued BY MISSION AREA)

- PROTECT INFORMATION by providing SATCOM Wireless Security, Voice Over Internet Protocol (VOIP) Security, Public Key Infrastructure and Global Directory Services. (+6.7 million)
- PROVIDE INTEGRATED IA SITUATIONAL AWARENESS/IA C2 using an Enterprise Sensor Grid for Network Boundaries/Common Operational Picture/User Defined Operational Picture and a CoCOM and Agencies License for Situational Awareness Software. (+28.3 million)
- Support identification of new and emerging technologies and enhancement of existing services to DEFEND SYSTEMS AND NETWORKS by providing, for IA representative supporting CoCOMs, additional Sensor Grid Engineering efforts, fielding Analyst Workstations, enterprise policy monitoring, and implementing vulnerability/patch management systems, and a scanning software license for the DoD. Augments defenses by bolstering the NIPRNET/Internet Gateways and providing for firewalls and inspections at SIPRNET enclaves. Increase in equipment operation and maintenance contracts and equipment purchases for CoCOMs, Military Services, and DoD Agencies to provide for network defense enhancements to Coalition Networks. (+39.5 million)

Performance Criteria and Evaluation Summary: DISA is developing a comprehensive performance management system integrating strategic planning objectives with day-to-day management processes using a cascading system of linked performance measures. Currently, DISA is defining measures for each of the DoD IA Strategic Plan goals listed below. Each set of measures in a goal demonstrates the effectiveness of efforts within that area.

PROTECT INFORMATION

- Maintain directory of DoD personnel identification information
- Enable GIG to provide identity based services to DOD system
- Establish and maintain IA network policy
- Assess vulnerabilities

I. Description of Operations Financed: (continued BY MISSION AREA)

- Validate policy compliance
- Develop and implement secure architecture
- Establish robust IA boundaries
- Develop amd implement secure network components
- Protect applications from unauthorized access
- Protect boundary from unauthorized access
- Detect unauthorized access or misuse
- Detect unauthorized access by intruders & malicious code
- Terminate access promptly
- Terminate attacks promptly
- Assess damage
- Report status to CND service providers
- Redesign applications based on threat
- Reconfigure protections and policies dynamically based on threat

DEFEND SYSTEMS AND NETWORKS

- Identify vulnerabilities
- Establish standard configurations
- Provide situational awareness
- Detect attacks across the GIG
- Correlate incidents for analysis
- Generate alerts and reports
- Support collaboration on IA incidents across DoD
- Develop and field resolutions
- Verify and report compliance

I. Description of Operations Financed: (continued BY MISSION AREA)

PROVIDE INTEGRATED IA SITUATIONAL AWARENESS/IA COMMAND AND CONTROL (C2)

- Improve IA at Combatant Commanders
- Deliver cross-domain solutions
- Enable IA for coalitions
- Provide deployed forces secure entry to the DISN
- Support situational awareness of AOR

TRANSFORM AND ENABLE IA CAPABILITIES

- Plan effectively
- Execute efficiently
- Develop IA policy position
- Disseminate IA information within DOD
- Foster employee development

CREATE AN IA-EMPOWERED WORKFORCE

- Teach IA classes to the joint community
- Provide IA training products
- Develop and maintain an IA curriculum for IA professionals program

c. **Field Commands and Field Offices** DISA's three Field Commands and seven Field Offices are forward deployed and co-located with the CoCOMs (USJFCOM, USTRANSCOM, USSOUTHCOM, USSTRATCOM, USSOCOM, USCENTCOM, USNORTHCOM, USEUCOM, USPACOM).

DISA Field Commands and Offices serve as a liaison between DISA and the CoCOMs/Component Commanders on DISA support issues and policies. The Field Offices ensure that issues identified by Commanders are resolved in a timely manner and function as the focal point within DISA for theater-unique requirements. They maintain a proactive role with other

I. Description of Operations Financed: (continued BY MISSION AREA)

Field Office/Commands and CoCOM representatives, managing requirements from identification to delivery of DISA services. In addition, DISA's Continental U.S. Regional Operations Support Center (CONUS RNOSC) exercises centralized management of CONUS network operations and are responsible for the real-time operational direction, monitoring and control of the DISN within CONUS.

d. **Joint Staff Support Center (JSSC)** conducts 24x7 watch/monitor operations in the National Military Command Center (NMCC) for Command, Control, Communications and Computer Systems (C4), strategic threat operational warning, and National Military Joint Intelligence Center (NMJIC) Global Command and Control System (GCCS) operations. JSSC provides the Joint Staff with software-applications support relating to operational capabilities in conventional and nuclear planning and operations. JSSC also provides studio and remote video and audio recordings, electronic graphics, post production editing for training, informational, gun camera and battle damage assessment assistance, guidance for video teleconferencing networks and operations, and operation of the NMCC secure cable television system. Funding provides salaries and benefits for JSSC staff and contract equipment maintenance and support. Increased funding in FY 2006 supports increased equipment maintenance and contract labor to support additional GCCS requirements.

4. Exploit the GIG for Improved Decision Making: This mission area funds key Command and Control activities including the Global Command and Control System-Joint (GCCS-J); the Global Combat Support System (GCSS), National Military Command System (NMCS); Electronic Commerce (eCommerce); Defense Message System (DMS); Common Operating Environment (COE); Joint Command and Control (JC2); Joint Interoperability Test Command (JITC); and Testing. The GCCS Family of Systems programs to deliver C2 capabilities specified in their respective requirements documents, and plan to transition GCCS to a joint, net-centric C2 capability. DISA continues to support key GCCS-J activities to

I. Description of Operations Financed: (continued BY MISSION AREA)

develop and field joint C2 capabilities until a successor set of capabilities is formally approved. Included in this mission area are other programs including JC2 support services (FY 2005 $109K; FY 2006 $445K; FY 2007 $631K); JITC support services (FY 2005 $5,391K; FY 2006 $6,545K; FY 2007 $6,851K); and Counter Drug Transfer (FY 2005 $823K; FY 2006 $143K; FY 2007 $148K).

Mission Area Component ($ in Thousands)	**FY 2005 Current**	**FY 2006**	**FY 2007**
a. Global Command and Control System-Joint	86,250	99,010	96,860
b. Global Combat Support System	13,896	16,632	17,225
c. National Military Command System	3,959	4,468	4,561
d. Electronic Commerce	23,814	23,035	24,069
e. Defense Message System	28,583	21,645	22,038
f. Common Operating Environment	10,705	12,881	13,179
g. Testing	33,009	28,728	28,969
h. Other programs (listed above)	6,323	7,133	7,630
Exploit the GIG for Improved Decision Making Total	**206,539**	**213,532**	**214,531**

a. **Global Command and Control System-Joint (GCCS-J)** is the DoD Joint Command and Control (C2) System of Record and is an essential component for successfully accomplishing DoD Transformation objectives focusing on new Information Technology (IT) concepts, injecting new technologies, incrementally fielding relevant products and seeking to identify revolutionary technological breakthroughs. GCCS-J implements the Joint Chiefs of Staff validated and prioritized C2 requirements. The GCCS-J suite of mission applications/systems provides critical joint warfighting C2 capabilities by presenting an

I. Description of Operations Financed: (continued BY MISSION AREA)

integrated, near real-time picture of the battlespace for planning and execution of joint military and multinational operations. GCCS-J is a DoD major IT investment, designated as an Acquisition Category (ACAT) IAM Major Automated Information System (MAIS) program. GCCS-J is being implemented in an evolutionary manner through distinct blocks, using spiral development. Each block is self-contained, targets a specific set of user requirements and delivers multiple releases of GCCS-J functional capabilities. With each spiral release, GCCS-J will continue accelerated evolution towards a more net-centric, web-based, open system standards approach to providing C2 capabilities and services that will evolve GCCS-J into the basis of a single integrated Joint C2 architecture. It will provide incremental improvements that incorporate cutting-edge hand-held technologies, web-based, networked applications that can quickly access many sources of data and application logic.

GCCS-J is used by all nine CoCOMs at over 650 sites around the world, supporting more than 10,000 joint and coalition workstations. This effort provides 24x7 global helpdesk support via the Joint Operations Support Center (JOSC) and the National Military Command Center. The JOSC is the primary entry point for resolving all operational GCCS-J hardware, software and network issues.

Increased funding between FY 2005 and FY 2006 relates to:

Implementation of GCCS-J v4.2, scheduled for late FY 2005/early FY 2006 release. This upgrade is essential to avoid end of life issues. It will expand and enhance existing mission applications and incorporate a number of new capabilities, such as Web-Enabled Execution Management Capability (WEEMC), which provides common target and weapon information across all component commanders and workflow management tools to enable common consistent prosecution of targets. Also targeted for this version is the

I. Description of Operations Financed: (continued BY MISSION AREA)

migration of the commercial client and server operating systems to the latest version available. This upgrade is essential to avoid end of life issues. (+11.7M)

GCCS-J will continue to develop Block V capabilities with the fielding of GCCS-J v4.3, scheduled for FY 2006 release. GCCS-J v4.3 is characterized by two force projection mission applications rebuilt to implement new business rules and an n-tier, net-centric architecture. These mission applications will validate infrastructure and developer guidance produced during Block V, and will pave the way for more significant transformations in subsequent releases. In addition, enhancements are included across the spectrum of mission areas.

After the fielding of v4.3x, the last major release planned in Block V, GCCS-J and Service variants will have migrated to a single web-based architecture. GCCS-J will build upon Block V successes by delivering a secure, collaborative, web-enabled, and tailorable C2 architecture that provides decision superiority and vertical/horizontal interoperability. GCCS-J will continue to sustain the GCCS-J v4.x baseline by fielding time sensitive upgrades such as infrastructure software, security software, or mission applications patches to correct critical functional or operational deficiencies, as well as incremental releases to fielded baseline version of GCCS-J incorporating new technologies and fixes for applicable IAVA and IAVB published by DoD CERT. Emergent releases may also be fielded with new or enhanced functionality in response to urgent operational requirements.

Collaborative Force Analysis, Sustainment and Transportation System (CFAST). CFAST provides for rapid development of campaign plans in a coordinated and iterative fashion. The Joint Staff transferred funding in FY 2006 to support the final increment of Version 3.X. Continued funding in FY 2007 and out will be addressed after the USJFCOM has determined follow on requirements. CFAST Version 3.X introduces a more sophisticated

I. Description of Operations Financed: (continued BY MISSION AREA)

planning capability and the ability to do near execution planning/re-planning during crisis and execution, which is needed to advance the current CFAST prototype and enable it to support the Joint Staff's expanding rapid deployment mission. The enhanced CFAST system will equip the Joint Staff with user-intuitive capabilities for rapidly determining transportation requirements, performing course of action analyses, and projecting delivery profiles of troops and equipment by air, land, and sea. The improved system will be tailored for use by the CoCOMs component Services, regional commanders, Joint Task Forces (JTFs), and the Service staffs as a planning, forecasting, analysis, and execution tool for both deliberate and crisis action planning.

Increased payroll, benefits and supports costs incurred by the conversion of Military billets to civilian Full Time Equivalents in order to reduce military positions in defense agencies and return them to military services.

b. **Global Combat Support System (GCSS)** is an initiative that provides end-to-end visibility of retail and unit level Combat Support (CS) capability up through the National Strategic Level, facilitating information interoperability across and between CS and Command and Control (C2) functions. GCSS for the CoCOM/Joint Task Force commander (CC/JTF) is fielded as a GCCS-J mission application, providing decision makers with fused CS data and C2 information on the same workstation. In conjunction with other GIG elements including GCCS-J, DISN, DMS, Defense Enterprise Computing Centers – Detachments (DECC-D), and CoCOMs/Service/Agencies information architectures, GCSS (CC/JTF) will provide the information technology (IT) capabilities required to move and sustain joint forces throughout the spectrum of military operations.

DISA is responsible for two main efforts within the GCSS Family of Systems (FOS): System Architecture and Engineering for the GCSS FOS, and development, integration, fielding, operation and maintenance of the Global Combat Support System (CC/JTF). GCSS (CC/JTF)

I. Description of Operations Financed: (continued BY MISSION AREA)

provides enhanced CS situational awareness to the joint warfighter by integrating CS information into the C2 environment, and facilitating communications between forward deployed elements and sustaining bases, ultimately resulting in faster, more efficient decision making by the joint warfighter. GCSS (CC/JTF) significantly increases access to information stored in disparate databases via a simple sign on, web Portal application, using a SIPRNet PKI certificate. GCSS (CC/JTF) provides an infrastructure that allows secure web-access, discrete user account administration, data mediation, and enterprise management features, providing the springboard for delivery of capabilities to meet the vision of the future Net-Centric environment. GCSS (CC/JTF) is postured to accomplish the objective Net Centric Vision by using web-based technology to meet the Focused Logistics tenets of Joint Vision 2020 (JV 2020). The DISA Balanced Scorecard Corporate Strategy "C-4 Transition to DoD enterprise-wide capabilities for COI (e.g., command and control, combat support) that exploit the GIG for improved decision-making" is directly supported by the decision support tools and applications delivered by GCSS (CC/JTF).

In FY 2005 through FY 2007, the program will incrementally implement the next-generation architecture utilizing the NCES core enterprise services, as well as new Enterprise Information Integration (EII), Business Intelligence, Workflow, Knowledge Management, Web Service Management, and Security tools. The architecture includes implementation of a more robust Continuity of Operations Plan (COOP), failover, Enterprise System Management (ESM), and security (e.g., intrusion detection on GCSS strategic servers and next generation guards) processes and tools. This new architecture will enable the program to become fully net-centric and enable accelerated introduction of new data source integration and application development, greater flexibility for the end-user in how they evaluate and view fused data, dynamic report capability, more rapid exposure of data to communities of interest, and increased security. This architecture migration directly supports DISA Balanced Scorecard Corporate strategy "C-1 Transition to a net-centric

I. Description of Operations Financed: (continued BY MISSION AREA)

environment to transform the way DoD shares information by making data continuously available in a trusted environment."

In FY 2005, GCSS (CC/JTF) will use O&M funding to maintain and support fielded capabilities at the CoCOMs and supporting Component Headquarters. This includes delivering system upgrades in the form of major software releases, and updated and rapid fixes in support of prioritized CoCOM requirements to support day-to-day and combat operations. In addition, O&M funding will be used for Enterprise Systems Management and problem resolution support, and to address increases in hardware maintenance, and software licenses and maintenance costs associated with system evolution into a net-centric capability that will significantly enhance flexibility and response to warfighter needs. O&M funds will be used to support improved COOP, failover, and security enhancements (e.g., intrusion detection, next generation guards). O&M funding will provide training and onsite functional and technical support at the CoCOMs, to assist users with new capability increments provided by GCSS (CC/JTF), and to support exercises and demonstrations as directed by the Joint Staff/(J4). O&M funds are also used to maintain operational security of the system (i.e., managing and implementing security patches in response to Information Assurance Vulnerability Alerts (IAVAs), supporting Security Test & Evaluations (ST&Es) of the system to maintain our ATO, and supporting Security Readiness Reviews (SRRs) at our operating locations).

c. **National Military Command System (NMCS)** provides Senior Leaders, National Military Command Centers (NMCC), Executive Travel Fleet, Office of the Secretary of Defense (OSD), Chairman, Joint Chiefs of Staff (CJCS), and the President of the United States support to maintain C2 capabilities, ensure continuous availability of emergency messaging, and maintain situational and operational awareness. DISA Command Center Engineering, within the Strategic Communications Branch, provides innovative and cost-effective engineering solutions to ensure that the NMCS components and facilities located at the NMCC and NMCC

I. Description of Operations Financed: (continued BY MISSION AREA)

Site R provide the Joint Staff with the necessary emergency messaging, situation awareness, crisis action, and operational capabilities. The goal of this support is to provide overall configuration management and guide the future evolution of the many systems in the NMCS while continuing to meet users' needs. Projects support the Director's objective of providing responsive, timely, and accurate information to the warfighter. The program provides concept development, requirements definition and calibration, technical specifications, proofs-of-concept, testing, rapid prototyping, technology insertions, systems engineering and integration and technical assessments. Additionally, support provides informed, decision-making linkage between DoD Executive Leaders and the Combatant Commanders of the Unified and Specified Commands.

In FY 2005 through FY 2007 configuration management of NMCS assets including C2 systems and facilities (including transition planning for relocation of current NMCC/HEMP Facility to new NMCC); technical assessments and engineering support to modernize the NMCS via technology insertions and implementation of an Information Resources Management (IRM) infrastructure; migration of NMCS messaging systems to Defense Message System (DMS) architecture; and mirroring of NMCC systems at the Alternate NMCC via the Site R Integration Program.

d. **Electronic Commerce (eCommerce)** efforts support, facilitate, and accelerate the application of paperless electronic business practices and associated information technologies to improve and enhance DoD's business processes. eCommerce focuses on implementing eBusiness applications to support the paperless contracting life cycle, to include developing an infrastructure and architecture to support electronic business. The eBusiness vision is to develop, implement and sustain common enterprise-wide solutions that support strategic information exchange in the DoD marketplace. Funding for this portfolio supports the operations and maintenance of the applications using in house and contractor support, and the payments to the DoD enterprise computing for

I. Description of Operations Financed: (continued BY MISSION AREA)

transaction storage. Resources also support the required actions to ensure that the products remain supportable, such as licences, operating environment and security upgrades.

eCommerce delivers applications that provide users the capabilities to make their business processes more efficient and less paper intensive, thus allowing functional business owners to migrate from manual processes to more efficient eBusiness solutions. The DoD pursues ways to improve and increase the use of eCommerce processes throughout the Department in order to meet operational mission requirements more effectively and efficiently.

As Executive Agent, DISA directly supports the President's Management Agenda for DoD/Federal Enterprise Wide eCommerce Applications. eCommerce efforts continue to focus on supporting the DoD acquisition domain's requirements within the Business Management Modernization Program and the eGovernment Integrated Acquisition Environment (IAE) under the President's Management Agenda. eCommerce has several operational applications/infrastructures supporting the paperless contracting life cycle, including:

- **DoD Electronic Document Access (EDA):** EDA is an electronic file cabinet for the storage and retrieval of contract documents used by multiple DoD activities. EDA replaces paper by providing a single, read-only "electronic file cabinet" that can be accessed by any authorized user in DoD and the vendor community. Vendors may be authorized to view only contract documents that match their validated Data Universal Numbering System (DUNS) or Commercial and Government Entity (CAGE) code. Using EDA, DoD has reduced its unmatched disbursements, paper consumption, and paper storage requirements, and maximized convenience and efficiency. Users all view the same document(s) and the information is entered once and used many times, eliminating the

I. Description of Operations Financed: (continued BY MISSION AREA)

potential for transposition errors and redundant information maintenance. Over 30,000 registered and 14,000 active users access DoD EDA, at a daily hit rate over 15,000. There are over 60 million documents available via DoD EDA, including more than 10.2 million contract award and contract modification documents.

- **Central Contractor Registration (CCR):** CCR is the primary vendor database for all U.S. Government procurement and financial departments. CCR collects, validates, stores, and distributes vendor data. As of October 1, 2003, registration in CCR is mandated for all vendors intending to do business with the federal government. Registration in the CCR database is free to all vendors, but must be maintained on an annual basis. To register in the CCR database, a vendor must first obtain a DUNS number through Dun & Bradstreet. CCR registration can be accessed via the web. As of June 7, 2004, there are 316,924 active vendor registrations in CCR, 1,584 Government users accessing CCR data through the CCR tools capability, and 24 agencies receiving CCR data through daily extracts.

- **Wide Area Workflow (WAWF):** WAWF eliminates paper from the receipts and acceptance process of the DoD contracting life cycle. Authorized Defense contractors and DoD personnel create invoices and receiving reports and access contract related documents. Contracts are available through a seamless interface with EDA. WAWF supports DoD's efforts to reduce unmatched disbursements in the DoD receipt, acceptance, entitlement and payment process through data sharing and electronic processing. DoD gains global accessibility of documents, reduced re-keying, improved data accuracy, real-time processing, secure and auditable transactions and fewer interest penalties, due to faster processing. Vendor benefits include electronic invoice submission, reduction in lost or misplaced documents, and online access to contract payment records.

I. Description of Operations Financed: (continued BY MISSION AREA)

- **Federal Technical Data Solutions (FedTeds):** FedTeds was developed under eGovernment's Integrated Acquisition Environment. It enables the distribution and dissemination of Sensitive but Unclassified (SBU) acquisition material related to solicitations found on FedBizOpps.gov, the single government point-of-entry for Federal government procurement opportunities. FedTeds is designed to safeguard sensitive acquisition related information during the solicitation phase of the procurement cycle. FedTeds has 6,234 registered users, 3,826 uploaded data packages, and 2,447 released data packages associated with active solicitations. Some of the benefits of using FedTeds include: improved efficiency, credibility, and effectiveness of the acquisition and logistics support process by streamlining the Federal procurement process; real time vendor access to SBU acquisition material, saving government agencies valuable time and dollars; additional security from a physical firewall between the Federal government and its public customers without decreasing vendor satisfaction; and ability to use existing DoD databases to validate a user's access to export controlled data. FedTeds is part of the Department of Homeland Security, GSA, and several other federal and state agencies via the Federal eGovernment Integrated Acquisition Environment initiative.

- **Global Exchange (GEX):** GEX is an infrastructure that provides translation and transportation of transaction sets among legacy and new systems that need to interface with each other, enabling interoperability among these systems; combines gateway and network entry point functions into a single environment; and provides an enhanced audit trail of transactions to ensure end-to-end reliability and audibility.

e. **Defense Message System (DMS)** is the Warfighter’s Message System, providing secure, accountable, and reliable messaging and directory service at DoD sites worldwide. DMS is integrated writer-reader capable, organizational messaging system that is accessible worldwide (to include tactically deployed military personnel) and interfaces to Allies

I. Description of Operations Financed: (continued BY MISSION AREA)

and Defense contractors. DMS provides a disciplined interoperable organizational messaging environment that leverages commercial products to the maximum. DMS uses Commercial Off-the-Shelf (COTS) and modified COTS components to provide multi-media messaging and directory capabilities that complement and leverage the GIG. DMS capability exceeds that of pure COTS applications. DMS incorporates state-of-the-art information technologies, including automated access controls for compartments, code words, and caveats. It provides the full range of messaging services to meet organizational and individual messaging needs throughout the DoD. National Security Agency class 4 Public Key Infrastructure (PKI) certificates are used for authentication and access control. DMS reliably handles information of all classification levels (Unclassified to Top Secret), compartments, and special handling instructions. Funding supports the DMS program office and the activities required to sustain the system and maintain capabilities. DMS funding reduction FY 2006 through FY 2007 is based on senior leadership decisions to reduce investment in legacy systems.

f. **Common Operating Environment (COE)** promotes and enhances interoperability of command and control systems and related capabilities across the DoD. The COE's Common Operational Picture provides a single view of battle space situational awareness to commanders from tactical to strategic echelons. Funding continues through FY 2011 to support COE customers as they transition to NCES. The COE is nearing the end of its life cycle and is transitioning to a sustainment mode. The military departments, services, and defense agencies are preparing plans to transition legacy Information Technology (IT) systems, including those based upon the COE, to the GIG's joint, net-centric environment. COE sustainment activities are planned in coordination with the definition and implementation of the Net Centric Enterprise Services (NCES) program to ensure that the transition to a net-centric environment is fully coordinated with and supported by the COE customers' current and future IT investments.

I. Description of Operations Financed: (continued BY MISSION AREA)

In FY 2005, COE enhanced its foundation components to provide a robust starting point for its customers' transition to net-centricity. In FY 2006 through FY 2007, COE will support technology-refresh activities for its customers and posture them for transition to a net-centric environment. During the transition to a net-centric environment, COE customer requirements for COE sustainment services, including mission critical operational support, will continue. These requirements include cross-program, inter-service/inter-agency support for resolution of critical engineering issues, Information Assurance Vulnerability Analysis (IAVA), and computer incident emergency response reporting. Other services provided by the project office include trouble shooting, integration and testing support, patch releases for critical software failures, information assurance/computer security integration support, software configuration management, and software asset distribution services.

g. **Testing** provides civilian salary and operating costs associated with the expanded test mission. This area funds the laboratory equipment and supplies necessary to effect lab consolidation; software and hardware maintenance and licensing; technical support contracts, Information Technology equipment, communications, travel, and training. Provides funding to operate and maintain testing facilities, and test contractor support. Decreases between FY 2005 and FY 2006 are due to restructuring of the test facility activities and testing.

5. Deliver Capabilities Effectively/Efficiently: This mission area funds the DISA Management Headquarters activities, payments levied to fund the costs that DISA incurs as a Pentagon and deployment site tenant, as well as the Shared Services Units, the organizational activities required to run an agency and support the major programs and functions in their efforts to deliver capability to the warfighter and other customers.

I. Description of Operations Financed: (continued BY MISSION AREA)

Funds for the International Cooperative Administrative Support Service (ICASS) are also included, ICASS is a cost sharing system for the administrative support that the U.S. State Department provides to Federal Departments and Agencies, to include the DoD.

DISA's balanced scorecard commits the agency to provide greater transparency, quality, and timeliness of financial information; and to manage all costs to ensure best value for our customers. As a necessary first step towards these goals, DISA established a methodology for consistently assigning shared costs across programs and activities. These shared costs include, but are not limited to: facilities operations and maintenance costs for the National Capital Region, force protection costs both prior and subsequent to 9-11, DFAS bills, centralized costs of financial information systems, vendor management costs of awarding and administering contracts, operating costs of payroll and human resources management systems for civilian and military personnel, centralized training and career development efforts, travel services, disability payments to the Department of Labor, and the operating and investment costs of DISA's internal LANs, WANs, and IT services. These shared costs also include the pay and benefits of the government staff involved in managing or providing these shared services. In the past, these costs were allocated to the legacy organizations that originally incurred these costs, rather than the consumers of these services.

Implementing this initiative significantly improves DISA's presentation of the total cost of programs to OSD, OMB, and Congress, and addresses weaknesses identified by GAO and OMB. It will preclude unintended subsidies to Defense Working Capital Fund operations in the agency, addressing concerns in this area expressed by both GAO and Congressional Committees. This initiative redistributes costs across programs and activities in DISA to identify the total cost of ownership of a program. Most importantly, the implementation of this methodology does not decrease the amount of direct funding available to any program or activity in the agency. However, in the future, as program

I. Description of Operations Financed: (continued BY MISSION AREA)

decisions are made this allocation will identify the increase the support costs incurred by a specific program, those increases will be apparent in changes to the program resources.

Mission Area Component ($ in Thousands)	**FY 2005 Current**	**FY 2006**	**FY 2007**
a. Management Headquarters	28,979	30,850	31,930
b. Pentagon Reservation Maintenance Revolving Fund	13,780	13,281	14,964
c. Shared Service Units	24,139	25,150	25,913
Deliver Capabilities Effectively/Efficiently Total	**66,898**	**69,281**	**72,807**

a. **Management Headquarters** activities include technical and administrative support essential to the operation of DISA and supporting the Global Net-Centric solutions, including the Director of DISA and the supporting staff elements. Additionally, Management Headquarters accounts for Agency-wide congressionally mandated functions, such as the Equal Employment Opportunity Office and the Inspector General. Funds the salary and operating support to the DISA Headquarters function that provides Agency-wide policy guidance, reviews and evaluates overall program performance; allocates and distributes Agency resources, and conducts mid and long range planning, programming, and budgeting. Provides funds for direct administration support such as general office supplies, equipment and equipment maintenance as they relate to the Director, DISA. and the headquarters elements.

b. **Pentagon Reservation Maintenance Revolving Fund (PRMRF**) funds the tenant charges and real property operations for DISA’s use of space at the Pentagon and Site R. Provides resources for the DISA proportional share of the Command Communications Survivability Program, which fixes vulnerabilities in the command communications systems of Pentagon

I. Description of Operations Financed: (continued BY MISSION AREA)

senior leaders. Also, implements the Unified Command Center and Resource and Situation Awareness Center, and increased security and protection costs.

c. **Shared Services Units (SSUs)** resources are allocated across the products and services contained in the business and mission activities. The model uses four primary cost drivers: (1) number of authorized billets (civilian and military), (2) number of DISANet accounts (civilian, military, and contractor), (3) number of tenants in National Capitol Region facilities (civilian, military, and contractor), and (4) amount of dollars in the business and mission projects.

- **Chief Financial Executive (CFE)** funds the salaries and operating expenses of the CFE to provide financial services support and financial automation support to the Agency and perform requirements of the Chief Financial Officer (CFO) Act and the Government Performance and Results Act as well as the Budget and Performance Integration goal of the President's Management Agenda (PMA). CFE conducts economic analyses, cost estimating and program and organizational assessments. A major challenge is to provide accurate, reliable, and timely financial information to support DISA's planning, engineering, acquiring and fielding of the Global Net-Centric solutions and operating the GIG. Funds the payments due to the DFAS and contract support in the areas of accounts payable and support (receiving, processing and filing DISA vendor and intra-government invoices/bills); enhancements to the Defense Financial Management System in support of Agency operations; continuing implementation of the CFO Act to include preparation of the annual, Agency-wide financial statements and implementation of metrics associated with the Balanced Scorecard. FY 2006 funding initiates the DISA Standard Finance and Accounting System, the DoD integrated Financial Management System as well as the auditing and related activities to implement the Financial Management Improvement Plan requirements.

I. Description of Operations Financed: (continued BY MISSION AREA)

- **Component Acquisition Executive (CAE)** funds the salaries and operating costs of the CAE and the Major Acquisition Program Managers, including professional training and certification requirements. CAE focuses on all acquisitions managed by DISA to include Major Automated Information Systems, Information Technology Services, and other programs, projects and services being acquired by DISA. The purpose of the CAE program activities is to provide expert advice on acquisition policy, related procurement logistics and policies, and achieve successful implementation of net-centric vision by providing tailored acquisition policies, procedures, tools, and lifecycle oversight and career management in compliance with statutory and regulatory requirements.

- **Manpower, Personnel and Security (MPS)** funding is used to develop and implement plans, programs and oversight worldwide in the areas of civilian personnel, military personnel, human resource development, organization and manpower program administration, payroll, travel, transportation mail management visual information, force protection and security, real estate facilities, rent and supply services. Funds provide physical protection of the DISA workforce through guard contracts, personnel security investigations and maintain closed circuit television components, perimeter fence sensors, and access control devices to protect existing systems and personnel within DISA. In addition, MPS administers the workforce management initiatives. This area funds the Strategic Management of Human Resources, to facilitate development of the DISA workforce competencies that will support the recruitment/retention of the right skills and capabilities to implement DISA's transformation goals. In FY 2005 through FY 2011, DISA has funded a dynamic intern program aimed at acquiring and revitalizing the workforce to meet the challenges to support the transformation-hiring plan. DISA has also funded recruitment bonuses, a one-time cash payment made to a newly appointed employee as an inducement for hard to fill positions, as well as relocation and

I. Description of Operations Financed: (continued BY MISSION AREA)

advancement of hires and other grants and contributions. Funding is provided for the Disability Compensation costs assigned to the Agency by the Department of Labor as well as resources to reimburse individuals for the Mass Transit Benefit.

- **Procurement and Logistics (P&L)** provides expert advice in areas of contracting and logistics support to the Agency. Specific program activities include providing acquisition solutions, strategy and planning, policy and services, promoting full and open competition; directing the agency business development activities and implementing automated acquisition tools, processes, and performance metrics. P&L funds the civilian salaries, operating expenses and contracts in support of acquisition and logistics management for agency systems. It includes funds for contract close out support as required by the Federal Acquisition Regulation Accelerating Implementation Support, Electronic Document Management System usage, Source Selection tool support, Standard Procurement System support, and Acquisition Planning Execution engineering support. Funds also provide administrative support for office supplies and equipment.

- **Strategic Planning and Information (SPI)** supports the Director, DISA, in decision making; strategy-development, and aligning DISA program execution to plan, engineer, acquire, field and support Global net-centric solutions; operating the DISANet, DISA's internal networks; information assurance and management of DISA information technology resources, funds the performance metric activities associated with the Balanced Scorecard. SPI funds provide operational network support in both the classified and unclassified environments for over 8,500 DISA employees and contractors in 35 locations worldwide. This entails all aspects of planning, procuring, systems integration, installation, and operation and maintenance of the local area networks in support of DISA internal customers as well as external customers including OSD and the Joint Staff. SPI funds the DISA Knowledge Management (KM) Project and the Enterprise Data and Global

I. Description of Operations Financed: (continued BY MISSION AREA)

Exchange portal (EDGE) that generates, captures, integrates and disseminates information and knowledge relevant to the DISA mission. FY 2005 through FY 2007 funding for the Edge significantly extends capabilities to the DISA workforce.

6. Special Missions: Reliable, robust, and redundant communication and information systems are critical to positive control over U.S. Armed Forces. DISA plans, develops, and supports Command, Control, and Communications (C3) that serve the needs of the President and the Secretary of Defense under all conditions of peace and war. The Special Mission Activity provides operational telecommunications and other related support to the President of the United States, the Vice President, the First Lady, the United States Secret Service (USSS), the Executive Office of the President, the White House Staff, the National Security Council (NSC), the White House Press Office, the White House Military Office (WHMO), the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and others by direction. The Special Mission Activity consists of:

Mission Area Component ($ in Thousands)	**FY 2005 Current**	**FY 2006**	**FY 2007**
a. White House Communications Agency	91,698	108,640	110,187
b. White House Situation Support Staff, Senior Leadership Communications System	4,218	5,427	5,531
c. Secure Video Teleconferencing System	6,911	8,809	9,303
d. Minimum Essential Emergency Communications Network	5,033	4,797	5,106
e. Communications Management Control Activity	876	823	840
Special Mission Area Total	**108,736**	**128,496**	**130,967**

These sub-activities support the Commander in Chief (CINC) communications from modern enterprise information technology to highly secure and survivable command and control of

I. Description of Operations Financed: (continued BY MISSION AREA)

nuclear forces. Grouping these sub-activities together provides a management structure that ensures the provision of these capabilities in the White House, aboard Air Force One, in a motorcade limousine, or at Presidential appearances and trip sites. The program in FY 2006 and out is increased to support additional mission support as well as fund the maintenance of equipment acquired through supplemental resources.

II. Force Structure Summary: Not Applicable

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary ($ in Thousands)

		FY 2005				
A. Budget Activity (BA) 4	**FY 2004 Actuals**	**Budget Request**	**Appropriation**	**Normalized Current Estimate**	**FY 2006 Estimate**	**FY 2007 Estimate**
Transition to Net Centric Environment	116,201	112,430	109,915	109,915	117,787	117,606
Eliminate Bandwidth Constraints	468,369	334,753	321,762	321,762	207,849	184,075
Operate, Manage and Defend the GIG	264,387	245,810	217,992	217,992	308,180	316,461
Exploit the GIG for Improved Decision Making	189,577	209,504	206,539	206,539	213,532	214,531
Deliver Capabilities Effectively/Efficiently	67,268	72,124	67,958	66,898	69,28	72,807
Special Missions	133,774	115,937	108,736	108,736	128,496	130,967
Total	**1,239,576**	**1,090,558**	**1,032,902**	**1,031,842**	**1,045,125**	**1,036,447**
FY 2005 Title IX funds				56,000		
Total Available Resources				1,087,842		

III. Financial Summary ($ in Thousands) (continued)

B. Reconciliation Summary	Change FY 2005/ FY 2005	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Baseline Funding	**1,090,558**	**1,031,842**	**1,045,125**
Congressional Adjustments (Distributed, net)	-24,000		
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-33,656		
Subtotal Appropriated Amount	**1,032,902**		
Fact-of-Life Changes (CY to CY Only)			
Subtotal Baseline Funding			
Enacted Supplemental (Title IX)	56,000		
Reprogrammings			
Price Changes		-4,644	+21,355
Functional Transfers	-60	+27,161	+5,862
Program Changes	-1,000	-9,235	-35,895
Current Estimate	**1,087,842**	**1,045,125**	**1,036,447**
War-Related and Disaster Supplemental	-56,000	**0**	**0**
Normalized Current Estimate	**1,031,842**	**1,045,125**	**1,036,447**

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request (Amended, if applicable)		**1,090,558**
1. Congressional Adjustments		-57,656
a. Distributed Adjustments: Program Growth (net)	**-24,000**	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions	**-33,046**	
1) Sec 8095 – Advisory and Assistance Services	-13,715	
2) Sec 8122 – Management Improvement Savings	-1,757	
3) Sec 8140 – Unobligated Balances	-16,903	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-671	
e. Congressional Earmarks – Indian Lands Environmental Impact	**-610**	
FY 2005 Appropriated Amount		**1,032,902**
2. War-Related and Disaster Supplemental Appropriations		
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287)		+56,000
1) Operation Enduring Freedom (OEF)	12,219	
2) Operation Iraqi Freedom (OIF)	43,781	
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)		
3. Fact of Life Changes		-1,060
a. Functional Transfers	**-60**	
1) Transfers In		
2) Transfers Out: Transfer support for Pentagon Renovation Activities to WHS	-60	
b. Technical Adjustments		
c. Emergent Requirements	**-1,000**	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
1) Program Increases		
2) Program Reductions	-1,000	
a) One-Time Costs		
b) Program Decreases	-1,000	
1) Below Threshold Reprogramming to Defense Logistics Agency for Mid-Range Financial Systems audit program	-1,000	
FY 2005 Baseline Funding		**1,087,842**
4. Reprogrammings (requiring 1415 Actions)	0	
Revised FY 2005 Estimate		**1,087,842**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-56,000
FY 2005 Normalized Current Estimate		**1,031,842**
6. Price Change		-4,644
7. Functional Transfers		+27,162
a. Transfers In: Defense Agency Manpower Review Process		
1) Implement Military to Civilian Billet Conversion, from Army	+1,891	
2) Implement Military to Civilian Billet Conversion, from Navy	+7,295	
3) Implement Military to Civilian Billet Conversion, from United States Marine Corps	+307	
4) Implement Military to Civilian Billet Conversion, from Air Force	+2,369	
5) Collaborative Force Analysis, Sustainment and Transportation System (CFAST) increment transfer from the Joint Staff to sustain version 3.0 pending full needs assessment.	+4,500	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
6) Directly funds classified program for the Executive Office of the President (previously provided by reimbursable funding).	+10,800	
b. Transfers Out		
8. Program Increases		+119,245
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006	**+119,245**	
1) Information Systems Security Program (ISSP) increase to fund the Information Operations Roadmap. Also funds additional critical information assurance activities key to Network Centricity transformation and protect the Global Information Grid and its expansion. Funding resulted from the Secretary of Defense review of Information Operations requirements. (Mission: Information Systems Security Program, FY 2005 Base: $121,331K)	+74,476	
a) Provides SATCOM Wireless Security, Voice Over Internet Protocol (VOIP) Security, Public Key Infrastructure and Global Directory Services. (Program growth: $6,100K)		
b) Increases critical Computer Network Defense (CND), Situational Awareness activities, by providing an Enterprise Sensor Grid for Network Boundaries/Common Operational Picture/User Defined Operational Picture and a Combatant Commands and Agencies License for Situational Awareness Software. (Program growth: $28,126K)		
c) Increased funding to support identification and acquisition of new and emerging technologies and enhancements of existing services for the defense of DoD systems and networks by providing additional Sensor Grid Engineering support; fielding Analyst Workstations,		

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
Enterprise Policy Monitoring, implementing vulnerability/Patch Management Systems, and providing for a Scanning Software Enterprise License for the DoD. Added NIPRNET/Internet Gateways and providing Firewalls and inspections at SIPRNet enclaves (Program growth: $40,250K)		
2) Increase funding for Network Operations (NetOps) activities in support of the Global NetOps Center supporting Information Assurance responses across military department and other defense agency Computer Emergency Reponses Teams (CERT); the Combatant Commander Network Operations; and Security Capabilities (CNOSC) for end-to-end global awareness within a Combatant Commanders Area of Responsibility. (FY 2005 Base: $51,680K)	+9,444	
3) Global Command and Control System-Joint (GCCS-J) fielding and Block IV sustainment and Block V and maintenance activities. (FY 2005 Base: $86,250K)	+12,760	
4) Global Combat Support System-CC/JTF implementation of next generation architecture includes implementation of a more robust Continuity of Operations Plan (COOP), failover, Enterprise System Management (ESM), and security tools. (FY 2005 Base: $13,896K)	+2,736	
5) Implement mandated Net-centric Engineering process with support tools, interoperability standards and identification of Net-Centric standards, includes support to Internet Protocol Version IV requirements. (FY 2005 Base: $55,712K)	+10,633	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
6) Provide funding for Mission Area equipment maintenance. Includes support for White House Communications Agency equipment; White House Situational Support Staff equipment, and Secure Video Teleconferencing system maintenance for equipment and software previously acquired through supplemental funding. (FY 2005 Base: $103,703K)	+9,196	
9. Program Decreases		-128,480
a. One-Time FY 2005 Costs		
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006	**-128,480**	
1) Implementation of DoD Enterprise Level Communication Subscription Pricing and Governance Process for Defense Information Systems Network (DISN) and Global Information Grid Expansion operations; Concept establishes host based subscription recovery. Eliminates DISN funding for Tier One Military Unique Funding and Tier Two Rate Based Cost Recovery. (FY 2005 Base: $269,348K)	-104,695	
2) Defense Message System (DMS) legacy status, maintain only essential sustainment. (FY 2005 Base: $ $28,583K).	-6,938	
3) Teleport Tier Two reductions based on subscription recovery pricing for DISN support. (FY 2005 Base: $13,133K)	-5,537	
4) Restructure Testing activities to reduce costs and leverage existing program funding. (FY 2005 Base: $33,009K)	-4,281	
5) Reduce NCES program Tier One based on revised subscription recovery pricing for DISN support. (FY 2005 Base: $25,736K)	-2,960	
6) Contract services reduction to various lower priority programs such as AITS-JPO; NETWARS, eCommerce (FY 2005 Base: $52,418K)	-4,069	
FY 2006 Budget Request		**1,045,125**

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
10. Price Change		+21,355
11. Transfers		+5,826
a. Transfers In	**+5,826**	
1) Additional Military to Civilian Billet Conversion, Increase to Pay from Army Military Pay	+2,991	
2) Additional Military to Civilian Billet Conversion, Increase to Pay from Navy Military Pay.	+248	
3) Additional Military to Civilian Billet Conversion, Increase to Pay from United States Marine Corp Pay	+219	
4) Additional Military to Civilian Billet Conversion, Increase to Pay from Air Force Military Pay	+2,368	
b. Transfers Out		
12. Program Increases		+2,131
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007	**+2,131**	
1) Provide required support for Coalition Warrior Interoperability Demonstration (FY 2006 Base: $2,808K)	+448	
2) Increase Pentagon Maintenance Fund costs (FY 2006 Base: $13,281K)	+1,683	
13. Program Decreases		-37,990
a. One-Time FY 2006 Costs		
b. Annualization of FY 2007 Program Decreases		
c. Program Decreases in FY 2007	**-37,990**	
1) DISN Subscription rate and non recoverable costs savings. (FY 2006 Base: $164,653K)	-22,955	
2) CFAST Version 3.0/3.x Implementation. (FY 2006 Base: $4,500K)	-4,500	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
3) Information Dissemination Management Program net centric implementation complete, sustainment of legacy services until new Network Centric Enterprise Services (NCES) Increment 1 implementation. (FY 2006 Base: $8,113K)	-5,415	
4) Defense Collaboration Tool Suite legacy system designation, sustainment of legacy services only until new Network Centric Enterprise Services (NCES) Increment 1 implementation. (FY 2006 Base: $12,021K)	-2,970	
5) GCCS-J Block V fielding complete. (FY 2006 Base $99,010K)	-2,150	
FY 2007 Budget Estimate		**1,036,447**

IV. Performance Criteria and Evaluation Summary

The Activity group exhibits that follow this section provide details of the wide range of actions and initiatives that DISA undertakes to perform its complex mission and how DISA measures its success. The performance measures shown in the exhibits are largely those associated with appropriated funding. However, DISA's strategies are supported by a number of other measures in its programs funded by the Defense Working Capital Fund.

In addition to the selected measures provided here, DISA has developed additional measures and initiatives to support our Balanced Scorecard (BSC). DISA's initial FY 2004 BSC described in detail our approach to the mission, our alignment with the DoD Risk Management Framework and DoD and ASD (NII) goals, strategies, and priorities. It also defined the corporate level goals, strategies, measures, and initiatives that enable us to achieve our mission and vision. The FY 2005 BSC has been developed to more clearly reflect DoD's Net-Centric transformation goals and our internal transformation priorities. The BSC is an evolving process, which provides the framework to organize and communicate our strategy. Our measures will allow us to focus resources on activities that will result in optimum resource allocation and mission effectiveness.

Beginning in FY 2004, scorecard owners were required to brief the Corporate Board quarterly on progress in executing their strategy. The reviews have proven invaluable in that they provide an opportunity to discuss strategy and obtain an integrated view of Agency performance. They also strengthen individual accountability and ensure alignment with Corporate level goals and strategies.

For example, a significant element of DISA's new strategy was the creation of an integrated acquisition office led by a full-time Component Acquisition Executive (CAE). DISA's CAE is responsible for the management and oversight of the Agency's programs, projects, and services. This oversight ensures that the Agency's acquisition processes

IV. Performance Criteria and Evaluation Summary (continued)

and procedures are effective and efficient and the results of the acquisition process are directly linked to agreed upon parameters. The CAE establishes guidelines and policy for life cycle management activities, ensures oversight reviews for the purpose of program/project initiation, continuation, termination, and/or the advancement to the next phase. At the Component level, the CAE serves as the Milestone Decision Authority and approves all required governance documents such as acquisition program/program baselines, acquisition strategies, test and evaluation master plans, and test strategy support plans and associated changes, as appropriate.
These examples highlight the connections between DISA's strategic goals, corporate strategy, activity group, measure, the DoD Risk Management Framework, and the President's Management Agenda.

DISA Strategic Goa1 1: Enable the net-centric force
Corporate Strategy: Transition to a net-centric environment to transform the way DoD shares information by making data continuously available in a trusted environment
Activity Group: Transition to Net-centric Environment
Measure: Number of customers using enterprise services
Risk Management Framework: Future Challenges
President's Management Agenda: Expanded Electronic Government

DISA Strategic Goa1 2: Build confidence in DISA's financial stewardship
Corporate Strategy: Provide greater transparency, quality and timeliness of financial information
Activity Group: Deliver capabilities more effectively, economically, and efficiently
Measure: % of accounts receiving unqualified audit opinion

IV. Performance Criteria and Evaluation Summary (continued)

Risk Management Framework: Institutional
President's Management Agenda: Improved Financial Performance

DISA Strategic Goa1 3: Improve planning, engineering, acquiring, fielding, supporting, and operating innovative net-centric services and solutions
Corporate Strategy: Develop and implement world-class acquisition processes; develop innovative partnerships with commercial providers and other government organizations, e.g., JFCOM, STRATCOM, OSD
Activity Group: Transition to Net-centric Environment
Measure: Average acquisition cycle time for DISA-provided capabilities, program designation to IOC
Risk Management Framework: Institutional
President's Management Agenda: N/A

DISA Strategic Goa1 4: Become the employer of choice for outstanding people with the right skills
Corporate Strategy: Strengthen workforce skills and customer relationship skills
Activity Group: Deliver capabilities more effectively, economically, and efficiently
Measure: Skill fill rate - % personnel at each skill or certification level
Risk Management Framework: Force management
President's Management Agenda: Strategic Management of Human Capital

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
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V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)	1,611	1,773	1,629	1,580	-144	-49
Officer	377	459	393	377	-66	-16
Enlisted	1,234	1,314	1,236	1,203	-78	-33
Reserve Drill Strength (E/S) (Total)	146	198	198	198	0	0
Officer	54	70	70	70	0	0
Enlisted	92	128	128	128	0	0
Reservists on Full Time Active Duty (E/S)	2	2	2	2	0	0
Officer	1	1	1	1	0	0
Enlisted	1	1	1	1	0	0
Civilian End Strength (Total)	2,464	2,556	2,709	2,759	153	50
U.S. Direct Hire	2,419	2,501	2,654	2,704	153	50
Foreign National Indirect Hire	5	5	5	5	0	0
Reimbursable Civilians	40	50	50	50	0	0
Active Military Average Strength (A/S) (Total)	1,611	1,773	1,629	1,580	-144	-49
Officer	377	459	393	377	-66	-16
Enlisted	1,234	1,314	1,236	1,203	-78	-33
Reserve Drill Strength (A/S) (Total)	146	198	198	198	0	0
Officer	54	70	70	70	0	0
Enlisted	92	128	128	128	0	0
Reservists on Full Time Active Duty (A/S) (Total)	2	2	2	2	0	0
Officer	1	1	1	1	0	0
Enlisted	1	1	1	1	0	0
Civilian FTEs (Total)	2,485	2,481	2,634	2,683	153	49
U.S. Direct Hire	2,440	2,426	2,579	2,628	153	49
Foreign National Indirect Hire	5	5	5	5	0	0
Reimbursable Civilians	40	50	50	50	0	0
Average Annual Civilian Salary ($000)	$103	$112	$113	$115	$1	$2

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

			Change FY2004/FY2005			Change FY2005/FY2006			Change FY2006/FY2007		
EEIC	VII. PRICE AND PROGRAM CHANGES ($ in Thousands)	FY2004 Actual*	Price Growth	Program Growth	FY2005 Estimate**	Price Growth	Program Growth	FY2006 Estimate	Price Growth	Program Growth	FY2007 Estimate
101	Executive, General and Special Schedules	204,333	7,152	13,035	224,520	5,164	4,774	234,458	5,393	-4,256	235,595
101	Benefits for Current Employees	51,546	1,804	-3,843	49,507	1,139	7,467	58,113	1,337	10,192	69,642
103	Wage Board	161	6	171	338	8	1	347	8	-7	348
106	Benefits to Former Employees	0	0	0	0	0	0	0	0	0	0
107	Voluntary Separation Incentive Payments	0	0	0	0	0	0	0	0	0	0
111	Disability Compensation	830	0	908	1,738	0	276	2,014	0	423	2,437
112	Mass Transportation	0	0	644	644	0	151	795	0	-31	764
199	Total Civilian Personnel Compensation	**256,870**	**8,961**	**10,916**	**276,747**	**6,310**	**12,670**	**295,727**	**6,737**	**6,322**	**308,786**
308	Travel of Persons	29,650	593	-894	29,349	616	353	30,318	637	200	31,155
399	Total Travel	**29,650**	**593**	**-894**	**29,349**	**616**	**353**	**30,318**	**637**	**200**	**31,155**
671	Communications Services Tier 2	72,690	-749	-71,941	0	0	0	0	0	0	0
672	Pentagon Reservation Maintenance	12,261	3,310	-2,450	13,121	-2,611	1,972	12,482	2380	-835	14,027
673	Defense Finance and Accounting Services (DFAS)	8,452	205	150	8,807	-238	3,922	12,491	-1,215	381	11,657
677	Communications Services (DWCF)	136,126	-6,643	25,409	154,892	-20244	-109,448	25,200	-1230	330	24,300
679	Cost Reimbursable Purchases	350	7	93	450	9	-459	0	0	0	0
699	Total Purchases	**229,879**	**-3,869**	**-48,740**	**177,270**	**-23,084**	**-104,013**	**50,173**	**-65**	**-124**	**49,984**
771	Commercial Transportation	3,877	70	-1,102	2,845	57	-136	2,766	58	-101	2,723
799	Total Transportation	**3,877**	**70**	**-1,102**	**2,845**	**57**	**-136**	**2,766**	**58**	**-101**	**2,723**
912	Rental Payments to GSA Leases (SLUC)	14,364	215	5,420	19,999	420	545	20,964	440	477	21,881
913	Purchased Utilities (non-DWCF)	2,806	56	-27	2,835	60	-363	2,532	53	20	2,605

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

EEIC	VII. PRICE AND PROGRAM CHANGES ($ in Thousands)	FY2004 Actual*	Change FY2004/FY2005 Price Growth	Change FY2004/FY2005 Program Growth	FY2005 Estimate**	Change FY2005/FY2006 Price Growth	Change FY2005/FY2006 Program Growth	FY2006 Estimate	Change FY2006/FY2007 Price Growth	Change FY2006/FY2007 Program Growth	FY2007 Estimate
914	Purchased Communications (non-DWCF)	78,218	1,564	-46,490	33,292	699	-12,384	21,607	454	-1,646	20,415
915	Rents (non-GSA)	83	2	61	146	3	2	151	3	1	155
917	Postal Services (USPS)	184	0	-114	70	0	1	71	0	1	72
920	Supplies & Materials (non-DWCF)	8,097	162	66	8,325	175	3,085	11,585	243	-3,152	8,676
921	Printing & Reproduction	261	5	66	332	7	2	341	7	1	349
922	Equipment Operation & Maintenance by Contract	471,986	9,440	-110,600	370,826	7,787	114,762	493,375	10,361	-26,139	477,597
923	Facility Operation & Maintenance by Contract	16,287	326	235	16,848	354	-4,079	13,123	276	41	13,440
925	Equipment Purchases (non-DWCF)	26,792	536	11,471	38,799	815	1,741	41,355	868	-3,293	38,930
931	Contract Consultants	1,831	37	1,018	2,886	61	-22	2,925	61	-35	2,951
932	Management and Professional Support Services	0	0	155	155	3	-3	155	3	-3	155
933	Studies, Analyses and Evaluations	0	0	206	206	4	-4	206	4	-3	207
934	Engineering and Technical Services	6,853	137	-5,083	1,907	40	-102	1,845	39	-19	1,865
937	Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0	0	0	0
987	Other Intra-governmental Purchases	17,403	348	-7,322	10,429	219	1,587	12,235	257	-1,311	11,181
988	Grants/Subsidies/Contributions	0	0	50	50	1	-1	50	1	-1	50
989	Other Contracts	72,276	1,446	-35,237	38,485	808	4,286	43,579	915	-1,267	43,227
998	Other Costs	1,859	37	-1,855	41	1	0	42	1	0	43
999	Total Other Purchases	**719,300**	**14,311**	**-187,980**	**545,631**	**11,457**	**109,053**	**666,141**	**13,987**	**-36,329**	**643,799**
9999	**Total Activity Group**	**1,239,576**	**20,066**	**-227,800**	**1,031,842**	**-4,643**	**17,926**	**1,045,125**	**21,355**	**-30,033**	**1,036,447**

* FY 2004 includes $211,140 Supplemental Funds

** FY 2005 excludes $56,000 Title IX

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Logistics Agency (DLA)

February 2005

DLA

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DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/2007 Budget Estimates

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

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DLA	311,215	6,656	5,082	322,953	6,853	-23,971	305,835	4,926	-18,299	291,832

* The FY 2004 Actuals column includes $21,336.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $114,650.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed: The Defense Logistics Agency's operation and maintenance appropriation finances contracts, supplies, equipment maintenance, communications, salaries, awards, personnel, benefits, travel, per diem, and training for two activities:

- Other Logistics Services (OLS) includes appropriated costs associated with DLA's logistics mission such as price comparability, warstoppers, hard copy map function, unemployment, quality of life, and homeless blankets; and
- Other Logistics Programs (OLP) are multiple program offices for which DLA is either the executive agent or the budget administrator.

Narrative Explanation of Changes: The FY 2006 program decreases are primarily attributable to Congressional adds in FY 2005 for Radio Frequency Identification ($-4,595K), Alaska Logistics Center ($-7,811K), Procurement Technical Assistance Program ($-6,879K), and Commercial Technology Maintenance Activities ($-13,018K). The FY 2007 program decreases are primarily attributable to one-time FY 2006 relocation costs for the

I. Description of Operations Financed (continued):

DLA Map Function ($-1,798K), Price Comparability ($-6,541K) which covers some military unique costs, DFAS ($-9,827K) due to DFAS estimated workload costs, and the Defense Continuity Program Office (DCPO) ($-1,509K) operation funding requirements stabilizing as system sustainment reaches a steady state.

Other Logistics Services (OLS) (FY 2006: $222.509 million; FY 2007: $208.290 million; no full-time equivalents) includes multiple programs associated with the DLA logistics mission as well as Departmental and Congressionally added programs. DLA is either the executive agent responsible for program oversight and policy guidance or the budget administrator responsible for administrative support for these programs, described in the paragraphs that follow:

1. Unemployment Compensation
2. Price Comparability
3. Quality of Life
4. Continuing Health
5. Counter-Drug Activities
6. Contingency Operations
7. Disability Compensation
8. Procurement Technical Assistance Program (PTAP)
9. Inventory Management, Catalog Production & Distribution of Hard Copy Maps
10. Logistics Transformation
11. Homeless Blankets
12. Defense Finance and Accounting Service (DFAS)
13. Critical Infrastructure Protection (CIP)
14. Counter-terrorism/Force Protection
15. Joint Electronics Commerce Program (JECPO)
16. Joint Total Asset Visibility (JTAV)

I. Description of Operations Financed (continued):

17. Government Industry Data Exchange Program (GIDEP)
18. FECA Surcharge
19. Small Business Administration Support
20. Department of Justice Litigation Support
21. Theater Support Study
22. Base Support
23. OPM Investigations
24. Radio Frequency Identification (RFID)
25. Mobilization Warstoppers
26. Commercial Technology for Maintenance Activities (CTMA)
27. Alaska Logistics Center
28. Title IX Supplemental
29. Managerial Support
30. Defense Environmental Restoration Account

1. Unemployment Compensation: (FY 2006: $11.526 million; FY 2007: $11.765 million) DLA pays the Unemployment Compensation for all Defense Agencies. Decreased funding in this area could negatively impact the ability to pay estimated Defense Agency unemployment costs.

2. Price Comparability (FY 2006: $76.132 million; FY 2007: $71.19 million) is costs associated with military unique (DoD-mandated) tasks, such as readiness support, that a commercial company would not experience. When DLA's prices do not include these costs, customers can compare DLA prices with commercial sector prices while minimizing risks to readiness. The cost of storing inventory for wartime demand only (War Reserve Materiel) is an example. In a commercial operation, either this materiel would be disposed of or the associated costs of retaining this inventory would be passed on to the customer. By funding the cost of retaining this inventory

I. Description of Operations Financed (continued):

outside customer prices, DLA can reduce the materiel surcharge (Cost Recovery Rate) to achieve more comparable pricing. The Price Comparability baseline also includes peacetime contingency planning and Command and Control Center costs, the Department's hazardous and ozone depleting substances programs, and weapon system management support costs.

3. Quality of Life: (FY 2006: $13.361 million; FY 2007: $13.54 million) Morale, Welfare, and Recreation programs and services provide support that is vital to the readiness of the DoD civilian and military community. Funding is based on cost estimates for operating DLA QOL activities. A decrease in funding would negatively impact the quality of life of the DLA workforce.

4. Continuing Health (FY 2006: $.442 million: FY 2007: $.451 million) provides coverage for DLA employees affected by reductions-in-force and BRAC.

5. Counter-Drug Activities funding is for approved counter narcotics projects, mandated drug testing, and drug abuse education. This program funding is budgeted at the Department level with DLA reimbursement in the year of execution.

6. Contingency Operations (FY 2006: $1.504 million: FY 2007: $1.508 million) funding covers Agency costs incurred in support of Bosnia and Kosovo contingency operations.

7. Disability Compensation (FY 2006: $.774 million; FY 2007: $.794 million) funding is required to cover disability compensation for the Clothing Factory (DSCP) which was closed by BRAC 1993. Funding is required for DSCP BRAC employees that currently receive disability compensation through DLA.

8. Procurement Technical Assistance Program (PTAP) (FY 2006: $20.009 million; FY 2007: $20.492 million) 10 USC 2412, Chapter 142 authorizes the Secretary of Defense,

I. Description of Operations Financed (continued):

acting through the Director, DLA, to enter into cost sharing cooperative agreements with state and local governments, nonprofit organizations, Indian tribal organization and Indian economic enterprises to establish and conduct procurement technical assistance programs. Activities include helping business firms market their goods and/or services to DoD, other Federal agencies and state and local governments. Under the PTAP statute, the amount of matching funds DLA can provide to a recipient is limited to $.15 million per fiscal year for eligible entities providing assistance on a regional (less than statewide) basis or $.6 million per fiscal year for eligible entities providing assistance on a statewide basis.

9. Inventory Management, Catalog Production & Distribution of Hard Copy Maps (FY 2006: $28.230 million; FY 2007: $27.025 million) DLA serves as the DoD Integrated Materiel Manager and Distributor of approximately 70,000 map items that transferred from the National Imagery and Mapping Agency in 1996.

10. Logistics Transformation (FY 2006: $8.058 million; FY 2007: $8.263 million) funding supports studies for initiatives that could transform DoD from its current "mass model" logistics structure into a world-class integrated supply chain focused on warfighter needs. Initiatives complement ongoing reengineering efforts with the Services and DLA, consistent with the Logistics Functional Requirements and Joint Vision 2010. These tasks help to accelerate the transition of more than 3,000 disparate legacy logistics information systems now supporting the community to an integrated information environment enabling modernized business processes across the Logistics domain. Integration of DoD logistics information systems, consistent with an overarching DoD and Logistics architecture based on modern commercial off the shelf software and technology, will help meet the warfighter’s requirements for efficient and effective logistics information. Funds support:

I. Description of Operations Financed (continued):

- The BRAC Industrial Joint Cross Service Group Deliberations and Analytical Requirements;
- Preparation of instructions, DoD publications and directive memoranda to the Services regarding the enterprise integration for logistics systems;
- Identification and understanding of DoD Field-level Maintenance Costs;
- Synchronization of the various enterprise integration programs under way within the Services and Agencies;
- Development of the Material Readiness Strategic Roadmap
- Establishment of a liaison with and functional representation to the Business Management Modernization Program (BMMP) and represent the Logistics Domain Owner in the BMMP forums;
- Coordination of information technology requirements and functional capability within DUSD/L&MR activity; and
- Establishment of a formal integration and qualification structure to accelerate enterprise integration development and enterprise resource planning deployment activities within the Services and Agencies.

11. Homeless Blankets (FY 2006: $3.426 million; FY 2007: $3.513 million) The Stewart B. McKinley Homeless Assistance Act of 1987 requires DLA to provide blankets to qualified US 501(C)3 organizations working with the homeless. Homeless shelters issue a request to the Agency and blankets are issued on a first come, first served basis up to the amount of funding available.

12. Defense Finance and Accounting Service (DFAS) (FY 2006: $13.157 million; FY 2007: $2.054 million) funding is required to reimburse DFAS for accounting services provided to the activities and programs reflected in Other Logistics Services, Other Logistics Programs, and Warstoppers.

I. Description of Operations Financed (continued):

13. Critical Infrastructure Protection (CIP) is an integrated, war-fighter-focused effort to identify and mitigate the vulnerabilities of critical assets that are essential to Commander-in-Chief mission assurance and operational readiness. As the lead component for the Logistics Sector DoD-wide, DLA is responsible for the coordination and overall program management of CIP activities with all DoD components that own and/or operate elements of the DoD Logistics Infrastructure. The Department realigned the funding beginning in FY 2005; there is no DLA budget request for CIP in FY 2006 or FY 2007.

14. Counterterrorism/Force Protection (FY 2006: $3.027 million; FY 2007: $3.911 million) funding is for equipment and sustainment of additional security personnel in support of the Global War on Terrorism (GWOT).

15. The Joint Electronic Commerce Program Office (JECPO) (FY 2006: $0.0 million; FY 2007: $0.0 million) was disestablished and associated developmental funding realigned from DLA to the Defense Information Systems Agency (DISA) in FY 2004. DLA retained operational sustainment of the DoD Electronic Mall and will fund associated costs through its Defense Working Capital Fund beginning in FY 2006. There is no O&M budget request for this program.

16. The Joint Total Asset Visibility (JTAV) (FY 2006: $0.0 million; FY 2007: $0.0 million) was chartered to provide all DoD users with timely and accurate joint logistics and personnel asset information to support Joint Vision 2020 and Focused Logistics. The JTAV capability will enable national supply chain integration that is crucial to streamlined and responsive logistics and personnel support. Beginning in FY 2006, the JTAV capability will be absorbed by the Integrated Data Environment (IDE) initiative and DLA will fund its costs through its Defense Working Capital Fund. There is no O&M budget request for this program.

I. Description of Operations Financed (continued):

17. Government Industry Data Exchange Program (GIDEP): (FY 2006: $.189 million; FY 2007: $.193 million) As a buying command, DLA is a Joint Logistics Commanders (JLC) GIDEP member and shares in the funding support. GIDEP provides technical information for sharing with government and industry. Through GIDEP, DLA program managers can query and issue safety alerts to the GIDEP community. An example includes Urgent Data Requests which are queries to the GIDEP community to solve reliability and maintainability problems on specific parts, components, materials, processes or to request critical information not available from other sources.

18. Federal Employees' Compensation Act (FECA) Surcharge (FY 2006: $2.181 million; FY 2007: $2.185 million) funding covers the Agency civilian pay accounts for the FECA surcharge that the Department of Labor charges each Agency.

19. Small Business Administration Support (FY 2006: $.205 million; FY 2007: $.212 million) funding is for the Small Business Administration costs incurred to certify firms that claim small disadvantage business status.

20. Department of Justice Litigation Support funds a contract for DLA environmental litigation support. Remaining cost of contract was funded in FY 2005. There is no budget request for this program in FY 2006 or FY 2007.

21. Theater Support Study was a one-time Congressional add in FY 2004.

22. Base Support (FY 2006: $.4 million; FY 2007: $.4 million) funding supports the requirements for Agency's Public Works Department base support services.

23. OPM Investigations: (FY 2006: $.151 million; FY 2007: $.192 million) funding supports Office of Personnel Management (OPM) security investigations costs.

I. Description of Operations Financed (continued):

24. Radio Frequency Identification (RFID) was a one-time Congressional add in FY 2005 for passive and active RFID DLA requirements.

25. Mobilization Warstoppers: (FY 2006: $39.693 million; FY 2007: $40.558 million) Funding for Warstoppers recognizes that preparedness measures must be taken for certain supply items, and that critical industrial capability must be preserved to support the Department's readiness and sustainment requirements. This concept applies to items such as chemical protective suits and gloves, nerve agent antidote auto-injectors, meals-ready-to-eat, and tray pack assemblies. In each instance, peacetime demand is inadequate to sustain an industrial base sufficient for readiness and mobilization. The "Warstoppers" qualify for funding primarily as the result of readiness and national security concerns. DLA uses a rigid business case evaluation to obtain a return on investment that extends the funds for maximum impact to the warfighter. These funds do not fall within the purview of the Defense Working Capital Fund (DWCF), which is based on a customer-provider relationship, because Warstoppers stock levels are not demand-driven. The Warstoppers program, mandated by law, is the single Agency program for the preservation of essential production capability. It provides the means to invest in improving industry responsiveness without purchasing finished goods inventory. It includes the funding of Industrial Preparedness Measures (IPMs) allowing for the "surge" of go-to-war material to increase supply availability of spares and troop support items as directed in Defense planning documents. Industrial Base Maintenance Contracts currently preserve critical production capabilities for nerve agent antidotes with a minimal annual investment. Industrial readiness or preparedness investments enable DLA to provide surge capability for critical weapon systems and troop support items as a more cost-effective alternative to War Reserve Materiel (WRM).

I. Description of Operations Financed (continued):

26. Commercial Technology for Maintenance Activities was an FY 2005 Congressional add.

27. Alaska Logistics Center was a one-time Congressional add in FY 2005.

28. Title IX Supplemental was funding in FY 2005 for DLA Defense Distribution Center transportation due to the Global War on Terrorism.

29. Managerial Support (FY 2006: $.044 million; FY 2007: $.044 million) programs are:

- Prior Year Invoices: Prior year bills received after the close of the fiscal year.
- Interest Penalty: Penalties incurred due to payment processing delays.
- Official Representation Funds (ORF): Special and official functions or ceremonies attended by DoD personnel and distinguished non-DoD personnel. Beginning in FY 1998 all DLA activities were required to use O&M funds for ORF functions.
- Investigative Activities: DLA confidential investigations.
- Director's Medallion: Purchase of medallions that are presented by the DLA Director to DLA personnel for special accomplishments.

30. Defense Environmental Restoration Account: The Environmental Restoration Account, established by Congress in FY 1984, funds environmental programs for Installation Restoration Projects at DoD sites. These resources are used for achieving and maintaining compliance with the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act of 1986, and the National Contingency Plan. The Defense Environmental Restoration Program (DERP) provides centralized management for the cleanup of DoD hazardous waste sites. DLA utilizes the Defense Environmental Restoration Account to support the goals of the DERP. DLA operates the Installation

I. Description of Operations Financed (continued):

Restoration Program (IRP) to achieve this mission. IRP operations include a comprehensive program to identify, investigate and clean up contamination from hazardous substances, pollutants, and contaminants at active DLA sites as well as formerly-owned or used properties and Potentially Responsible Party sites (third-party sites) where DLA is named as a responsible party.

Other Logistics Programs (OLP) (FY 2006: $83.326 million and 279 FTEs; FY 2007: $83.542 million and 281 FTEs) are multiple program offices for which the Defense Logistics Agency (DLA) is either the executive agent or the budget administrator. These program offices have full-time equivalents (FTEs) that are totally dedicated to their program. The O&M appropriation funds the contracts, supplies, equipment maintenance, communications, salaries, awards, personnel benefits, travel, per diem, and training in support of these programs. The Activity Group, described below, includes:

1. DLA Program Direction
   - 1.1. DLA Information Operations
     - 1.1.1. Logistics Enterprise Support Program (LESP)
     - 1.1.2. Automatic Identification Technology (AIT)
     - 1.1.3. Law Enforcement Support Office (LESO)
   - 1.2. Defense Standardization Program Office (DSPO)
2. OSD Program Direction With Administrative Support From DLA
   - 2.1. Defense Property Accountability System (DPAS)
   - 2.2. Defense Microelectronics Activity (DMEA)
   - 2.3. Business Process Reengineering Center (BPRC)
   - 2.4. Defense Acquisition Career Management (DACM)
   - 2.5. Continuity of Operations Program (COOP)
   - 2.6. DoD Classified Program
   - 2.7. Defense Policy Analysis Office (DPAO)

I. Description of Operations Financed (continued):

1.1 DLA Information Operations is responsible for providing comprehensive, best practice technological support to the DoD/DLA logistics community resulting in the highest quality information systems, efficient and economical computing, data management, electronic commerce, and telecommunications services.

1.1.1 Logistics Enterprise Support Program (LESP) (FY 2006: $13.1 million and 3 FTEs; FY 2007: $13.4 million and 3 FTEs) supports the integration of Information Technology (IT) resources throughout the DoD Logistics Enterprise. It provides programmatic and technical support (including data collection and analysis) to process improvement working groups consisting of representation from the Military Services and Defense Agencies (logistics community) chartered by the Assistant Deputy Under Secretary of Defense for Logistics Systems Management. LESP includes:

- Change Management Group which proposes process improvements for the logistics community;
- Program Implementation Group which oversees implementation of process improvements by the logistics community;
- Portfolio Management Working Group which oversees the process by which logistics IT resources are managed;
- Logistics Data Strategy Working Group which develops and oversees the data management process for the logistics community;
- Logistics Architecture which develops comprehensive diagrammatic views of logistics IT resources and their interconnectivity; and
- Assessment and application of emerging enterprise integration technologies to logistics enterprise integration.

I. Description of Operations Financed (continued):

These funds provide critical resources to integration of the modernization efforts of the Services and Defense Agencies in collaboration with the DoD Comptroller's Business Management Modernization Program (BMMP) through active participation in BMMP's development process; business model/case analysis; working group support; and case studies and related business process analyses.

1.1.2 Automatic Identification Technology (AIT) (FY 2006: $3.4 million and 2 FTEs; FY 2007: $3.4 million and 2 FTEs) is a suite of technologies (e.g., bar codes, smart cards, satellite tracking systems, and radio frequency identification (RFID) tags) that are used to capture, aggregate, and transfer data automatically to Automated Information Systems (AIS). This use of AIT in conjunction with AISs provides timely visibility of all logistics assets whether in-process, in-storage, or in-transit. Current DoD policy requires the use of active (high capacity) RFID to mark certain consolidated shipments and passive RFID tags to be applied to the case, pallet, and item packaging for unique identification items.

1.1.3 Law Enforcement Support Office (LESO) (FY 2006: $1.2 million and 12 FTEs; FY 2007: $1.3 million and 12 FTEs) administers Section 1033 of the FY 1997 National Defense Authorization Act for the Director, Defense Logistics Agency (DLA) through the transfer of excess Department of Defense (DoD) personal property to Federal and State agencies. The excess property is suitable for use by agencies in law enforcement activities, including counter-drug and counter terrorism activities. In FY 2004, funding for LESO was transferred from the Drug Interdiction and Counterdrug Activities, Defense appropriation to DLA.

1.2 Defense Standardization Program Office (DSPO) (FY 2006: $5.5 million and 12 FTEs; FY 2007: $5.6 million and 12 FTEs) transferred from OUSD(AT&L) to DLA in FY 1999. The DSPO mission is to develop and manage DoD-wide policies and procedures to implement Public Laws related to standardization, acquisition, and metrication. Associated actions require the DSPO to identify, influence, develop, manage, and provide access to standardization processes, products,

I. Description of Operations Financed (continued):

and services for warfighters, the acquisition community, and the logistics community to promote interoperability, reduce total ownership costs, and sustain readiness. DSPO is authorized by Sections 2451-2452 of Title 10, which established the Defense Standardization Program (DSP), and the DoDI 4120.24, which implements the DSP in the DoD.

2.1 Defense Property Accountability System (DPAS) (FY 2006: $11.2 million and 6 FTEs; FY 2007: $11.5 million and 6 FTEs) is an integrated system that provides accounting and accountability for DoD-owned property. The Under Secretary of Defense Acquisition, Technology and Logistics (OUSD(AT&L)) provides program management oversight.

2.2 Defense Microelectronics Activity (DMEA) (FY 2006: $15.4 million, 124 direct-funded FTEs and 25 reimbursable FTEs; FY 2007: $15.7 million, 124 direct-funded FTEs and 25 reimbursable FTEs) is chartered to take advantage of the capabilities and payoffs of advanced technologies to solve operational problems in weapon systems, increase operational capabilities, reduce operation and support (O&S) costs, and reduce the effects of Microelectronics Diminishing Manufacturing Sources and Material Shortages (DMSMS). The DoD is increasingly reliant on the use of “smart” weapons based on microelectronics; all future engagement scenarios depend on the use of these systems. Likewise, the use of microelectronics has exploded in the commercial world, driving the semiconductor industry to supersede successive generations of semiconductor technologies with new technologies every 18 months. The growth in commercial products has driven DoD’s share of the semiconductor market below 0.1%. DoD must rely on technologies that become obsolete every 18 months and an industry in which DoD has no influence due to low market share. This is a Defense-wide issue since many systems across the Department use the same microelectronic process technologies.

The DMEA uses a unique and innovative methodology to reverse engineer microelectronic devices to determine their function and specifications, analyze possible solutions, and

I. Description of Operations Financed (continued):

design, build, and test the best solution. The DMEA strategy creates a comprehensive mix of commercially-viable solutions for DoD. Industry views this process favorably because DMEA converts components from non-producible to producible and enables industry to support the warfighter's requirements. The DMEA also evaluates the entire spectrum of microelectronics for current and future obsolescence issues, evaluates the feasibility of potential solutions, fosters technologies that address the problem, recommends solutions at all complexity levels, provides guidance, and recommends policy and procedure changes. The DMEA also gives government organizations streamlined access to state-of-the art technologies and engineering expertise. The DMEA assists system managers by applying both available leading-edge technologies and innovative applied research and development (R&D) approaches to develop solutions to current problems. DMEA was established by the Deputy Secretary of Defense under the authority, direction, and control of the Deputy Under Secretary of Defense for Logistics and Materiel Readiness (DUSD (L&MR)). DLA provides financial and administrative services as requested by DUSD (L&MR).

2.3 Business Process Reengineering Center (BPRC) (FY 2006: $1.9 million and 17 FTEs; FY 2007: $1.9 million and 17 FTEs) is a management analysis discipline that redesigns processes, organizations, and the culture of DoD activities, and is applied by functional leaders using improvement tools and techniques. The redesign approach can be radical or incremental to achieve dramatic improvements over time. BPR results in highly streamlined processes by providing for a cross-functional, integrated analysis of multiple activities or functions that contribute to a shared purpose. BPR, chartered to support the Under Secretary of Defense Acquisition, Technology and Logistics (OUSD(AT&L)), can include data modeling, and migration systems selection and support services necessary to carry out activities such as:

I. Description of Operations Financed (continued):

1) Strategic planning, outlining vision and goals;
2) Activity modeling of current and future processes, including cross-functional and integration analyses;
3) Data modeling (including data standardization) associated with activity modeling;
4) Benchmarking to identify and evaluate best practices and their application to the Department;
5) Development of functional economic analyses;
6) Planning for BPR implementation and assessment;
7) Analysis leading to the selection of migration systems following BPR;
8) Development and identification of BPR tools.

2.4 Defense Acquisition Career Management (DACM) (FY 2006: $.849 million and 2 FTEs; FY 2007: $.865 million and 2 FTEs) provides system oversight and career program services to the acquisition workforce in the Office of the Secretary of Defense and the Defense Agencies (including DLA). The DACM serves in a dual capacity as Director of Acquisition Education, Training and Career Development (DAETCD) for DoD and supports the career system policy formulation and implementation activities of the DAETCD. DACM, authorized by Section 1707(b) of Chapter 87, Title 10 U.S. Code, was established by the Deputy Secretary of Defense to provide administrative, logistical and resource support for the Acquisition Career Management System.

2.5 Continuity of Operations (COOP) (FY 2006: $29.3 million and 62 FTEs; FY 2007: $28.5 million and 64 FTEs) mission, under the staff cognizance and oversight of the Office of the Secretary of Defense, transferred to DLA in FY 1994.

2.6 DoD Classified Program (FY 2006: $1.5 million and 14 FTEs; FY 2007: $1.5 million and 14 FTEs) was transferred to DLA in FY 2001.

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Operations and Maintenance, Defense-Wide
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I. Description of Operations Financed (continued):

Defense Policy Analysis Office transfers to the Department of the Air Force in FY 2006.

II. Force Structure: N/A

DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
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III. Financial Summary: ($ in thousands)

A. Subactivities:	FY 2004 Actual	FY 2005 Budget Request	FY 2005 Appropriated	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Other Logistics Services (OLS):						
Unemployment Compensation	11,328	9,887	9,552	9,552	11,526	11,765
Price Comparability	64,840	78,227	77,310	72,110	76,132	71,190
Quality of Life	12,422	13,005	12,564	12,564	13,361	13,540
Continuing Health	132	245	237	237	442	451
Counter Drug Activities	283	-	-	-	-	-
Contingency Operations	1,128	4,553	1,449	1,449	1,504	1,508
Disability Compensation	645	751	726	726	774	794
Procurement Technical Assistance Program	18,841	19,597	26,335	26,335	20,009	20,492
Inventory Mgmt, Catalog Production & Distribution of Hard Copy Maps	24,155	25,288	24,430	24,430	28,230	27,025
Logistics Transformation	8,311	7,869	7,602	7,602	8,058	8,263
Homeless Blankets	3,244	3,347	3,233	3,233	3,426	3,513
Defense Finance & Accounting Service	5,799	2,374	2,293	4,193	13,157	2,054
Critical Infrastructure Protection	343	-	-	-	-	-
Counter-terrorism/Force Protection	2,820	2,834	2,738	2,738	3,027	3,911
Joint Electronics Commerce Program Office	2,086	2,125	2,053	2,053	-	-
Joint Total Asset Visibility	6,935	7,576	7,319	7,319	-	-
Government Industry Data Exchange Program	229	205	198	198	189	193
FECA Surcharge	-	2,130	2,058	2,058	2,181	2,185
Small Business Administration Support	122	-	-	-	205	212
Department of Justice Litigation	1,500	-	-	-	-	-
Theater Support Study	1,000	-	-	-	-	-
Base Support	-	-	-	-	400	400
OPM Security Investigations	-	400	400	-	151	192
Mobilization Warstoppers	50,066	40,599	39,222	39,222	39,693	40,558
Commercial Technology for Maintenance Activities	-	-	12,750	12,750	-	-

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III. Financial Summary: ($ in thousands)

A. Subactivities:	FY 2004 Actual	FY 2005 Budget Request	FY 2005 Appropriated	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Alaska Logistics Center	-	-	7,650	7,650	-	-
Radio Frequency Identification	-	-	4,500	4,500	-	-
Managerial Support	75	38	37	37	44	44
Defense Environmental Restoration Account	19,038	-	-	-	-	-
Total Other Logistics Services	**235,342**	**221,050**	**244,256**	**240,956**	**222,509**	**208,290**
Title IX Supplemental	-	-	-	114,650	-	-
Total Including Title IX Supplemental				355,606		
Other Logistics Programs (OLP):						
DLA Information Operations	8,606	8,744	8,441	8,441	16,456	16,756
Logistics Enterprise Support Program	5,968	6,094	5,884	5,884	13,074	13,398
Automatic Identification Technology	2,638	2,650	2,557	2,557	3,382	3,358
Law Enforcement Support Office	979	1,215	1,174	1,174	1,245	1,273
Defense Standardization Program Office	5,264	5,399	5,213	5,213	5,473	5,580
Defense Property Accountability System	10,354	10,806	10,433	10,433	11,204	11,465
Defense Microelectronics Activity	14,820	15,248	14,721	14,721	15,427	15,719
Business Process Reengineering Center	1,697	1,869	1,805	1,805	1,879	1,905
Defense Acquisition Career Management	820	835	805	805	849	865
Continuity of Operations Program	18,563	23,573	22,760	22,760	29,337	28,459
DoD Classified Program	1,534	1,401	1,352	1,352	1,456	1,520
Defense Policy Analysis Office	13,236	15,838	15,293	15,293	-	-
Total Other Logistics Programs	**75,873**	**84,928**	**81,997**	**81,997**	**83,326**	**83,542**
Total Defense Logistics Agency	**311,215**	**305,978**	**326,253**	**322,953**	**305,835**	**291,832**
FY 2004 Supplemental (included in total)	21,336	-	-	-	-	-
Title IX Supplemental (excluded from total)	-	-	-	114,650	-	-

DEFENSE LOGISTICS AGENCY
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III. Financial Summary: (continued, $ in thousands)

B. Reconciliation Summary:	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**305,978**	**322,953**	**305,835**
Congressional Adjustments (Distributed)	30,703	-	-
Congressional Adjustments (Undistributed)	-	-	-
Congressional Adjustments (Gen Provisions)	-10,236	-	-
Congressional Earmark	-192	-	-
Subtotal Appropriated Amount	**326,253**	**-**	**-**
Fact-of-Life Changes (CY to CY only)	-3,300	-	-
Subtotal Baseline Funding			
Reprogrammings	-	-	-
Price Changes	-	6,853	4,926
Functional Transfers	-	-8,731	-
Program Changes	-	-215,240	-18,929
Title IX Supplemental	114,650		
Total	**437,603**	**305,835**	**291,832**
Less: Title IX Supplemental	-114,650		
Normalized Current Estimate	**322,953**	**305,835**	**291,832**

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
FY 2005 President's Budget	**305,978**
1. Congressional Adjustments	
a. Distributed Adjustments	
1) Passive Radio Frequency Identification (RFID)	1,000
2) Commercial Technologies for Maintenance Activities	12,750
3) Alaska Logistics Center	7,650
4) NATO Missions Support Costs	-1,600
5) Procurement Technical Assistance Program	7,403
6) Radio Frequency Identification (RFID)	3,500
b. Undistributed Adjustments	
c. Adjustments to Meet Congressional Intent	
d. General Provisions	
1) Section 8095 – Advisory and Assistance Services	-4,329
2) Section 8122 – Management Improvement Savings	-555
3) Section 8140 – Unobligated Balance	-5,336
4) Section 8141 – Excessive Growth in Travel & Transportation	-16
e. Congressional Earmarks	
Section 8044 – Indian Lands Environmental Impact	-192
FY 2005 Appropriated Amount	**326,253**
2. War-Related and Disaster Supplemental Appropriations	
a. Title IX, DoD Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287)	114,650

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)	
3. Fact-of-Life Changes	
a. Functional Transfers	
b. Technical Adjustments	
c. Emergent Requirements	
1) Program Increases	
2) Program Reductions	
a) One-Time Costs	
b) Program Decreases: Below Threshold Reprogramming to cover a net shortfall for higher priority Defense requirements.	-3,300
FY 2005 Baseline Funding	**437,603**
4. Reprogramming (Requiring 1415 Actions)	-
Revised FY 2005 Estimate	**437,603**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations, and Item 4, Reprogrammings, Iraq Freedom Fund Transfers	-114,650
FY 2005 Normalized Current Estimate	**322,953**
6. Price Change	6,853
7. Functional Transfers	-
a. Transfer In	

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
The Defense Information Infrastructure (DII) initiative transfers from the Army to DLA. Previously, the Army administered the DII, consistent with the Army's role as Joint Computer-aided Acquisition and Logistics Support (JCALS) executive agent. Since the JCALS development phase has concluded and the program is in sustainment, the Army and DLA agree that the DII functions are more appropriately administered by DLA in support of the Deputy Secretary of Defense for Logistics and Materiel Readiness directed enterprise deployment program	6,900
b. Transfers Out	
The Defense Policy Analysis Office (DPAO) transfers to the Air Force	-15,631
8. Program Increases	
a. Annualization of New FY 2005 Program	
b. One-Time FY 2006 Costs	
c. Program Growth in FY 2006	
1) Continuing Health increase due to Agency estimated costs based on downsizing and consolidation (Base: $.237M)	200
2) Disability Compensation increase due to estimated Charges (Base: $.726M)	33
3) Quality of Life increase is due largely to estimated operation costs for the employee work/life program contract and gym equipment purchase (Base: $12.564M)	533

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
4) DLA Mapping increase due largely to costs for equipment relocation for expanded warehouse space requirements in support of expanded workload (Base: $24.430M)	3,287
5) Blankets increase due to estimated program requirements (Base: $3.233M)	125
6) Logistics Transformation increase due to estimated program requirements for Department transformation initiatives (Base: $7.602M)	296
7) Small Business Administration costs to certify small disadvantage business status (Base: $0)	205
8) Unemployment Compensation increase due to estimated downsizing and consolidation of management headquarters and depot contracting actions (Base: $9.552M)	1,773
9) FECA Surcharge estimate to cover Agency compensation charge from Department of Labor (Base: $2.058M)	80
10) Counter-terrorism/Force Protection increase in equipment and training requirements (Base: $2.738M)	232
11) Interest penalty increase due to fact of life (Base: $.004M)	6
12) DFAS estimated increase due to a. DFAS customer adjustment to support estimated workload costs ($+8.900M), and b. DoD IG systems audit costs ($+.177M)(Base: $4.193M)	9,077
13) Price Comparability increase is due to hazardous/ozone	

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
and depot operations(Base: $72.110M)	2,388
14) Contingency Operations decrease in estimated field requirements for Bosnia and Kosovo support (Base: $1.449M)	25
15) Official Representation Funds increase due to fact of life (Base: $.015M)	1
16) Security investigations funding to support estimated workload costs by Office of Personnel Management (Base: $0)	151
17) Base Support funding for Public Works Department services (Base: $0)	400
18) Increase for Defense Microelectronics Activity is due to contractor support and supplies (Base: $14.7M)	495
19) Increase for Business Process Reengineering Center is due to additional labor requirements (Base: $1.8M)	49
20) Increase for Defense Property Accountability System is due to contractor support costs (Base: $10.4M)	557
21) Increase in Automatic Identification Technology is due to contractual support for increased training and use of the RFID technology (Base: $2.6M)	774
22) Increase for Defense Standardization Program Office will provide contractor support for Diminishing Manufacturing Sources and Material Sources (Base: $5.2M)	161
23) Increase for Logistics Enterprise Support Program is	169

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
due to contractor support (Base: $5.9M)	
24) Increase for Defense Acquisition Career Management is due to contractor support (Base: $.805M)	29
25) Increase for the Law Enforcement Support Office will provide contractor support for the Counter-narcotics Management Information System (CMIS) database maintenance and improvements (Base: $1.200M)	52
26) Increase for the Classified Program is due to Additional labor requirements (Base: $1.400M)	86
27) Increase is due to the Defense Continuity Program Program Office (a part of Continuity of Operations Program) implementation and maintenance of efforts for which research and development are complete (Base: $22.800M)	6,153
8. Program Decreases	
a. Annualization of New FY 2005 Program Decreases	
b. One-Time FY 2006 Costs	
Adjustment to the civilian workforce paid days	-339
c. Program Decreases in FY 2006	
1) PTAP decrease due to a one-time Congressional add in FY 2005 for center awards (Base: $26.335M)	-6,879
2) GIDEP decrease due to estimated requirements for Agency program support (Base: $.198M)	-13
3) JTAV decrease due to the realignment with Integrated Data Environment (IDE) program in the DLA Working Capital Fund (Base: $7.319M.	-7,473

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
4) JECPO decrease due to associated costs for operational sustainment funded through the DLA Defense Working Capital Fund (Base: $2.053M)	-2,096
5) Warstoppers decrease due largely to funding requirements for Nerve Agent Antidote contracts in FY 2005 (Base: $39.222M)	-353
6) Radio Frequency Identification decrease due to a one-time Congressional add in FY 2005 (Base: $4.500M)	-4,595
7) Alaska Logistics Center decrease due to a one-time Congressional add in FY 2005 (Base: $7.650M)	-7,811
8) Commercial Technology Maintenance Activities decrease due to a Congressional add in FY 2005 (Base: $12.750M)	-13,018
FY 2006 Budget Request	**305,835**
10. Price Change	4,926
11. Functional Transfers	-
12. Program Increases	
a. Annualization of New FY 2006 Program	
b. One-Time FY 2007 Costs	
c. Program Growth in FY 2007	
1) Disability Compensation increase due to estimated	

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
Charges (Base: $.774M)	4
2) Director's Medallion increase due to fact of life (Base: $.012M)	1
3) Blankets increase due to estimated costs (Base: $3.426M)	15
4) Logistics Transformation increase due to program requirements for Department transformation initiatives (Base: $8.058M)	36
5) PTAP increase based on center award costs (Base: $20.009M)	63
6) Warstoppers increase based on manpower and direct support for growing emphasis to diversify the impact of the program to the hardware Class IX (parts/repair) items as well as extend its reach within the clothing and textile items (Base: $39.693M)	31
7) Counter-terrorism/Force Protection increased Equipment and training (Base: $3.027M)	820
8) Security investigations increase to support estimated workload costs by Office of Personnel Management (Base: $.151M)	38
9) Small Business Administration costs to certify small disadvantaged business status (.205M)	3
10) Increased contractor support costs for the Defense Property Accountability System (Base: $11.2M)	25
11) Fact-of-Life increase for Logistics Enterprise	

III. Financial Summary: (continued, $ in thousands)

	(Dollars in Thousands) Totals
Support Program (Base: $13.1M)	49
12) Increase for the Classified Program is due to Additional labor requirements (Base: $1.5M)	31
13. Program Decreases	
a. Annualization of New FY 2006 Program Decreases	
b. One-Time FY 2007 Costs	
c. Program Decreases in FY 2007	
1) DFAS decrease due to estimated workload costs (Base: $13.157M).	-9,827
2) Price Comparability decrease due to contingency operations planning requirements(Base: $76.132M).	-6,541
3) Quality of Life decrease due to previous year gym Equipment purchases (Base: $13.361M).	-102
4) DLA Mapping decrease due to one-time relocation costs in FY 2006 (Base: $28.23M).	-1,798
5) Contingency Operations decrease due to estimated field requirements for Bosnia and Kosovo support (Base: $1.504M).	-28
6) Base Support decrease due to estimated requirements for Agency Publics Works Department services (Base: $.4M).	-8
7) Unemployment decrease due to fact of life (Base: $11.526M).	-3
8) FECA Surcharge decrease due to estimated costs (Base: $2.181M).	-42

III. Financial Summary: (continued, $ in thousands)

		(Dollars in Thousands) Totals
9)	Interest Penalty decrease due to estimated requirements (Base: $.01M).	-1
10)	Decrease for Defense Microelectronics Activity is due to reduced supply requirements (Base: $15.4M)	-60
11)	Fact-of-Life decrease for the Defense Acquisition Career Management (Base: $.849M)	-2
12)	Decrease for the Business Process Reengineering Center is for reduced contractor support (Base: $1.9M)	-17
13)	Decrease for the Defense Standardization Program Office is due to reduced contractor support costs (Base: $5.5M)	-11
14)	Decrease is due to the Defense Continuity Program Office (part of Continuity of Operations Program) operation funding requirements (Base: $29.3M)	-1,509
15)	Decrease for Automatic Identification Technology is due to reduced contractor support costs (Base: $3.4M)	-96
FY 2007 Budget Request		**291,832**

IV. Performance Criteria and Evaluation Summary:

Other Logistics Services (OLS) includes multiple programs for which DLA is either the executive agent responsible for program oversight and policy guidance or the budget administrator responsible for administrative support. Measures used to track performance are *customer satisfaction* and *funding execution*. Performance criteria follow:

Customer Satisfaction is measured through surveys, comment cards and informal as well as formal customer feedback. Customer satisfaction is also measured through Congressional inquiries and appeals as related to the program execution of Congressional adds. Problems identified in this measure are assessed for corrective action.

Funding execution's goal to obligate 100 percent of funds received through improved financial management processes, increased training and more aggressive execution plans. Budget estimate accuracy is an important execution success factor for Unemployment, Continuing Health Benefits, Disability Compensation. DLA tracks trends and reviews aged accounts to assess the accuracy of previous funding levels. DLA requires programs that perform at less than projected execution rates to reassess financial plans.

The Warstoppers Program enhances DoD's wartime readiness by funding activities that improve DLA's capability to meet the Services' and Combatant Commanders' wartime requirements. The program also funds industrial preparedness measures that preserve critical industrial capability and accelerate the production of critical spares and troop support items, such as Medical, Clothing & Textiles, and Subsistence Rations. Comprehensive industrial base assessments, plans to address capability shortfalls, and industrial preparedness measures form the basis for the metrics. The Warstoppers Program metrics are requirements validation, industry capability validation, requirements offset capability, and resource availability/management and percent of items with surge coverage. The metrics account for coverage of war reserve requirements, surge testing,

IV. Performance Criteria and Evaluation Summary: (continued)

and return on investment which is calculated against the offset of unfunded War Reserve Requirements identified by the Services. Warstoppers averages $5 offset for every $1 invested in industrial surge capabilities.

The Environmental Restoration Program funded by DERA uses two Measures of Merit (MOM) which are categorized by risk (MOM#R1)and phase (MOM#R2). Table 1 shows estimates for site cleanup by risk category (MOM#R1) at the end of FY 2006 and FY 2007:

Category	FY 2006	FY 2007
High Risk	2	0
Medium Risk	1	0
Low Risk	2	1

Table 2 shows projected status by activity type (MOM#R2) at the end of FY 2006 and FY 2007:

Category	FY 2006	FY 2007
Investigation	1	0
Cleanup	16	14
Response Complete	360	363

The Defense Property Accountability System exists to field and sustain an integrated system for accounting and accountability of DoD-owned property for the Departments of the Army and Navy and most Defense Agencies. DPAS performance focuses on customer satisfaction, data quality and data reliability. In 2004, customer satisfaction programs included Call Center operations, training, and customer outreach and communication via deployment of a new web-site. In FY 2004, the DPAS Quality Assurance function substantially improved DPAS data accuracy and reliability through continued analysis and

IV. Performance Criteria and Evaluation Summary: (continued)

follow-up. In FY 2005, the Department of the Army will be deploying DPAS at all Army Government-owned contractor-operated sites.

The Defense Microelectronics Activity (DMEA) leverages the capabilities and payoffs of advanced technologies to solve operational problems, increase operational capabilities, reduce operation and support costs, extend useful life, and reduce the effects of diminishing manufacturing sources in weapon systems. Customer satisfaction, which is DMEA's critical performance measure, is measured through surveys and formal and informal customer feedback. Individual projects performing below expected customer satisfaction rates must initiate recovery plans to ensure that this measure is achieved. Customer satisfaction has risen from 94% in FY 2002 to 96% in FY 2004; DMEA plans to maintain this rating through FY 2007.

DMEA also measures its funding execution, and consistently obligates over 99% of its funding. DMEA will maintain or improve its obligation rate in FY 2006 and 2007 through strong financial management processes and aggressive execution plans.

The Defense Standardization Program Office (DSPO) develops policies, procedures and guidance ensuring standardized policy across the Military Departments and Defense Agencies. The qualitative performance indicators for the DSPO are:

- Effectiveness of the DSP as a single source for information exchange and coordination of all defense standardization efforts, measured by increased number of organizations participating in information exchange, and increased customer satisfaction based on survey results; and
- Success in institutionalized development and use of performance and Non-Government Standards (NGSs) in the DoD, measured by increased usage of performance and NGSs, and decreased usage of military-unique specifications and standards.

IV. Performance Criteria and Evaluation Summary: (continued)

The Business Process Reengineering Center (BPRC) proposes redesign of processes, organizations and culture to streamline functions and reduce inefficiencies across the Department. It also contributes to improvements in the E-Business areas of logistics systems modernization, acquisition reporting, information technology (IT), and internal processes and business practices. Performance measures track the development of network architecture, support to the Future Logistics Enterprise, end-to-end procurement process integration and modernization, integrated digital environment acquisition life-cycle, and, the Acquisition Technology & Logistics (AT&L) IT modernization and knowledge management portal capability. The continuing mission for FY 2006 is to support these initiatives and to identify opportunities for business process improvements throughout the OUSD(AT&L) organization.

Performance Criteria and Evaluation (Facilities Sustainment, Restoration and Modernization)

	FY 2004		FY 2005		FY 2006	FY 2007
Funding Levels	Budget	Actual	Budget	Estimate	Estimate	Estimate
Sustainment						
Restoration	442	398	250	250	-	-
Modernization						
Demolition						
Total						
Department Sustainment Goal						

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V. Personnel Summary:	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Mil End Strength (Total)	21	21	21	21	-	-
Officer	3	3	3	3	-	-
Enlisted	18	18	18	18	-	-
Civilian End Strength (Total)	260	295	279	281	(16)	2
U.S. Direct Hire	260	295	279	281	(16)	2
Foreign National Direct Hire	-	-	-	-	-	-
Total Direct Hire	260	295	279	281	(16)	2
Foreign National Indirect Hire	-	-	-	-	-	-
(Reimbursable Civilians Included Above – Memo)	25	25	25	25	-	-
Active Mil FTEs (Total)	21	21	21	21	-	-
Officer	3	3	3	3	-	-
Enlisted	18	18	18	18	-	-
Civilian FTEs (Total)	246	295	279	281	(16)	2
U.S. Direct Hire	246	295	279	281	(16)	2
Foreign National Direct Hire	-	-	-	-	-	-
Total Direct Hire	246	295	279	281	(16)	2
Foreign National Indirect Hire	-	-	-	-	-	-
(Reimbursable Civilians Included Above – Memo)	25	25	25	25	-	-
Average Annual Civilian Salary	111,410	113,250	113,000	115,770	(250)	2,770

VI. OP 32 Line Items: ($ in Thousands):

			Change FY 2004/2005			Change FY 2005/2006			Change FY 2006/2007		
		FY 2004 Actual	Price Growth	Prog Growth	FY 2005 Est	Price Growth	Prog Growth	FY 2006 Est	Price Growth	Prog Growth	FY 2007 Est
101	Executive, General & Special Schedule	24,576	896	5,058	30,530	794	(2,672)	28,652	658	278	29,588
103	Wage Board	46	2	-	48	1	-	49	1	-	50
106	Benefits to Former Employees	29	-	(29)	-	-	-	-	-	-	-
107	VSIP	25	-	(25)	-	-	-	-	-	-	-
199	Total Civilian Personnel Compensation	24,676	898	5,004	30,578	795	(2,672)	28,701	659	278	29,638
308	Travel Of Persons	930	20	(106)	844	19	(182)	681	15	-	696
399	Total Travel	930	20	(106)	844	19	(182)	681	15	-	696
415	DLA Managed Supplies & Materials	23	-	(1)	22	-	-	22	-	-	22
416	GSA Managed Supplies & Materials	17	-	(17)	-	-	-	-	-	-	-
499	Total Fund Supplies & Materials Purchases	40	-	(18)	22	-	-	22	-	-	22
673	Defense Finance and Accounting Services	5,799	141	(1,747)	4,193	(113)	9,077	13,157	(1,276)	(9,827)	2,054
679	Cost Reimbursable Purchases	120,427	2,409	7,590	130,426	2,860	(7,175)	126,111	2,648	(7,640)	121,119
699	Total Purchases	126,226	2,550	5,843	134,619	2,747	1,902	139,268	1,372	(17,467)	123,173
771	Commercial Trans	64	1	(10)	55	1	(10)	46	1	-	47
799	Total Transportation	64	1	(10)	55	1	(10)	46	1	-	47

VI. OP 32 Line Items: (continued, $ in Thousands)

			Change FY 2004/2005				Change FY 2005/2006			Change FY 2006/2007		
		FY 2004 Actual	Price Growth	Price Growth	FY 2005 Est	Price Growth	Prog Growth	FY 2006 Est	Price Growth	Prog Growth	FY 2007 Est
913	Purchased Utilities	582	12	(4)	590	12	(1)	601	13	(1)	613
914	Purchased Communications	26	1	823	850	18	(841)	27	1	-	28
915	Rents (non-GSA)	1,170	24	(8)	1,186	25	(198)	1,013	21	(1)	1,033
920	Supplies & Materials (non-Fund)	692	13	(241)	464	10	154	628	13	(75)	566
922	Equipment Maintenance by Contract	19	-	-	19	-	-	19	-	-	19
923	Facility Maintenance by Contract	586	12	(154)	444	9	-	453	10	-	463
925	Equipment Purchases	353	8	(44)	317	7	(205)	119	3	-	122
987	Other Intra-Govt Purchases	20,852	417	(486)	20,783	436	(4,406)	16,813	353	20	17,186
989	Other Contracts	134,927	2,699	(5,462)	132,164	2,774	(17,518)	117,420	2,465	(1,682)	118,203
998	Other Costs	72	1	(55)	18	-	6	24	-	(1)	23
999	Total Other Purchases	159,279	3,187	(5,631)	156,835	3,291	(23,009)	137,117	2,879	(1,740)	138,256
9999	Total	311,215	6,656	5,082	322,953	6,853	(23,971)	305,835	4,926	(18,929)	291,832

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Legal Services Agency (DLSA)

February 2005

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DEFENSE LEGAL SERVICES AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

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

Appropriation Summary	FY 2004 Actuals	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
Budget Activity 4	27,947	990	1,710	30,647	614	7,151	38,412	962	-3,437	35,937

The FY 2004 Actual column includes $12,307 thousand of FY 2004 Supplemental funds.

I. Description of Operations Financed:

The Defense Legal Services Agency (DLSA) provides legal services to the Office of the Secretary of Defense, Department of Defense Field Activities, and the Defense Agencies.

The largest component of DLSA, the Defense Office of Hearings and Appeals (DOHA), adjudicates numerous types of cases that arise from all Military Departments and Defense Agencies. DOHA provides hearings and issues decisions in personnel security clearance cases for contractors performing classified work for all DoD components and over 20 other Federal Agencies and Departments. In addition, DOHA conducts personal appearances and issues decisions in security clearance cases for DoD civilian employees and military personnel. DOHA also conducts hearings and issues decisions in cases involving claims for DoD Dependents Schools Activity benefits and TRICARE payment for medical services. DOHA's claims function includes review of uniformed service and carrier claims for loss or damage of household goods and review of waiver applications. DOHA traditionally provides support to the Deputy General Counsel (Legal Counsel). DOHA functions as the point of contact for selection of third party neutrals in DOHA alternative dispute resolution processes.

I. Description of Operations Financed: (continued)

It is anticipated that the referrals of completed industrial security clearance investigations to DOHA will result in more cases requiring the due process provided by DOHA. DOHA's budget estimates provide for additional personnel and related costs to adjudicate the cases. Many of the DOHA case investigations resulted in appealable determinations. DOHA, which provides appellate due process, needed steep increases to the Department Counsel (representing the Government) and Administrative Judge numbers as the backlog moved from cases of the first investigation into the appellate arena. Additionally, DOHA had a lease expiration which required entry into a new GSA lease and the expenses normally associated with a major move.

Pursuant to the Secretary of Defense's issuance of Military Commission Order Number 1 on March 21, 2002, the Office of Military Commissions was established under DLSA to facilitate preparation for and trial of cases before military commissions. The commissions process consists of an appointing authority function and prosecution and defense functions. In addition, appellate review panels are mandated.

Activity has ramped up as specific defendants have been named by the Commander-in-Chief. Travel and court room expenses have also risen as several of these cases are about to proceed to actual litigation. We are also experiencing ancillary, but related, activity as detainees are bringing habeas corpus petitions to Federal District and Appellate Courts. Additionally, we are defending suits challenging the Constitutional basis for the tribunals themselves.

All customary expenses required to operate a government activity are financed, including salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment.

DEFENSE LEGAL SERVICES AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands) (continued)

II. Force Structure Summary: N/A

III. Financial Summary: ($ in Thousands)

A. Budget Activity (BA) 4:

1. Activity Groups:	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appropriation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
a. DLSA HQ	3,868	3,181	3,000	4,363	5,000	4,800
b. DOHA	14,234	12,334	12,640	16,165	17,000	16,000
c. OMC	9,845	9,969	9,000	10,119	16,412	15,137
Total	27,947	25,484	24,640	30,647	38,412	35,937

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**25,484**	**30,647**	**38,418**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-829		
Congressional Earmarks	-15		
Subtotal Appropriated Amount	**24,640**	**30,647**	**38,412**
Fact-of-Life Changes (CY to CY Only)	6,300		
Subtotal Baseline Funding	**30,940**	**30,647**	**38,412**
Anticipated Supplemental			
Reprogrammings			
Price Changes		614	962
Functional Transfers	-293		
Program Changes		7,151	-3,437
Current Estimate	**30,647**	**38,412**	**35,937**

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases:	Amount	Total
1. FY 2005 President's Budget Request		25,484
a. Distributed		
b. Undistributed		
c. General Provisions		
1) Section 8095 – Advisory and Assistance Services	-328	
2) Section 8122 – Management Improvement Savings	-42	
3) Section 8140 – Unobligated Balances	-404	
4) Section 8141 – Excessive Growth in Travel	-55	
Subtotal		-829
d. Congressional Earmark (Section 8044 – Indian Lands Environmental Impact)		-15
FY 2005 Appropriated Amount		**24,640**
2. War Related and Disaster Supplemental Appropriated		
3. Fact of Life Increases		
a. Functional Transfers		
b. Technical Adjustments		
1)Funds the DLSA authorized end strength of 185 and the associated travel, facilities, equipment and contractual services.		6,300
FY 2005 Baseline Funding		**30,940**
3. Reprogrammings		-293
a. Increase		
b. Decrease		
1) Legal Staff to the Inspector General.	-293	
Revised FY 2005 Estimate		**30,647**
4. Price Change		614
5. Transfers		
a. Transfers - In		
b. Transfers – Out		

III. Financial Summary: ($ in Thousands) (continued)

6.	Program Increases		
	a. Annualization of New FY 2005 Program		
	b. One-Time FY 2006 Costs		
	c. Program Growth in FY 2006		11,393
	1) Pay – FTE grow from 159 to 259 for legal support related to Guantanamo Detainees and increased workload associated with adjudication of clearance issues. (FY 2005 Baseline: $17,238)	11,215	
	2) PRMRF Rent – Higher rent related to security improvement. (FY 2005 Baseline: $534)	135	
	3) Commercial Transportation – Increase for new hire PCS costs. (FY 2005 Baseline: $26)	3	
	4) Rental Payment to GSA – Higher rent related to new hires. (FY 2005 Baseline: $965)	15	
	5) Purchased Communication – Higher communication costs due to an expanded program using the service. (FY 2005 Baseline: $250)	10	
	6) Supplies & Materials – Increase for additional personnel needing supplies. (FY 2005 Baseline: $75)	3	
	7) Printing/Reproduction – Increase for a larger staff. (FY 2005 Baseline: $75)	3	
	8) Equipment Maintenance by Contract – A larger staff will result in more usage and wear. (FY 2005 Baseline: $19)	6	

III. Financial Summary: ($ in Thousands) (continued)

9) Equipment – Increase for equipment required to support increased staff. (FY 2005 Baseline: $75)	3	
7. Program Decreases		
a. One-Time FY 2005 Costs		
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006		-4,242
1) Travel – Travel is expected to decline FY 2005, when much of the travel related to Guantanamo Bay detainees is no longer required.(FY 2005 Baseline: $2,376)	-476	
2)Other Intra-government Purchases – A lower need for document scanning and retrieving support (FY 2005 Baseline: $4,470)	-1,864	
3) Other Contract Costs – The support requirement for technology and translation support decreases. (FY 2005 Baseline: $4,540)	-1,902	
FY 2006 Budget Request		**38,412**
8. Price Change		962
9. Transfers		
a. Transfers - In		
b. Transfers – Out		
10. Program Increases		
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		

III. Financial Summary: ($ in Thousands) (continued)

c. Program Growth in FY 2007		26
1) Commercial Transportation – Increase for household goods. (FY 2006 Baseline: $30)	4	
2) Rental Payment to GSA – Increase for must pay bills. (FY 2006 Baseline: $1,000)	4	
3) Purchased Communications – Increase for continuing bills for infrastructure. (FY 2006 Baseline: $265)	4	
4) Supplies and Materials increase. (FY 2006 Baseline: $80)	3	
5) Printing/Reproduction – A large requirement will continue, to support legal staff. (FY 2006 Baseline: $80)	3	
6) Equipment Maintenance by Contract – Heavy usage of Equipment will continue. (FY 2006 Baseline: $25)	4	
2)Equipment Purchases – Increase for replacing office equipment. (FY 2006 Baseline: $80)	3	
8) Other Costs increase. (FY 2006 Baseline: $4)	1	
11. Program Decreases		
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		

III. Financial Summary: ($ in Thousands) (continued)

c. Program Decreases in FY 2007		-3,463
1) Pay – Full time equivalents are reduced from 259 to 235 reflecting completion of Guantanamo trials and a reduced backlog Security Clearance adjudications. (FY 2006 Baseline: $28,902)	-2,473	
2) Travel – A decreasing staff and workload will generate less travel needs. (FY 2006 Baseline: $1,950)	-197	
3) PRMRF Rent – Rent needs are to decline with a smaller staff. (FY 2006 Baseline: $563)	-95	
4) Other Intra-governmental Purchases – These costs will also decline due to a smaller staff and fewer new hires. (FY 2006 Baseline: $2,700)	-367	
4) Other Contracts – Contractor support usage is expected to decline as the tasks associated with legal decisions on Guantanamo Bay detainees are completed. (FY 2006 Baseline: $2,733)	-331	
FY 2007 Budget Request		**35,937**

IV. Performance Criteria and Evaluation Summary:

The Defense Legal Services Agency (DLSA) provides legal services to the staff elements of the Office of the Secretary of Defense and the Defense Agencies. DLSA's activities include providing opinions and counseling on legal compliance issues affecting policy formulation and implementation; participation in developing the Department's legislative program, including drafting legislation and comments; negotiations on behalf of DoD clients with private entities and other Government agencies; ensuring proper use of Government funds and property; adherence to ethical standards; and participation in contractual matters. The Defense Office of Hearings and Appeals (DOHA), the largest component of DLSA, provides hearings and issues decisions in personnel security clearance cases for contractor personnel doing classified work for all DoD components and over 20 other Federal Agencies and Departments and conducts personal appearances and issues decisions in security clearance cases for DoD civilian employees and military personnel. DOHA also conducts hearings and issues decisions in cases involving the special education programs of the Department of Defense's overseas and domestic school systems, and TRICARE payment for medical services. DOHA also adjudicates various financial claims including, but not limited to, claims related to uniform services members' pay, allowances, travel, transportation, retired pay, and survivor benefits; claims by transportation carriers for amounts collected from them for loss and damage incurred to property incident to shipment at Government expense; claims for proceeds of sale of unclaimed property coming into the custody or control of the Army, Navy, Air Force or Coast Guard; and petitions for waivers of debts owed by employees to the Government. DOHA also provides Alternative Dispute Resolution Services. DLSA is evaluated on the basis of the quality and timeliness of its myriad of services; adherence to appropriate standards of professional conduct and Department of Defense ethical and adjudicative standards; the professional independence, impartiality and competence exhibited by its attorneys; and its overall responsiveness to the needs of its clients.

IV. Performance Criteria and Evaluation Summary: (continued)

Industrial Security Clearance Review (ISCR) Program

The due process hearings and appeals of the Industrial Security Program are DOHA's central mission. The Industrial Security Program was created as a result of the Supreme Court's decision in *Greene v. McElroy*, 360 US 474, 79 S. Ct. 1400, 3 L. Ed.2d 1377 (1959). In response to the *Greene* decision, President Eisenhower signed Executive Order 10865 on February 20, 1960. Executive Order 10865 requires a hearing in which contractor employees be given the opportunity to appear before the decision-maker to confront and cross-examine witnesses and attempt to rebut the Government's case.

Executive Order 12829, January 6, 1993, established DoD as the executive agent for the entire federal government's implementation of the National Industrial Security Program (NISP). Finally, Executive Order 12968, signed August 2, 1995 by President Clinton did not affect the industrial security program and was specifically designed not to change the full due process given to contractors. As noted, Executive Order 12968 extended the opportunity to appear personally before a decision maker to all clearance holders and applicants. DOHA implements these personal appearances for the Department.

The due process workload associated with the Industrial Security (ISCR) cases and Personal Appearance (PA) cases DOHA handles is currently increasing as a result of past security clearance investigation backlogs. While the number of cases DOHA will receive requiring due process is likely to increase over FY 2004 totals, the number of cases received for initial adjudication is harder to predict.

B. Personal Appearance (PA) Program

Executive Order 12968, mandates that the "opportunity to appear personally" be part of security clearance due process for all military and civilian clearance applicants. "Personal

IV. Performance Criteria and Evaluation Summary: (continued)

appearances" by military and civilian clearance applicants are handled by the same DOHA Administrative Judges who handle cases involving employees of Defense contractors and of other contractors. This decision was made in part due to the collective experience of the DOHA Administrative Judges in convening industrial security clearance hearings and the logic of centralizing security clearance due process proceedings generally in the Department. DOHA is the only DoD entity with experience providing a clearance applicant with the opportunity to appear personally as a regular part of due process.

The workload associated with the personal appearance cases DOHA handles is currently increasing as a result of security clearance reinvestigation backlogs being worked.

C. Claims Appeals Board

The Claims Appeals Board has ultimate settlement authority over many different types of claims and related matters. This authority is relatively new within the Department of Defense (DoD), and resulted from legislation in 1995 and 1996 which transferred claim settlement responsibility from the Comptroller General to, among others, the Secretary of Defense. The Board is a streamlined reconstitution of the portion of the GAO/OGC division which considered uniformed service and carrier claims. Under Title 31, United States Code, Section 3702, the Secretary of Defense now settles claims involving uniformed service members' pay, allowances, travel, transportation, retired pay, and survivor benefits. Additionally, he settles claims by transportation carriers involving amounts collected from them for loss or damage incurred to property incident to shipments at government expense. The Secretary's responsibilities in these areas are not restricted to DoD. The Secretary also has the statutory responsibility for settling the accounts of deceased DoD service members. As a result of a recent Office of Management and Budget (OMB) Determination Order, the Secretary was given the OMB Director's general claims settlement authority over most

IV. Performance Criteria and Evaluation Summary: (continued)

activities within DoD, and the bulk of the waiver authority within the Federal government; that is, the Secretary now exercises the former authority of the Comptroller General to consider applications by service members and DoD employees to waive overpayment debts exceeding $1,500, and upon request advises non-DoD agencies on waiver applications by their civilian employees.

Claims appeals board workload is expected to increase. For example, the number of carrier claims regarding loss and damage increased dramatically during the last year that such claims were considered at GAO, and they continue to increase. Changes to GAO's statutory authority to relieve certifying, disbursing and other accountable officers of financial liability may result in added responsibilities.

Workload:	FY 2004 Actuals	FY 2005 Estimates	FY 2006 Estimates	FY 2007 Estimates
Cases Reviewed (ISCR & ADP)	31,214	15,000	15,000	15,000
Due Process Cases	3,192	5,900	3,300	3,300
Claims Cases Reviewed	1,100	1,300	1,500	1,500
Mediations	28	35	45	45

DEFENSE LEGAL SERVICES AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 /FY 2007 Budget Estimates

V. Personnel Summary:

	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (Total)						
Officer	14	33	37	37	4	0
Enlisted	15	22	22	20	0	-2
Civilian End Strength (Total)						
US Direct Hire	154	159	259	235	100	-24
Active Military Average Strength (A/S) (Total)						
Officer	14	33	37	37	4	0
Enlisted	15	22	22	20	0	-2
Civilian FTEs (Total)						
US Direct Hire	154	159	259	235	100	-24
Annual Civilian Salary Cost ($000)						
Average Civilian Salary Amount	106	108	112	114	4	2

DEFENSE LEGAL SERVICES AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 /FY 2007 Budget Estimates

VI. OP 32 Line Items as Applicable: ($ in Thousands):

		FY 2004 Program	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
	CIVILIAN PERSONNEL COMPENSATION										
101	Exec., Gen. & Spec. Schedules	17,683	654	-1,099	17,238	448	11,216	28,902	665	-2,473	27,094
107	VSIP	25	1	-26	0	0	0	0	0	0	0
199	Total Civilian Compensation	17,708	655	-1,125	17,238	448	11,216	28,902	665	-2,473	27,094
	TRAVEL										
308	Travel of Persons	971	19	1,386	2,376	50	-476	1,950	41	-197	1,794
399	Total Travel	971	19	1,386	2,376	50	-476	1,950	41	-197	1,794
	OTHER PURCHASES										
672	PRMRF Rent	524	141	-131	534	-106	135	563	107	-95	575
771	Commercial Transportation	25	1	-	26	1	3	30	1	4	35
912	Rental Payments to GSA	937	19	9	965	20	15	1,000	21	4	1,025
914	Purchased Communications	235	5	10	250	5	10	265	6	4	275
920	Supplies & Materials	65	1	9	75	2	3	80	2	3	85
921	Printing/Reproduction	62	1	12	75	2	3	80	2	3	85
922	Equipment Maintenance	8	-	11	19	-	6	25	1	4	30
925	Equipment	62	1	12	75	2	3	80	2	3	85
987	Other Intra-Govt Purchases	4,208	84	178	4,470	94	-1,864	2,700	57	-367	2,390
989	Other Contracts	3,138	63	1,339	4,540	95	-1,902	2,733	57	-331	2,459
998	Other Costs	4	-	-	4	-	0	4	-	1	5
999	Total Other Purchases	9,268	316	1,449	11,033	115	-3,588	7,560	256	-767	7,049
	TOTAL	27,947	990	1,710	30,647	613	7,152	38,412	962	-3,437	35,937

Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Prisoner of War/Missing Personnel Office (DPMO)

February 2005

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DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DPMO	15,510	892	-975	15,427	883	-205	16,105	926	-608	16,423

* The FY 2004 actual column and FY 2005 column include no Supplemental funds.

I. Description of Operations Financed:

In 1996, Title 10, United States Code, Section 1501 directed the Secretary of Defense to establish an Office of Missing Persons to provide planning, policy and oversight within the Department of Defense for all issues pertaining to personnel recovery and for personnel accounting from all conflicts; past, present and future. The Secretary delegated this authority to the Defense Prisoner of War (POW)/Missing Personnel Office (DPMO). DPMO reports to, advises, and assists the Under Secretary of Defense for Policy and the Assistant Secretary of Defense for International Security Affairs (ASD/ISA) on all matters relating to the process for investigation and recovery related to missing persons. In addition, DPMO has policy and oversight responsibility within the Department of Defense for the issue of Enemy Prisoners of War.

The Deputy Assistant Secretary of Defense for POW/Missing Personnel Affairs (MPA) (DASD-POW/MPA) is the principal policy proponent for POW/MPA issues. He directs for the ASD/ISA, all policy, national security, and intelligence aspects of Service Members, civilians and selected foreign personnel who are unaccounted as a result of current and previous national conflicts. In an effort to build public credibility and trust, the DASD-POW/MPA maintains channels of communication on POW/MPA matters among the Department of Defense, Congress, POW/Missing Personnel families, veteran’s organizations and the general public. In addition, the DASD for POW/MPA provides support to the Presidentially mandated US-Russia Joint Commission on POW/Missing in Action (MIAs). The commission works to ascertain

the facts regarding American servicemen for whom there has been no accounting and whose fate remains unknown and may be resolved as a result of information available in the Former Soviet Union. Additional work by the Commission has been expanded to include research initiatives in a number of East European countries.

DPMO is responsible for several key mission areas. These include: Policy, Control, and Oversight; Outreach; Personnel Recovery; Personnel Accounting and Information Gathering in Southeast Asia, Northeast Asia, and throughout the world to account for those missing from all conflicts including WWII and the Cold War.

II. Force Structure Summary: N/A

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands)

A. Budget Activity (BA) 4	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appropriation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
DPMO Operations	**15,510**	**15,964**	**15,427**	**15,427**	**16,105**	**16,423**

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**15,964**	**15,427**	**16,105**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-528		
Congressional Earmark	-9		
Subtotal Appropriated Amount	**15,427**		
Fact-of-Life Changes			
Subtotal Baseline Funding		**15,427**	**16,105**
Anticipated Supplemental			
Reprogrammings			
Price Changes		883	926
Functional Transfers			
Program Changes		-205	-608
Current Estimate	**15,427**	**16,105**	**16,423**

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request (Amended, if applicable)		**15,964**
1. Congressional Adjustments		-537
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8095 – Advisory and Assistance Services	-205	
2) Sec 8122 – Management Improvement Savings	-26	
3) Sec 8140 – Unobligated Balances	-253	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-44	
e. Congressional Earmarks – Indian Lands Environmental Impact	-9	
FY 2005 Appropriated Amount		**15,427**
2. War-Related and Disaster Supplemental		
3. Fact of Life Changes		
FY 2005 Baseline Funding		**15,427**
4. Reprogrammings		
Revised FY 2005 Estimate		**15,427**
5. Price Change		883
6. Program Increases		498
a. Increase in civilian pay compensation. (FY 2005 Baseline: $7,530)	34	
b. Increase in payments to DFAS for accounting support. (FY 2005 Baseline: $328)	81	
c. Increase in contract support to support archival and research		

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
support in Asia and Russia. (FY 2005 Baseline: $4,012)	383	
7. Program Decreases		-703
a. Decrease in travel. (FY 2005 Baseline: $1,976)	-610	
b. Decrease in GSA rent and communications. (FY 2005 Baseline: $1,186)	-25	
c. Decrease in supply and printing costs. (FY 2005 Baseline: $386)	-68	
FY 2006 Budget Request		**16,105**
8. Price Change		926
9. Program Increases		253
c. Increase in payments to DFAS for accounting support. (FY 2006 Baseline: $400)	89	
b. Increase in supplies and communication. (FY 2006 baseline: $376)	29	
c. Increase in contract support to support archival and research support in Asia and Russia. (FY 2006 Baseline: $4,479)	135	
10. Program Decreases		-861
a. Decrease in civilian pay compensation. (FY 2006 Baseline: $8,298)	-664	
a. Decrease in travel. (FY 2006 Baseline: $1,407)	-107	
b. Decrease in GSA rent. (FY 2006 Baseline: $1,056)	-78	
c. Decrease in printing costs (FY 2006 Baseline: $80)	-12	
FY 2007 Budget Estimate		**16,423**

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

In 1996, Title 10, United States Code, Section 1501 directed the Secretary of Defense to establish an Office of Missing Persons. This legislation required the existing office (DPMO) to greatly expand the scope of its roles and responsibilities to include establishing comprehensive and uniform procedures for determining and updating the status of missing persons, their personnel files and contents and mandated case review dating back to September 2, 1945. Under these requirements, the mission has expanded to encompass policy oversight of the personnel recovery process as well as the traditional personnel accounting effort. DPMO's efforts to fulfill these requirements have yielded results in the following areas:

Policy

DPMO provides extensive policy, control, and oversight over accounting for Americans from past wars including World War II, Korean Conflict, Vietnam War, Cold War and the 1991 Gulf War. FY 2004 achievements as a result of policy support to key components of the accounting and recovery processes include: gaining initial access to Libya in early 2004, opening the way to account for a 1986 loss and a World War II loss; completing the final report for the National Personnel Recovery Architecture Study and a DoD draft National Security Presidential Directive for personnel recovery; and developing policy to support DoD contract personnel who become isolated or missing. These successes extend and improve operations for the fullest possible accounting of U.S. service members who died in service to our nation. It ensures U.S. forces are trained, equipped, and able to respond during contingency operations.

IV. Performance Criteria and Evaluation Summary: (continued)

Outreach

DPMO continues an aggressive outreach effort with its highly successful Family Update Program. Eight meetings are held annually at major cities across the United States. This year more than 1,200 family members were briefed on the government accounting efforts for our missing from World War II, the Korean, Cold, and Vietnam wars. During these meetings, family members have access to government experts who explain the use of cutting-edge technologies to identify remains, including mitochondrial DNA, archival research, and other important topics. Families are able to review details of their loved one's case and discuss issues with subject matter experts. Additionally, we conduct two annual government meetings in the Washington metro area for the families of the missing from Southeast Asia and the Korean/Cold Wars. In FY 2004, these meetings were attended by 239 and 501 family members respectively.

In an effort to build awareness and foster support for our world-wide accounting effort, DPMO officials met with members of the Congressional staffs in the locality of the Family Update. We also invited them to attend the Family Update meeting. DPMO's multi-pronged outreach program continues to target a variety of audiences. Our outreach efforts have expanded to include news articles and personal invitation letters from the Director to encourage attendance. DPMO continues to conduct special meetings and distribute news releases and other items of interest to families, veterans' organizations and legislative members. Each year National POW/MIA Recognition Day posters are printed and distributed to veteran services, family organizations and constituencies to increase public awareness.

IV. Performance Criteria and Evaluation Summary: (continued)

The DPMO Internet Web Site has been reconfigured to a more user-friendly format with useful information for researchers and family members. Our Internet web site has been very positively received, receiving more than 350,000 "hits" in one week from interested readers. Interest remains high on progress in Vietnam War and Korean War accounting efforts. The Coincidental Travel Assistance Program (Coin Assist) provides transportation for family members to attend annual government briefings. The expansion of this program to include Korea, Cold, Vietnam, and the Persian Gulf wars has contributed significantly to the number of family members who attend the annual Korean/Cold War government briefing. Family members express great appreciation for the government's efforts to account for those still missing.

Personnel Recovery

The Personnel Recovery Needs Assessment was completed in FY 2004. The final report for the National Personnel Recovery Architecture (NPRA) study addresses the scope and requirements for personnel recovery from a national perspective. A key deliverable of the NPRA study was a DoD-coordinated draft National Security Presidential Directive (NSPD) for personnel recovery. The NSPD will, for the first time, direct personnel recovery at the national and interagency levels. The National Security Council endorses the NSPD concept and agrees that the NSPD will significantly improve the United States' interagency coordination and cooperation during personnel recovery events. In FY 2005 DPMO will develop a comprehensive implementation plan. The implementation plan, will give DoD the leverage to begin implementing the first national personnel recovery architecture. The planning, training, and equipping of the interagency community will significantly strengthen DoD's personnel recovery program and mitigate risk to DoD personnel during future personnel recovery events.

IV. Performance Criteria and Evaluation Summary: (continued)

DPMO promulgated a new instruction in FY 2004, DoD Instruction 1300.23, "Isolated Personnel Training for Defense Civilian and Contractor Employees." The focus of this instruction is to identify at-risk DoD civilians and contractors, train them for isolation, and help them survive captivity with honor. The governing directive is DoD Directive (DoDD) 1300.7, "Training and Education to Support the Code of Conduct." This year the new publication has presented several challenges in the personnel recovery policy arena as the Combatant Commands and Services assess their new requirements. So significant are the new challenges that DPMO has instituted a sweeping review of every personnel recovery policy publication. Not only will DoDD 1300.7 be streamlined and rewritten, but Services and Combatant Commanders will review the implementing DoD Instruction (DoDI) 1300.21, "Code of Conduct Training and Education," which effects every Code of conduct and Survival, Evasion, Resistance, and Escape (SERE) course in DoD. This review will also address changes resulting from lessons learned from Operation ENDURING and IRAQI FREEDOM (OIF) and the asymmetric nature of the Global War on Terror (GWOT).

The GWOT also effects DoDI 2310.4, Repatriation of Prisoners of War (POWs), Hostages, Peacetime Governmental Detainees and Other Missing or Isolated Personnel," which must now address the repatriation and reintegration of DoD contractors and DoD civilians. DPMO is developing policy to address the issue of support to contractors which will be incorporated into the appropriate directives and instructions. In FY 2004, DPMO brought policy expertise to this operational process for the first time. DPMO personnel participated in three high profile family visits in conjunction with its captivity support mission. Support was provided to the families of DoD contractor hostages taken in Colombia, as well as the families of hostages taken during OIF, providing them with

IV. Performance Criteria and Evaluation Summary: (continued)

information on what to expect during the captivity and repatriation phases. One family visit was particularly high-profile with direct Congressional participation.

Closely tied to U.S. Government policy development for personnel recovery are DPMO's policy efforts and participation in the NATO Search and Rescue (SAR) Panel and its senior organization, the NATO Air Operations Support Working Group. In FY 2004 DPMO advocated the inclusion of "Joint Personnel Recovery" into the NATO Terms of Reference and helped revise Allied Tactical Publication (ATP) 10, Civil SAR and ATP 62, Combat Search and Rescue (CSAR). DPMO also developed a major portion of the first-ever NATO Level 2 document for Personnel Recovery, Allied Joint Publication (AJP) 3.3.8. This document will significantly improve coalition operations and further DPMO's personnel recovery transformation objectives by fostering interoperability.

DPMO participated in U.S. Pacific Command's Multinational Planning Augmentation Team's (MPAT) Multinational Forces (MNF) conference. MPAT is producing standard operating procedures (SOP) for Pacific Rim coalitions in small scale contingencies to improve MNF interoperability, increase the speed of crisis response, and improve coalition mission effectiveness. For the first time, MNF members are including a personnel recovery annex in the SOP. DPMO is now an integral member of the MNF SOP personnel recovery working group.

Progress continues in the field of civil search and rescue. DPMO is actively pursuing opportunities to work with foreign governments in examining activities related to reporting, locating, tracking, personnel following aero and maritime mishaps. DPMO chartered the creation of a software instruction and discussion tool which simulates plausible situations where regional rescue coordination centers must step through a

IV. Performance Criteria and Evaluation Summary: (continued)

table-top communication and coordination exercise. The tool provides insight into potential gaps in training and understanding of personnel recovery actions. DPMO will develop and refine this tool further during FY 2005.

In FY 2004, DPMO assisted in the validation of two personnel recovery training programs. Personnel Recovery-103, "Personnel Recovery Fundamentals for Allies and Coalition Partners," is the first personnel recovery training course specifically designed for our coalition partners. Personnel Recovery-303, "Non-conventional Assisted Recovery Plans and Operations," is a two-week course to provide Combatant Command and Service staff members with the tools to plan and successfully command and control complex non-conventional assisted recovery operations. DPMO also assisted with the development of other personnel recovery training courses by providing policy-level guidance during curriculum development.

DPMO plays a significant role in Code of Conduct training and oversight. In FY 2004 DPMO began a more comprehensive review of Executive Agent oversight of Service Code of Conduct training courses by completing a policy review of every oversight visit and inspection report. DPMO also participated in the development of critical Code of Conduct training programs in which the Army, Navy, and Air Force stood up the first experiential Level C Code of Conduct courses, designed to provide training in hostage and peacetime governmental captivity. DPMO was also a key player in the development of the Core Captivity Curriculum (CCC). A transformational approach to Service-provided Code of Conduct and SERE training, the CCC will address protection of U.S. personnel across the captivity spectrum and create the capability for truly joint SERE training.

IV. Performance Criteria and Evaluation Summary: (continued)

DPMO was instrumental in the production of two Congressional Reports mandated by the Senate Armed Services Committee (SASC) and the House Appropriations Committee (HAC). The National Defense Authorization Act, 2004 reports 108-46(SASC) and 108-187 (HAC), comprehensively studied and identified Combatant Commander and Service Code of Conduct training requirements. DPMO will formulate OSD policy on how to certify contractors to teach other contractor or government employees to provide Code of Conduct and SERE training necessary to meet minimum theater entry requirements. Finally, DPMO is also reviewing policy surrounding contractors on the battlefield with regard to personnel recovery organizations, training, and equipment.

As the DoD policy proponent for personnel recovery, DPMO continues its support for the development of the only existing personnel recovery Advanced Concept Technology Demonstration (ACTD) – the Personnel Recovery Survivability and Extraction Aided by Smart Sensors (PRESS) - ACTD. The PRESS ACTD will provide capabilities such as protecting U.S. helicopters from an unseen attacker, unique blue force tracking capabilities with the Global Personnel Recovery System (GPRS) program, and other solutions to personnel recovery challenges. The centerpiece of this project is GPRS with its global, 24/7 locating capability. With its eventual reduction in size to a chip that will fit in most survival radios and even in hand-held personal computers, GPRS will provide superior locating capabilities to the isolated operator.

DPMO facilitated and hosted two Personnel Recovery Advisory Group meetings for 25 senior executives from OSD, the Services, the Combatant Commands, and the interagency community. Senior level officials addressed key issues for personnel recovery, the Core Captivity Curriculum concept for Code of Conduct training, and OIF and OEF personnel recovery lessons learned. DPMO also co-chaired the sixth annual DoD Personnel Recovery Conference

IV. Performance Criteria and Evaluation Summary: (continued)

at the end of FY 2004. The conference's purpose was to raise awareness of personnel recovery at the highest levels of the U.S. government; facilitate the exchange of ideas within the recovery community; identify and resolve policy-level issues pertaining to personnel recovery within DoD; and chart a course for the future of personnel recovery.

Southeast Asia

DPMO continued to focus on increasing the level of cooperation between the U.S. and Vietnam, Laos and Cambodia and among the Indochina countries themselves in FY 2004. Analytic assessments also increased the effectiveness of joint and unilateral investigations and research that aided accounting for missing Americans. DPMO convened the 2004 POW/MIA Consultations, a multilateral meeting of the four countries aimed at facilitating cross-border information that would account for Americans, particularly those lost along the Ho Chi Minh Trail. Analysts provided expert support for the consultations, as well as annual bilateral discussions. In each country, DPMO focused on expanding the breadth, pace and flexibility of investigations and recovery operations. Nation-specific efforts included establishing an on-the-ground, all-year intelligence effort in Cambodia that resulted in a significant increase in investigative operations. In Vietnam, the Deputy Assistant Secretary of Defense for POW/MIA Affairs (DASD) continued and regularized high-level discussion with the Deputy Prime Minister, finalizing a new initiative of introducing researchers into archives. Using data compiled by expert analysts, he continued his interviews with senior officials as part of the ongoing Wartime Leader Program. In support of an important negotiation point with the Deputy Prime Minister, the DASD facilitated a month-long visit to Washington, D.C. for a Vietnamese expert archivist who works for the U.S. in Hanoi. His research at the National Records Center was successful in finding the identities of some 2,000 wartime

IV. Performance Criteria and Evaluation Summary: (continued)

Vietnamese dead and related gravesite records, data that the DASD would later furnish the Vietnamese in bi-lateral talks. Following months of work by senior analysts and their Lao interlocutors, the DASD formalized his archival initiative in that nation. Analysts brought joint focus to operational issues, the Last Known Alive cases, oral history interviews, the successful use of trilateral witnesses, and the unilateral case preparations by discussion at technical talks. In a series of department-wide multi agency discussions analysts moved forward the cases of more than 670 individuals by defining new next steps in the investigative process.

Northeast Asia

The commemoration of the 50th anniversary of the Korean War began in June 2000 and ended November 11, 2003. DPMO maintained access to the isolated nation of North Korea and broadened the overall accounting effort. As a 50-year Korean War commemorative sponsor, DPMO continues in the post commemoration period to develop its comprehensive Oral History Program contacts with Korean War Veterans. Nearly 1,600 former POWs and other combat veterans have provided invaluable leads on tracking the losses of our 8,100+ unaccounted for servicemen. DPMO continued to refine the Personnel Missing in Korea (PMKOR) list, another public document posted on its website. This list, configured to allow the public to download it from the DPMO website by state or service, generated considerable public interest and more than 16,000 Internet "hits." DPMO research, in coordination with the Military Services, continued to enhance and improve the list, which resulted in higher quality information for the public.

The remains recovery effort in North Korea continued strong in 2004. Successful negotiations with North Korea in October 2003 and February 2004 facilitated the conduct

IV. Performance Criteria and Evaluation Summary: (continued)

of five operations, overlapping both FY 2004 and early FY 2005, resulting in the recovery of over a dozen remains. This effort involved a fourth straight year on the west side of the famous Chosin Reservoir. The regions under investigation encompassed over 1,300 losses in two major battle areas.

DPMO enjoyed continued cooperation from the People Republic of China (PRC). In two delegations to China, they arranged for the first ever survey and excavation of a Korean War crash site on the China/North Korea border, which subsequently resulted in the recovery of remains. Further, the Chinese agreed to an excavation at a 1952 Cold War crash site in Jilin Province where remains were also discovered. DPMO also conducted the first DoD official visit to the Chinese Korean War Memorial Museum located on the border with North Korea.

Joint Commission

The Joint Commission Support Directorate (JCSD) provides direct administrative and analytical support to the presidentially mandated U.S.-Russia Joint Commission (USRJC) on POW/MIAs and maintains its focus on work conducted in Russia, other countries of the Former Soviet Union, and Central Europe. Analysts and researchers within four separate Working Groups (World War II, Korean War, Vietnam War, and Cold War), with a goal of accounting for U.S. servicemen, collect and analyze information obtained in U.S. and foreign archives, witness interviews, and field investigations throughout the aforementioned areas. In addition to the D.C.-based staff, an office within the American Embassy in Moscow consists of personnel (two U.S. personnel and three Russian researchers) dedicated to the USRJC mission. In FY 2005, JCSD analysts and researchers will spend nearly 1,700 man-days TDY in over 20 countries in direct support of the USRJC.

IV. Performance Criteria and Evaluation Summary: (continued)

World War II

With respect to DPMO analysts' support of the U.S.-Russia Joint Commission on POW/MIAs, the following information highlights the focused work in Russia, the other countries of the Former Soviet Union, and throughout Eastern Europe. DPMO continues to work with the Russian Military Medical Museum in St. Petersburg to review its holdings for information about 'unaccounted for' servicemen from World War II who had received treatment by Soviet military medical personnel. In Eastern Europe and Russia, DPMO analysts greatly expanded efforts to locate remote burial sites of WWII airmen. In the past and projected for the future, World War II Working Group analysts will continue to investigate crash and possible burial sites throughout Eastern Europe, especially cases in the Czech Republic, Hungary, Bosnia-Herzegovina, Croatia, Serbia, Slovenia, and the Russian Far East. As a result of the work conducted by DPMO and CILHI representatives in FY 2003, the remains of seven WWII crewmen who had crashed in the Russian Far East were identified. The families of those missing aircrewmen held a burial in Arlington Cemetery on 20 November, 2003. Additionally in FY 2004, based directly upon the efforts of DPMO analysts, CILHI dispatched an Investigative Element to conduct two site surveys in Hungary and an additional two in the Russian Far East. DPMO anticipates CILHI's plan for two excavations in Hungary for FY 2005.

Korean War

DPMO negotiated unfettered access to the unclassified Korean War holdings of the Russian Central Military Archives in Podolsk, Russia. Korean War analysts work in these archives eight days of every month and have retrieved 32,000 pages of Soviet military documents directly related to the loss of American servicemen during the Korean War. Additionally,

IV. Performance Criteria and Evaluation Summary: (continued)

DPMO analysts have recently received thousands of declassified pages of Korean War materials for review. These documents provided fate-clarifying information on missing-in-action American servicemen, and this research enabled DPMO to notify 263 next-of-kin family members about the fate of their loved ones. DPMO analysts plan to broaden the scope of its interview program to other countries of the Former Soviet Union in FY 2006, 2007, and FY 2008.

Vietnam War

DPMO's efforts, in the context of the U.S.-Russia Joint Commission on POW/MIAs, have managed to elicit from the Russian commissioners expanded access in other Russian archives. Initiatives based on those efforts have led to information extracted from classified Vietnam War holdings of the Russian archives.

Cold War

Through the dedicated work of Cold War analysts, supporting the US-Russia Joint Commission on POW/MIAs, the Russian Side of the Commission has provided a significant amount of information related to the Cold War incidents. Additionally, despite limited archival access, a contracted Russian researcher has provided much of the day-to-day archival research and witness interviews.

IV. Performance Criteria and Evaluation Summary: (continued)

Operation Iraqi Freedom

DPMO continues to provide policy support to the U.S. Delegation at each bi-yearly meeting of the Tripartite Commission (TPC). One senior level DPMO representative attends each TPC meeting which is usually held in Geneva. DPMO also coordinated the visit of a four-person, working group to Iraq to assist the Coalition Provisional Authority in setting up a Missing Person Bureau for the new Iraqi government.

External and International Events

DPMO advises other parts of the USG on issues affecting the issue of personnel recovery, determining the fate of the missing, and communicating with families of the missing. DPMO's Policy Directorate keeps track of activities related to the issue of the missing outside of DPMO, outside of DoD, outside of the USG and beyond the United States as conducted by non-government organizations and other governments and liaises with them when appropriate.

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY2005/FY2006	Change FY2006/FY2007
Active Military End Strength (E/S) (Total)	39	46	46	46	0	0
Officer	24	31	31	31	0	0
Enlisted	15	15	15	15	0	0
Civilian End Strength (Total)	67	69	69	69	0	0
U.S. Direct Hire	67	69	69	69	0	0
Foreign National Direct Hire						
Total Direct Hire						
Foreign National Indirect Hire						
Active Military Average Strength (A/S) (Total)	39	46	46	46	0	0
Officer	24	31	31	31	0	0
Enlisted	15	15	15	15	0	0
Civilian FTEs (Total)	68	69	69	69	0	0
U.S. Direct Hire	68	69	69	69	0	0
Foreign National Direct Hire						
Total Direct Hire						
Foreign National Indirect Hire						
Average Annual Civilian Salary ($000)	109	109	119	124	10	5

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

VI. OP 32 Line Items as Applicable: ($ in Thousands):

			Change FY 2004/FY 2005			Change FY 2005/FY 2006			Change FY 2006/FY 2007		
		FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
101	Exec, Gen & Spec Schedules	7,547	736	-753	7,530	734	34	8,298	809	-664	8,443
308	Travel of Persons	1,478	30	468	1,976	41	-610	1,407	30	-107	1,330
673	Payments to DFAS	356	9	-37	328	-9	81	400	-39	89	450
912	SLUC (GSA Leases)	990	15	51	1,056	22	-22	1,056	22	-78	1,000
914	Purchased Communications	148	3	-21	130	3	-3	130	3	1	134
915	Rents	5	0	1	6	0	0	6	0	0	6
920	Supplies & Materials	203	4	70	277	6	-37	246	5	28	279
921	Printing and Reproduction	60	1	48	109	2	-31	80	2	-12	70
933	Contract Studies & Analysis	2,620	52	-460	2,212	46	41	2,299	48	178	2,525
989	Other Contracts	2,098	42	-340	1,800	38	342	2,180	46	-43	2,183
998	Interest & Dividends	5	0	-2	3	0	0	3	0	0	3
9999	Total	15,510	892	-975	15,427	883	-205	16,105	926	-608	16,423

Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Security Cooperation Agency (DSCA)

February 2004

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DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

	FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
DSCA	1,413.7	28.3	-486.7	955.3	20.0	-831.3	144.0	3.0	-2.1	144.9

* The FY 2004 Actuals column includes $285,912 thousand of FY 2004 Supplemental (x-year) funds, $1,042,000 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Actuals column includes $864,088 thousand of FY 2004 Supplemental (x-year) prior year unobligated balance carryover and $9,865 thousand of no-year Counter-Terrorism Fellowship funds; it excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed: The Defense Security Cooperation Agency (DSCA) administers funding for the Warsaw Initiative Fund, Canadian Environmental Cleanup, International Programs Security Requirements Court, Counter-Terrorism Fellowship Program, and the Regional Centers. The DSCA also provides program management and program implementation support to the Humanitarian Assistance and Mine Action, which is funded in a separate appropriation.

Narrative Explanation of Changes:

From FY 2005 to FY 2006, the program is reduced by the unobligated carryover balance of coalition support funds ($864,088 thousand) and Counter-Terrorism Fellowship ($9,865 thousand). Funding for the Marshall Center (Army), Asia-Pacific Center (Navy), Center for Hemispheric Defense Studies, Near East-South Asia, and Africa Center (National Defense University), collectively known as the Regional Centers, is transferred to DSCA, which will serve as Executive Agent. (FY 2006, $61,200 thousand; FY 2007, $59,800 thousand).

I. Description of Operations Financed: (continued)

Security Cooperation efforts influence the behaviors of a wide array of potential adversaries and develop the capacity of allies and friendly nations to ensure regional stability. A particular aim of DoD's Security Cooperation efforts is to ensure access and interoperability, while expanding the range of pre-conflict options available to counter coercive threats, deter aggression, or favorably prosecute war on U.S. terms. Our planning in Security Cooperation must adapt to and reinforce changes in the U.S. global military posture as well as support efforts to render U.S. forward forces, in concert with our security partners, capable of swiftly defeating aggression.

The Goals of Security Cooperation are set against a backdrop of an evolving, yet still dangerous, global security environment. The U.S. defense strategy is built around four Defense policy goals:

- Assuring allies and friends of U.S. steadiness of purpose and its capability to fulfill its security commitments;
- Dissuading adversaries from undertaking programs or operations that could threaten U.S. interests or those of our allies and friends;
- Deterring aggression and coercion by deploying forward the capability to swiftly defeat attacks and impose severe penalties for aggression on an adversary's military capability and supporting infrastructure; and
- Decisively defeating any adversary if deterrence fails.

Security Cooperation within the DoD, appropriately focused and scoped, builds the capabilities and cooperative relationships that support these Defense policy goals and, in the more immediate term, enable a sustained, multilateral campaign against international terrorism.

I. Description of Operations Financed: (continued)

DSCA supports U.S. involvement overseas and DoD's role in developing and sustaining regional security arrangements. Often the elements of Security Cooperation are among the most practical and visible signs of our support for, and involvement with, other nations and their military services and decision makers. In time of peace especially, it is through activities such as disaster relief, humanitarian assistance, the day-to-day contacts of the Security Assistance Offices (SAO) in-country, the transfer and maintenance of systems, and international training opportunities, that positive interactions take place. This interaction leads to improved understanding between nations, support for emerging democracies, effective military and civil contacts, improved defense capabilities for our allies and friends, and the ability to train and operate together when necessary. Operations in the Persian Gulf, Kosovo and Afghanistan testify to the growing importance of coalition forces that can operate across the spectrum of conflict and as the means to convey the will of the international community.

U.S. regional Combatant Commanders (CoCOM) must have the ability to communicate, maintain situational awareness, move forces and employ them effectively whenever operating with the support of allied nations. Accordingly, the security cooperation community ensures that defense goods and services contribute to building the capability and interoperability of allies, friends and potential partners for conducting coalition operations. The DSCA programs funded with Operation and Maintenance appropriations are:

Warsaw Initiative Fund: President Clinton announced a major foreign policy initiative in Warsaw in July 1994, saying he would seek $100 million in FY 1996 to "help America's new democratic partners work with the United States to advance the Partnership for Peace's goals." The effort became known as the Warsaw Initiative. Congress approved the funds, thereby establishing a single, comprehensive United States bilateral program to advance closer relations and interoperability between NATO and Partnership for Peace (PfP)

I. Description of Operations Financed: (continued)

countries. The Department of State (DOS) and the Department of Defense (DoD) cooperatively administer the program; DOS's portion is provided as Foreign Military Financing; the remainder is administered by DoD.

The Partnership for Peace is intended to forge new security relationships between the North Atlantic Council, Central Europe and newly Independent States. Its focus is to expand and intensify political and defense cooperation throughout Europe, increase stability, diminish threats to peace and build strengthened relationships by promoting the democratic principles which underpin NATO. The program is open to all North Atlantic Cooperation Council (NACC) and Organization for Cooperation and Security in Europe (OSCE) states. At a pace and scope determined by their own governments, individual participants in PfP work in concrete ways towards openness in defense budgeting, civilianizing of defense ministries, joint military exercises and defense planning, and creating the capability to operate with NATO forces in support of UN and OSCE activities. Active participation in PfP is necessary, but does not guarantee, eventual NATO membership. The DoD's Partnership for Peace (PfP) promotes partner interoperability initiatives that help lead to common standards, procedures, and doctrine with the nations of the North Atlantic Treaty Organization (NATO), builds candidates for NATO membership, and builds U.S. bilateral support to supplement partner participation in the PfP.

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

I. Description of Operations Financed: (continued)

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

The Counter-Terrorism Fellowship Program is non-lethal counter-terrorism training and education for foreign military officers. The Regional Defense Counterterrorism Fellowship Program (CTFP or "CT Fellowship") enables the Department of Defense (DoD) to assist key countries in the war on terrorism by providing training and education to build and support counterterrorism capabilities. The CT Fellowship allows the Secretary to work with countries of critical importance to the war on terrorism - providing counterterrorism education and training that will have a direct impact on the long-term capabilities and capacity of our friends and allies. The CT Fellowship program is used to bolster the capacity of friendly foreign nations to detect, monitor, and interdict or disrupt the activities of terrorist networks ranging from weapons trafficking and terrorist related financing to actual operational planning by terror groups.

This program is a key tool for regional CoCOMs to foster regional cooperation and professionalize foreign counterterrorism capabilities to assist in the fulfillment of the CoCOM’s responsibilities. The CT Fellowship compliments existing assistance programs and fills a current void in the U.S. Government's efforts to provide targeted counterterrorism assistance. Regional CoCOMs recommend (through the Joint Staff) participants in the program to the Office of the Secretary of Defense for approval. Office of the Assistant Secretary for Defense Special Operations and Low Intensity

I. Description of Operations Financed: (continued)

Conflict (OASD SO/LIC) oversees the administration of the program and has created a mixture of mobile and resident institutional courses tailored to the specific need of key countries in order to advance broader U.S. Government counterterrorism objectives. Key senior and mid-level military officials, ministry of defense civilians, and other foreign security officials who have an impact, directly or indirectly, on their country's ability to cooperate with us in the war on terrorism are given the tools to effectively build, manage, and sustain counterterrorism programs. All personnel are thoroughly vetted consistent with legal requirements regarding human rights issues.

The Regional Centers for Security Studies: The Marshall Center, Asia-Pacific Center, Center for Hemispheric Defense Studies, and Africa Center are known collectively as the Regional Centers. The Centers support the development of U.S. strategic policy by providing a variety of programs, fostering awareness of and dialog on U.S. strategic priorities and security issues, building trusting long-term relationships with foreign military and civilian leaders, assisting U.S. policymakers in formulating effective policy, and articulating foreign perspectives to U.S. policymakers. Beginning in FY 2006, DSCA will serve as the Executive Agent for the Regional Centers. Unified management will enhance the role of the Regional Centers in the Global War on Terrorism and as a forum for multi-lateral international communication.

- The Africa Center for Strategic Studies supports the efforts of the DoD and other U.S. agencies to promote democracy and assist African nations in improving their security by promoting good governance, security sector professionalism, and democratic civil-military relations. The Africa Center also promotes the development of long-term, mutually beneficial security relations between the U.S. and African countries by its open and frank consultations and seminars. Its goals are to:

I. Description of Operations Financed: (continued)

- o Work with allies and friends to build understanding and support for the Global War on Terrorism;
- o Listen, develop relationships of trust, and convey African views on security issues to appropriate policy- makers in the U.S. Government;
- o Promote military professionalism and democratic civil-military relationships and help develop leadership capacity in the security sector of African countries;
- o Promote regional cooperation and capacity building to support security cooperation objectives;
- o Foster cooperative, synergistic programs with European allies, other partner countries, and select international, regional and civil society organizations in order to promote the aforementioned goals;
- o Use technology as a tool to support education programs. Incorporate technology as a primary communication tool to reach Africa Center audiences;
- o Raise the awareness of Africa security issues and their long-term strategic importance to the U.S. Help define options for the U.S. to assist in addressing these issues; and
- o Build and maintain networks of African, U.S., European and international civilian and military professionals with shared values and a common vision for a stable and peaceful Africa.

- The Asia-Pacific Center for Security Studies (APCSS) is a regional study, conference and research center with a non-warfighting mission to enhance Asia-Pacific security cooperation through programs of executive education, professional exchange and policy relevant research. The Center provides a focal point where national officials, decision makers and policy makers gather to exchange ideas, explore pressing issues and achieve a greater understanding of the challenges that shape the

I. Description of Operations Financed: (continued)

security environment of the Asia-Pacific region. The Center gives attention to the increasingly complex interrelationships of military, economic, political and diplomatic policies relevant to regional security issues through its three academic components: The College of Security Studies, Research and Publications programs, and Conference programs.

- The Center for Hemispheric Defense Studies: is a premier regional forum offering strategic level defense and security education, research assistance and dialog regarding the development of effective security policy within the Western Hemisphere. The Center's civilian and military graduates and partner institutions comprise communities of influence that work toward a more cooperative and stable international security environment. Its goals are to:
  - o Provide education, and conduct outreach, research and knowledge-sharing activities on defense and international security policy-making with military and civilian leaders of the Western Hemisphere.
  - o Advance international security policy and defense decision-making processes, foster partnerships and promote effective civil-military relations in democratic societies.
  - o Contribute to a cooperative international security environment and mutual understanding of priority U.S. and regional defense and international security policy issues.

- The Marshall Center: The College of International and Security Studies (CISS) is the heart of the Marshall Center and represents the embodiment of its educational vision, mission and goals. The College is responsible for developing a diverse group of graduates who, through the "Marshall Center Experience" share a common background and experience in international security and democratic defense

I. Description of Operations Financed: (continued)

management. From America to Europe and Eurasia these graduates and their continuing influence in the region constitute the Center's true credentials.

The CISS offers three international education programs for military and civilian officials. These programs provide a sophisticated, broad focus on how national security is developed and maintained in democratic states. There is a topical two-week Senior Executive Seminar taught at the general officer level twice annually. A nine-week "Leaders for the 21st Century" Course focuses on a younger audience, primarily at the captain and major level. The mid-level course, the Executive Program, aimed at colonels, is 15 weeks in duration. Efforts to develop distance education and distributive learning are underway.

The CISS also offers two American-based training programs for military and civilian personnel. The Eurasian Foreign Area Officer Program prepares U.S. military officers and Defense Department civilians for key assignments involving states of the former Soviet Union. The training includes advanced studies in Russian, Ukrainian, and other languages; political-military, and regional studies; and regional internships. The Foreign Language Training Center Europe (FLTCE) offers classroom, in-country and computerized language instruction in ten core languages for military and civilian linguists. In addition, there are courses in technical vocabulary for on-site inspection compliance, peacekeeping, and joint and combined exercise participation.

In addition, the George C. Marshall Conference Center's mission is to serve as an international forum for defense contacts, to share ideas vital to European Security and to focus on methods to promote regional cooperation by incorporating the principles of democracy and the conditions for a market economy. The Conference

I. Description of Operations Financed: (continued)

Center assists PfP nations in their efforts to establish national security structures and supporting institutions compatible with democratic principles and processes; such as, the establishment of civilian oversight of the military and market economics.

The yearly conference program is divided between single nation seminars and bilateral and multinational and regional conferences. Bilateral events focus on narrowly defined topics, requested by the partner nation, which provides assistance to solve a specific problem. Multinational and regional conferences focus on a variety of security and economic concerns, giving participants the opportunity to hear from experts and to discuss impacts and concerns with their peers.

- Near East South Asia Center for Strategic Studies (NESA): The mission of the NESA Center is to enhance stability in the Near East and in South Asia by providing an academic environment where strategic issues can be addressed, understanding deepened, partnerships fostered, defense-related decision-making improved, and cooperation strengthened among military and civilian leaders from the region and the United States.

  Launched in October 2000, the Center builds on the strong bilateral relationships between the United States and countries in the NESA region by focusing on a multilateral approach to addressing regional security concerns and issues. It is designed to meet the knowledge needs of national security professionals by providing a forum for rigorous examination of the challenges that shape the security environment of the region. The Center provides a focal point where national decision makers can gather to exchange ideas and explore tools for cooperative problem solving.

I. Description of Operations Financed: (continued)

The core curriculum examines four broad themes: the impact of globalization on regional strategic issues; the changing strategic environment - including an assessment of the campaign against terrorism and the implications of initiatives such as missile defense and military transformation; elements of strategic planning; and, concepts for enhancing regional security.

Canadian Environmental Cleanup: In 1996, the United States Government negotiated a settlement with the Government of Canada for reimbursement of environmental cleanup costs at four United States military installations in Canada: Argentia, Dew Line, Goose Bay, and Haines-Fairbanks. The United States and Canadian Government developed this requirement through extensive negotiations that resulted in a formal Exchanges of Notes in which it was agreed that the United States would pay a settlement of $100 million. At the beginning of FY 1999, Canadian support of these environmental cleanup activities totaled $37.638 million in current year dollars.

II. Force Structure Summary: N/A

DEFENSE SECURITY COOPERATION AGENCY
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III. Financial Summary: ($ in thousands)

		FY 2005				
A. Budget Activity (BA) 4	FY 2004 Actuals	Budget Request	Appropriation	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
1. DSCA Operation & Maintenance	50,918	63,922	61,302	61,302	62,766	65,118
Canadian Environmental Cleanup	*11,500*			*11,800*	*12,034*	*12,499*
Warsaw Initiative/Partnership for Peace	*34,077*			*40,000*	*40,247*	*41,309*
International Programs Security Requirement Course	*1,238*			*1,258*	*1,211*	*1,220*
DSCA Administrative Expenses	*4,103*			*8,244*	*9,274*	*10,090*
2. Drug Interdiction	18,169	0	0	0	0	0
3. Counterterrorism Fellowship Program	18,434	20,000	20,000	20,000	20,000	20,000
4. No Year Counterterrorism Fellowship	2,091	0	0	9,865	0	0
5. Logistical Military Coalition Support	1,038,150	0	0	0	0	0
6. Regional Centers	0	0	0	0	61,200	59,800
7. Supplemental for Coalition Support	285,912			864,088		
Total	**1,413,674**	**83,922**	**81,302**	**955,255**	**143,966**	**144,918**

III. Financial Summary: ($ in thousands, continued)

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**83,922**	**955,255**	**143,966**
Congressional Adjustments (Distributed)	0	0	0
Congressional Adjustments (Undistributed)	0	0	0
Congressional Adjustments (General Provisions)	-2,572	0	0
Congressional Earmark	-48	0	0
Subtotal Appropriated Amount	**81,302**	**955,255**	**143,966**
Supplemental for Coalition Support Prior Year Carryover	864,088	0	0
Counter-Terrorism Fellowship Prior Year Carryover	9,865		
Subtotal Baseline Funding	**955,255**	**955,255**	**143,966**
Anticipated Supplemental		0	0
Reprogrammings		0	0
Price Changes		20,006	3,041
Functional Transfers		0	0
Program Changes		-831,295	-2,089
Current Estimate	**955,255**	**143,966**	**144,918**

III. Financial Summary: ($ in thousands, continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**83,922**
1. Congressional Adjustments		-2,620
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions	**-2,572**	
1) Sec 8095 – Advisory and Assistance Services	-1,079	
2) Sec 8122 – Management Improvement Savings	-138	
3) Sec 8140 – Unobligated Balances	-1,330	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-25	
e. Congressional Earmarks – Indian Lands Environmental Impact	**-48**	
FY 2005 Appropriated Amount		**81,302**
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		873,953
a. Counter Terrorism Fellowship Prior Year Carryover	9,865	
b. Supplemental for Coalition Support Prior Year Carryover	864,088	
FY 2005 Baseline Funding		**955,255**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2005 Estimate		**955,255**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2005 Normalized Current Estimate		**955,255**
6. Price Change		20,006
7. Functional Transfers		61,200
a. Transfers In		
1) Transfer of the Regional Centers from Army, Navy, and the National Defense University.	61,200	

III. Financial Summary: ($ in thousands, continued)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
8. Program Increases		119
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006		
1) Increase in civilian pay for Military to Civilian Conversions (FY 2005 base: $3,586K)	119	
9. Program Decreases		-892,614
a. One-Time FY 2005 Costs		
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006		
1) Reduced contracting support (FY 2005 base: $18,366K)	-308	
2) Supplemental for Coalition Support (FY 2005 base: $864,088)	-882,234	
3) Counter-Terrorism Fellowship (FY 2005 base: $9,865K)	-10,072	
FY 2006 Budget Request		**143,966**
10. Price Change		3,041
11. Transfers		
12. Program Increases		
13. Program Decreases		-2,089
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		
1) Nominal decreases in supplies, management support and other costs.	-2,089	
FY 2007 Budget Estimate		**144,918**

IV. Performance Criteria and Evaluation Summary

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support for Humanitarian Assistance and Demining (HA/D) programs, Warsaw Initiative Fund (WIF) and the Canadian Environmental Cleanup program. In accordance with DoD's policy to provide emergency and non-emergency humanitarian assistance, and directs, administers and supervises the humanitarian demining program. Tangible performance criteria for the WIF include the number of Partnership for Peace (PfP) events supported, number of studies conducted, number of personnel involved, study recommendations acted upon by partners, number of events hosted and others.

The War on Terrorism has produced an unprecedented surge in out-of-cycle humanitarian assistance requirements. DSCA continues to refine systems that enhance our ability to track requests during these periods of increased tempo. DSCA continues to support operational access and enhance training opportunities.

During FY 2004, several planning, mid-term execution and after action conferences were held to organize the exercises held to foster military-to-military engagement and further the understanding and functionality of foreign military who are, or will be coalition partners with the United States. European Combatant Commands (EUCOM) WIF conducted 14 bilateral and multi-lateral exercises in FY 2004. EUCOM also supported WIF activities at the Marshall Center. Joint Force Command WIF conducted four multi-lateral exercises. Central Combatant Command WIF conducted one major regional exercise this fiscal year. WIF interoperability events totaled 60 conferences and exchanges. The PfP Information Management System (PIMS) continued to provide bandwidth and technical support to partner nations. The Regional Aerospace Initiative conducted six studies in Uzbekistan, Kazakhstan, Ukraine, Georgia and Russia.

IV. Performance Criteria and Evaluation Summary

The Canadian Environmental Cleanup program continues for the sixth year. Site locations include the Dew Line, Argentia, Goose Bay and Haines-Fairbanks. Category one expenses include stained soil disposal, construction of northern disposal facility, relocation of landfill and stabilization of landfills. Category two expenses include landfill repair, reshaping sites, structural demolition of hazardous material disposal facilities and soil burial. Category three expenses involve structural demolition and disposal.

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V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY2005/FY2006	Change FY2006/FY2007
Active Military End Strength (E/S) (Total)	50	52	120	120	68	0
Officer	41	44	95	95	51	0
Enlisted	9	8	25	25	17	0
Civilian End Strength (Total)	31	51	348	348	297	0
U.S. Direct Hire	31	51	329	329	278	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	31	51	329	329	278	0
Foreign National Indirect Hire	0	0	19	19	19	0
Civilian FTEs (Total)	31	51	348	348	297	0
U.S. Direct Hire	31	51	329	329	278	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	31	51	329	329	278	0
Foreign National Indirect Hire	0	0	19	19	19	0
Memo: Reimbursable Civilians Included	0	9	9	9	9	0
Average Annual Salary ($ in Thousands)	64.1	70.3	74.4	76.8	4.1	2.4

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

		FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
101	Exec, Gen & Spec Schedules	1,989	46	1,551	3,586	82	22,237	25,905	596	233	26,734
308	Travel of Persons	1,075	22	-3	1,094	23	6,974	8,091	170	-13	8,248
912	Rental Payments to GSA	74	11	-10	75	2	-1	76	2	-1	77
913	Purchased Utilities	36	1	0	37	1	444	482	10	32	524
914	Purchased Communications	57	1	2	60	1	1	62	1	1	64
917	Postal Services	0	0	1	1	0	-1	0	0	6	6
917	Postal Services (U.S.P.S.)	1	0	-1	0	0	0	0	0	0	0
920	Supplies & Materials (Non-SF)	1,125,699	22,514	-264,507	883,706	673	-847,785	36,621	769	-937	36,453
921	Printing and Reproduction	2	0	0	2	0	45	47	1	4	52
922	Equipment Maintenance By Contract	19	0	0	19	0	25	44	1	4	49
923	Facility Sustainment, Restoration	6	0	0	6	0	0	6	0	0	6
925	Equipment Purchases	88	2	-1	89	2	44	135	3	4	142
932	Management & Professional Support	2,447	49	2,577	5,073	107	-721	4,459	94	8,918	13,471
933	Studies, Analysis & Evaluations	1,550	31	369	1,950	41	-854	1,137	24	1,539	2,700
989	Other Contracts	14,619	292	3,455	18,366	386	4,490	23,242	488	-2,643	21,087
998	Other Costs	266,012	5,320	-230,141	41,191	865	1,603	43,659	917	-9,271	35,305
9999	Total	1,413,674	28,288	-486,707	955,255	20,006	-831,295	143,966	3,041	-2,089	144,918

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Defense Security Service (DSS)

February 2005

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DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

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

	FY 2004 Actual*	Price Change	Program Change	FY 2005 Estimate**	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
BA-4	257,648	4,789	-36,109	226,328	2,096	54,044	282,468	6,041	28,158	316,667

* The FY 2004 Actuals column includes $39,919 thousand of FY 2004 Supplemental funds, no Iraq Freedom Fund transfers, and no FY 2004/FY 2005 Title IX obligations.

** The FY 2005 Estimate column excludes $0.0 of FY 2005 Hurricane Supplemental funds, $0.0 Iraq Freedom Fund transfers, and $506 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

The four primary business areas that comprise the DSS mission in FY 2006 and FY 2007 are:

(1) The National Industrial Security Program (NISP), which primarily ensures that private industry, colleges, and universities that perform government contract research activities safeguard the classified information in their possession.

(2) DSS serves as the Executive Agency for the financing and management of Personnel Security Investigations (PSI) for Industry (contractor personnel in DoD and multiple other federal agencies).

(3) DSS provides Collaborative Adjudication Services (CAS) for clearances of contractor personnel. This business area also supports the development of CAS standards and policies for all of the DoD.

I. Description of Operations Financed: (continued)

(4) The DSS executes the Security Training and Education Program (SETA) through the DSS Academy (DSSA). The Academy provides security education and training programs that support DSS program areas, DoD agencies, military departments and commercial contractors responsible for safeguarding classified information.

In addition, DSS requires funding for Counterintelligence Programs, the Defense Information System for Security (DISS), closure of the DSS Defense Working Capital Fund and Headquarters Management activities.

1) National Industrial Security Program (NISP)

The primary focus of DSS industrial security efforts is to support the DoD implementation of the NISP. In this regard, the DSS works to advance and communicate the DoD's directives to protect classified information. The NISP is intended to ensure that private industry, while performing on classified government contracts, properly secures and safeguards the related classified and sensitive information in its possession and controls employee access to the information. Industrial security is the integration of information, personnel and physical security disciplines as well as counterintelligence to protect classified information entrusted to industry.

The DSS administers the NISP on behalf of the DoD and 22 other Federal Government departments and agencies, to include the Departments of Homeland Security, State and Justice. The DSS works in partnership with industry to establish and maintain threat appropriate security countermeasures. Through oversight, advice and consultation, the DSS ensures that contractors establish and maintain effective security systems that: (1) protect classified information and technologies; (2) deter and detect acts of espionage and (3) counter the threat posed by traditional and nontraditional adversaries which target the classified information in the hands of

I. Description of Operations Financed: (continued)

industry. DSS provides proactive, industrial security countermeasure support to more than 12,000 cleared contractor facilities.

The DSS determines the eligibility of contractor business entities for access to classified information by evaluating factors such as business structure, past performance and foreign ownership, control or influence factors. Once cleared, the DSS provides ongoing security oversight, consultation and assistance throughout the cleared facility's life cycle to include recurring security reviews, briefings, security education, approvals, and other advice and assistance. The DSS is the Designated Approving Authority (DAA) for cleared industry, certifying and accrediting industry information systems used to process classified information, some of which are networked to DoD systems. In this role, the DSS educates cleared government contractors and develops countermeasures to prevent unauthorized access to information systems that process classified information. The DSS also processes international visit requests, maintains oversight for certain Special Access Programs in industry and provides support to the Defense Threat Reduction Agency in connection with Arms Control Treaties.

DSS Industrial Security Representatives (ISRs) work with their government contractors to (1) provide threat information for the early detection and referral of cases of potential espionage and (2) to assist industry in the recognition and reporting of foreign intelligence collection attempts. DSS ISRs and the DSS Counterintelligence Office work closely with other federal agencies to protect classified information.

In addition to the NISP, the DSS also has responsibility for some aspects of the Arms, Ammunition and Explosives (AA&E) Program which provides protection of sensitive conventional AA&E in the custody of, or produced by, contractors associated with the DoD. The Critical Infrastructure Protection Program assesses, evaluates, monitors and promotes the security of facilities that provide critical defense

I. Description of Operations Financed: (continued)

industrial production and services, thereby enabling the National Military Strategy and ensuring emergency mobilization preparedness capability.

2) Personnel Security Investigations for Industry

As part of its role as executive agent for the NISP program, DSS centrally programs for and manages the costs of Personnel Security Investigations (PSIs) for all industry personnel in support of agencies within DoD and multiple other federal agencies. Since contractor personnel often are employed on projects in support of many agencies, this centralized financing program provides an economy of scale for federal requirements and dramatically reduces the overhead management requirements in the federal sector. The funding is provided to the Office of Personnel Management that will accomplish the personnel security investigations.

In FY 2004, DSS financed 168,832 contractor PSIs. As a result of the global war on terror and the outsourcing of federal workload, the number of clearances required has increased annually since 2001. In addition, the mix of clearances has changed since 2001 with more comprehensive clearances required at a greater cost per clearance. The funded contractor PSI requirements will grow to 173,770 in FY 2005, 195,655 in FY 2006 and 186,463 in FY 2007. The continued growth in the number of contractor clearances is required to support continued government wide requirements in support of the global war on terror.

3) Collaborative Adjudication Services (CAS)

The Collaborative Adjudication Services program performs an array of adjudicative responsibilities on behalf of DoD and 22 non-DoD federal agencies. A specific focus is on the adjudication of industry personnel security clearances and where it fits into the national strategy. The CAS will implement a capability focused, effects-

I. Description of Operations Financed: (continued)

based approach by focusing on resource optimization and balance the planning and resourcing activities to create a better business structure, to include ensuring life cycle supportability. The CAS program develops policy and process recommendations prescribing and implementing adjudication standards, consistent with DoD Directive 5200.2-R and DoD Directive 5220.6 that applies throughout the DoD.

In further support of the strategy, the CAS will work to maintain and foster a consolidated approach to all DoD adjudications by the DoD Central Adjudication Facilities (CAF), and will work to align the organizations and processes to ensure service collaboration on key joint concepts and capabilities to accelerate adjudication transformation. This will include achieving and maintaining decision superiority by developing, acquiring, procuring, maintaining and leveraging capabilities and resources.

In coordination with and among the CAFs, developing standardized methodologies and standard templates, CAS will also develop processes that review and verify consistent quality and coordinate standards compliance. Specific tools that have been targeted for development include expansion of the adjudicator's desk reference guide into a tool set, implementation of automatic adjudication capabilities, where feasible, and expansion of the Automated Continuing Evaluation System (ACES) for periodic reevaluations.

The primary objective of ACES is to conduct automated database records checks across multiple systems, analyze that information to identify cases of interest to adjudicators, and create candidate clearance reevaluations via the Joint Personnel Adjudication System (JPAS). Creation of a comprehensive adjudication developmental program will be based on criteria that will include a combination of education and experience requirements. This program will be utilized to recruit, prepare, certify, and continuously educate and challenge a highly capable and diverse cadre by identifying a career progression program.

I. Description of Operations Financed: (continued)

Key performance indicators will be implemented to evaluate performance and the ability to support the national military strategy. Throughout the process of implementing and maintaining the CAS, there will be coordination with stakeholders and feedback opportunities provided in the process. These actions serve DoD in that the national interest will be better served by improving the quality, timeliness and relevancy of investigations and adjudications and standardize processes and procedures throughout the Department.

4) Security Education Training and Awareness Program (SETA)

The Defense Security Service (DSS) operates under the auspices of the Under Secretary of Defense (Intelligence) (USD(I)). As recognized by the Joint Security Commission (JSC), the Security Education, Training and Awareness (SETA) program is at the heart of the government's security mission. The Defense Security Service Academy (DSSA) provides standardized resident, on-site and customized security training in the varied and interdependent security disciplines to support a sound national security protection program throughout the Department of Defense (DoD), other federal agencies and Defense Industry. DSSA executes the Security Education, Training and Awareness (SETA) program.

DSSA offers worldwide security education, training, and awareness for DoD civilian and contractor personnel, non-DoD federal government personnel, and a selected group of security professionals from other foreign governments. This target audience is engaged in the protection of critical infrastructure assets, involved in antiterrorism efforts, and is involved in the development or execution of security countermeasures. Committed to the professional development of the DoD Security Community, DSSA has taken on an expanded role in developing quality assurance metrics for its courseware and products, in addition to measuring the relevancy of its instruction and customer responsiveness. Institutional effectiveness research provides a linkage between DSSA curriculum and career mapping for DoD and DoD-related security professionals.

I. Description of Operations Financed: (continued)

DSSA focuses on improving the performance of security programs and related security professionals. This is accomplished by developing and producing courses, providing quality continuing education opportunities and performance improvement tools, creating training publications, providing consulting services, and promoting security awareness through both seminars and electronic information sharing, as well as maintaining communication with customers. DSSA presents more than 50 security courses annually. Courses are presented in a variety of formats including resident, field extension, distance learning, Computer Based Training (CBT), Web Based Training and Video Tele-Conferencing (VTC). Customized courses are also provided. DSSA also produces a series of select security modules and materials for organizations to utilize to train their personnel. DSSA publishes, collects, evaluates, and distributes security awareness materials for the DoD and its cleared contractors. It produces security awareness periodicals and videos as well as a wide range of training and program support materials. DSSA creates and distributes products and training material utilizing a variety of media, to include hard copy, magnetic and on-line. The principal customers of DSSA are Defense-military, civilian and contractor activities. DSSA offers support to foreign government representatives and supports the broader federal sector in several key areas on behalf of the DoD.

The Defense Security Service Academy (DSSA) is the sole training source in several security areas within the federal government and is an integral part of mandatory training required for security professionals in many agencies. DSSA provides the DoD a common unifying means to prepare individuals for their security program roles and assists with the development of effective security programs. DSSA currently concentrates its support on security management, risk management, information security, special programs security, personnel security investigation and adjudication, industrial security management and contractor security, security awareness, integrated multi-disciplinary/security, anti-terrorism and force

I. Description of Operations Financed: (continued)

protection, critical infrastructure protection and automated information systems security.

This organization is the primary DoD resource for security program training, education, awareness, and program development support. Its students are U.S. Government military personnel, and designated civilian employees and representatives of U. S. industry.

5) Counterintelligence Programs

The Defense Security Service supports DoD Counterintelligence (CI) Programs, all of which include activities in support of the national industrial security mission. This funding also supports essential DSS activities involving the transition to a new business environment, countering the insider threat, support to the Global War on Terrorism, and support to the implementation of the Defense Counterintelligence Information System (DCIIS).

As executed through the DSS Counterintelligence Office, these programs provide for the early detection and referral of cases of potential espionage, and assist the defense industry in the recognition and reporting for foreign collection attempts, particularly against critical military technologies. These programs also support the application of security countermeasures in a threat-appropriate manner. Additionally, DSS provides the intelligence community with analytical referrals indicative of foreign collection interests and methods of operation against cleared defense contractors.

These programs also provide DSS with tools to assist cleared defense industry in countering threats to research/technology undertakings and critical infrastructures that DoD has determined to be among its highest priority concerns. The focus is on CI and security efforts to protect highly technical information, expertise, weaponry, and manufacturing processes associated with DoD-funded RDT&E.

I. Description of Operations Financed: (continued)

Analytical capability is provided to detect collection trends, increase threat awareness, and identify vulnerabilities before compromise occurs. DSS also links the National Industrial Security Program and the Service CI Research and Technology Protection (RTP) programs by facilitating horizontal information sharing, integration, and coordination across the DoD CI and Security Communities.

6) Support for the Defense Information System for Security (DISS)

In FY 2004, activities outlined the development of requirements and architecture to support the implementation of an integrated solution for a Defense Information System for Security. This effort will ensure that the development of the future system is compliant with Clinger-Cohen processes as well as the personnel, facilities and information management segments of the DoD architecture embodied in the Business Management Modernization Program (BMMP). Information requirements will include support to the DoD total security infrastructure, which includes information relating to industrial, personnel, and education, training and awareness. System requirements will comply with DoD technical standards for e-commerce. The system will be web-based and web-enabled using web portals as the gateway. The system will also be supportable via multiple network classifications. Additionally, it will be the DoD gateway to the various e-Government initiatives mandated by the President's Management Agenda.

7) Support for Closure of the DSS Defense Working Capital Fund

As a result of the decision to transfer the Department's Personnel Security Investigation mission to OPM, $25 million in FY 2005 funds provide support for the closure of the DSS Defense Working Capital Fund (DWCF).

I. Description of Operations Financed: (continued)

8) Headquarters Management Activities

DSS Headquarters Management activities include the Offices of the Director, Chief Information Officer, Administrative/Procurement Services, Personnel Management, Financial Management, Strategic Planning, General Counsel, Inspector General, Freedom of Information activities and the Equal Employment Opportunity Office. These functions provide agency wide direction and support. Funding for these activities was transferred to the Operation and Maintenance Defense-Wide appropriation in FY 2004 as part of the overall transformation of DSS and the divestiture of the Personnel Security Investigation (PSI) mission to the Office of Personnel Management (OPM). As part of the transfer, DSS established a formal transition team to clarify the operational practices for DSS after the transfer of the PSI mission. The Transition Team mission has continued into FY 2005 within the Management Headquarters activities to transform DSS operations in support of its strategic vision of being "recognized and respected as a unique contributor to the security of the nation." DSS supports its vision as it performs its mission to "oversee the protection of national security assets in the hands of industry and provide integrated security services to the DoD."

Narrative Explanation of Changes:

FY 2005 President's Budget to FY 2005 Appropriated Amount:

Congressional adjustments include a $25 million reduction in unjustified Working Capital Fund closure expenses associated with the PSI Program transfer to OPM and $8 million in Undistributed General Provisions and Earmark reductions. Fact-of-Life changes include an additional $25 million associated with the DSS

I. Description of Operations Financed: (continued)

Personnel Security Investigations (PSI) Program which was transferred to the Office of Personnel Management (OPM) during FY 2005.

FY 2005 Appropriated Amount to FY 2006 Request:

Changes from the Current FY 2005 appropriated amount to the FY 2006 Request are a $2.1 million increase due to price growth, a $48 million increase to support growth in Personnel Security Investigation for Industry requirements and a net increase of $4 million associated with personnel cost as the agency completes the transformation initiatives due to the restructure associated with the transfer of functions and increased other costs as operations, capabilities and core business requirements are standardized with the transformation of the organization.

FY 2006 Request to FY 2007 Request:

Changes from the FY 2006 Request to the FY 2007 Request are a $6 million increase resulting from pricing changes, a $23 million increase to support growth in Personnel Security Investigation for Industry requirements, and a $5 million increase to support the Defense Information System for Security (DISS).

II. Force Structure Summary: Not applicable to DSS.

DEFENSE SECURITY SERVICE
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III. Financial Summary: ($ in Thousands) (continued)

		FY 2005				
A. Budget Activity (BA) 4	FY 2004 Actuals	Budget Request	Appn	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
1. Nat. Industrial Security Prog	43,877	48,709	43,774	38,775	41,546	45,497
2. PSI for Industry	146,940	117,800	117,800	128,575	177,516	205,146
3. Collaborative Adjudication	20,945	24,164	21,877	17,876	19,608	18,007
4. Sec Education Training Awareness	6,716	7,343	7,057	7,014	7,543	7,751
5. Counterintelligence Programs	3,860	2,477	2,477	2,426	2,545	2,613
6. Information System for Security	15,000	15,000	15,000	15,000	15,200	20,500
7. Close DSS Working Capital Fund	-	50,000	25,000	-	-	-
8. Management HQ Activities	20,310	18,950	18,393	16,662	18,510	17,153
Total BA 4	**257,648**	**284,443**	**251,378**	**226,328**	**282,468**	**316,667**

III. Financial Summary: ($ in Thousands) (continued)

B. Reconciliation Summary	Change FY 2005/ FY 2005	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Baseline Funding	**284,443**	**226,328**	**282,468**
Congressional Adjustments (Distributed)			
Unjustified Working Capital Fund Expense	-25,000		
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)			
Sec 8095 – Advisory/Assistance Service	-3,336		
Sec 8122 – Management Improvement Savings	-427		
Sec 8140 – Unobligated Balances	-4,114		
Sec 8141 – Excessive Gowth in Travel/Trans	-42		
Congressional Adjustments (Earmarks)			
Sec 8044 – Indian Lands Environmental Impact	-148		
Anticipated Supplemental			
Subtotal Appropriate Amount	**251,378**		
Fact-of-Life Changes			
PSI Program Transfer to OPM	-25,000		
Subtotal Baseline Funding	**226,378**		

III. Financial Summary: ($ in Thousands) (continued)

B. Reconciliation Summary	Change FY 2005/ FY 2005	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Enacted Supplemental – Title IX	506		
Reprogrammings			
Price Changes		2,096	6,0641
Functional Transfers			
Program Changes			
PSI for Industry		48,941	23,902
Agency transformation personnel costs		4,726	
Defense Information System for Security			5,000
Other minor adjustments	-50	377	-744
Current Estimate	**226,834**	**282,468**	**316,667**
Less Supplemental – Title IX	-506		
Normalized Current Estimate	**226,328**	**282,468**	**316,667**

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**284,443**
1. Congressional Adjustments		-33,065
a. Distributed Adjustments	-25,000	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8095 – Advisory and Assistance Services	-3,336	
2) Sec 8122 – Management Improvement Savings	-427	
3) Sec 8140 – Unobligated Balances	-4,112	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-42	
e. Congressional Earmarks – Indian Lands Environmental Impact	-148	
FY 2005 Appropriated Amount		**251,378**
2. War-Related and Disaster Supplemental Appropriations		506
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287)		
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)		
3. Fact of Life Changes		-25,050
a. Functional Transfers		
1) Transfers In		
2) Transfers Out		
a) Personnel Security Investigations transfer to OPM	-25,000	
b. Technical Adjustments		
1) Decrease: Below Threshold Reprogramming to Defense Human Resource Activity for the Pipeline Re-employment Program	-50	

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 Baseline Funding		**226,834**
4. Reprogrammings		
Revised FY 2005 Estimate		**226,834**
5. Less: War-Related Supplemental Appropriations		-506
FY 2005 Normalized Current Estimate		**226,328**
6. Price Change		2,096
7. Functional Transfers		
8. Program Increases		55,229
a. Requirements for contractor clearances continue to grow to support government-wide requirements with the continued outsourcing of federal workload and the increased number of submissions for clearances since 9/11. (FY 2005 Baseline: $128,575)	48,941	
b. HQ Management civilian pay to support the filling of vacant positions, pay raises and other personnel costs as the agency completes the transformation initiatives due to the restructure associated with the transfer of functions to OPM. (FY 2005 Baseline: $16,662)	4,276	

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
c. Other costs of operations - management and professional support for the development of Computer Based Training (CBT) courses and to provide additional vulnerability assessments in support of the DSS mission. (FY 2005 Baseline: $35,810)	1,562	
9. Program Decreases		-1,185
a. Completes payout of VSIP benefits to previously employed personnel, decreased planned consumption of locally purchased fuel and funding eliminated with the completion of the DSS Transition Team efforts. (FY 2005 Baseline: $2,488)		
FY 2006 Budget Request		**282,468**
10. Price Change		6,041
11. Transfers		
a. Transfers In		
12. Program Increases		30,129
a. An increase in the number of Single Scope Background Investigations (SSBI) and Top Secret Periodic Reviews (TSPR) are planned due to the shift in the mix of investigations to more comprehensive clearances at greater cost per clearance. (FY 2006 Baseline: $177,516)	23,902	
b. The implementation of the Defense Information System for Security (DISS) requires sustainment costs and increased help desk support during transition from the legacy system.(FY 2006 Baseline: $18,769)	5,000	
c. HQ Management increase in civilian pay and other personnel costs due to completing all hiring actions to fully staff the agencies authorized positions.	1,224	

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
(FY 2006 Baseline: $55,326)		
		-1,971
13. Program Decreases		
a. Other costs - management and professional support reduced due to completing the development of Computer Based Training (CBT) courses for the DSS Academy. (FY 2006 Baseline: $19,293)		
FY 2007 Budget Estimate		**316,667**

IV. Performance Criteria and Evaluation Summary:

The Defense Security Service (DSS) is undergoing an agency transformation during FY 2004 and FY 2005. The primary factor driving this transformation is the functional transfer of the Personnel Security Investigation (PSI) Program to the Office of Personnel Management (OPM). Until such time as DSS develops and implements a new performance management system to reflect the changes of the transformed agency, DSS will continue to measure performance using the pre-transition metrics and criteria contained in the DSS FY 2003 Performance Plan. The DSS Balanced Score Card for the Transformed Agency is approximately 75% complete. The FY 2003 metrics are being revised to provide more meaningful measures of performance. Initial deployment of the DSS Balanced Score Card for the Transformed Agency will begin in late FY 2005. Performance criteria currently driving DSS performance are as follows:

A. National Industrial Security Program (NISP)

Industrial Facility Actions (In Thousands)

	FY 2004 Actual	FY 2005 Program	FY 2006 Estimate	FY 2007 Estimate
Facility Clearances Maintained	12.1	12.2	12.3	12.4
Initial Facility Clearances	1.8	2.0	2.2	2.4

B. Personnel Security Investigations (PSI) for Industry

The following numbers of industrial security clearances are financed by the DSS as Executive Agent for financing and management of PSI for Industry.

	FY 2004 Actual	FY 2005 Program	FY 2006 Estimate	FY 2007 Estimate
PSI for Industry	168,832	173,770	195,655	186,463

IV. Performance Criteria and Evaluation Summary: (continued)

C. Performance Metrics

	FY 2004 Actual	FY 2005 Program	FY 2006 Estimate	FY 2007 Estimate
Facility reviews				
- Possessing classified	98%	95%	95%	95%
- Non-possessing classified	98%	90%	90%	90%
- Special Access Program	98%	95%	95%	95%

	FY 2004 Actual	FY 2005 Program	FY 2006 Estimate	FY 2007 Estimate
Interim Secret timeliness- Personnel Clearances	91%/5 days	90%/5 days	90%/3 days	90%/3 days
Interim Secret/Confidential- Facility Security Clearances	85%/60 days	95%/60 days	95%/60 days	95%/60 days
Final timeliness goals- TS Facility Clearances	94%/150 days	90%/150 days	90%/150 days	90%/150 days
- Secret and Confidential- Facility Clearances	68%/135 days	90%/135 days	90%/135 days	90%/135 days
- Initial Industry Clearances	72%/3 days	90%/3 days	90%/3 days	90%/3 days
- Industrial Periodic Reinvestigation- Determination (TS)	10%/30 days	90%/30 days	90%/30 days	90%/30 days

IV. Performance Criteria and Evaluation Summary: (continued)

C. Security Education Training Awareness (SETA) Performance Metrics and Workload

	FY 2004	FY 2005	FY 2006	FY 2007
1) Courses (Instructor led)	29	29	30	30
2) Student Output (Course Completions)	5688	5017	5017	5017
3) Courses/Products (Distance Learning)	18	29	60	97
4) Student Output (Registrations)	23142	26613	30605	35196
5) Cost per student training day (actual $)	292	298	304	310
6) Cost per student (Distance Learning) ($)	-	35	35	35

SETA is using the performance metrics included in the FY 2003 – FY 2008 Defense Resources Board Performance Contract as the basis for performance metrics in this budget submission. FY 2004 is an exemplary year for the DSSA. During that year, DSSA exceeded each of its performance metrics as published in the Defense Resources Board Performance Contract in addition to achieving substantial production growth as compared to FY 2003. With the understanding that maintaining high quality of instruction, courseware, and other products is of paramount importance, the Academy measures its production in terms of the number of instructor led courses produced and the number of distance learning courses and performance improvement products distributed (i.e., provided to customers). In both instances, FY 2004 was a very successful year for the school.

DSSA exceeded FY 2004 goals for both instructor-led and distance learning course completions; the goals were 5,017 and 15,399 respectively. FY 2005 performance metrics were developed prior to the end of FY 2004 and are reflected above. The FY 2005 goal for instructor-led course completions is 5,017. The distance-learning course enrollment FY 2005 goal is a 15 percent increase over the

IV. Performance Criteria and Evaluation Summary: (continued)

FY 2004 actual. Since the distance-learning program is currently being established and developed as a transformation initiative at the DSSA, a goal of 15% growth in this category of production has been projected over the out-years. Changes in this projection will be made over time as actual year-end trend data becomes available.

The cost per student training day metric is a Defense Resources Board Performance Contract Performance Metric for the DSSA. The goal for FY 2004 was established not to exceed an average of $300 per student training day. As shown above, the FY 2004 actual average cost per training day was $292; a number under the established goal of $300. It should be noted that the actual average cost per student training day is expected to fall at, or below, the DRB goal that has been established for FY 2005. The cost per student for Distance Learning Courses is a new measure and is estimated to be $35 in FY 2005. Realistic cost per student goals for Distance Learning Courses will be developed for future years as the production capability of Distance Learning Courses matures during FY 2005.

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)						
Reserve Drill Strength (E/S) (Total)						
Reservists on Full Time Active Duty (E/S)						
Civilian End Strength (Total)	484	568	582	582	14	0
U.S. Direct Hire	484	568	582	582	14	0
Foreign National Direct Hire						
Total Direct Hire						
Foreign National Indirect Hire						
Memo: Military Technician Included Above						
Memo: Reimbursable Civilians Included						
Memo: Additional Military Technicians Assigned to USSOCOM						
Active Military Average Strength (A/S) (Total)						
Reserve Drill Strength (A/S) (Total)						
Reservists on Full Time Active Duty (A/S) (Total)						
Civilian FTEs (Total)	506	568	582	582	14	0
U.S. Direct Hire	506	568	582	585	14	0
Foreign National Direct Hire						
Total Direct Hire						
Foreign National Indirect Hire						
Memo: Military Technician Included						
Memo: Reimbursable Civilians Included						
Average Annual Civilian Salary ($000)	$95.5	$85.0	$86.7	$88.7	$1.7	$2.0

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

VI. OP 32 Line Items as Applicable: ($ in Thousands)

Line Item	DESCRIPTION	FY 2004 Actuals	FY 2005 PRICE Growth	FY 2005 PROGRAM Growth	FY 2005	FY 2006 PRICE Growth	FY 2006 PROGRAM Growth	FY 2006	FY 2007 PRICE Growth	FY 2007 PROGRAM Growth	FY 2007
101	Executive, General and Special Schedules	46,886	1,231	1,190	49,307	1,134	4,885	55,326	1,272	1,224	57,822
106	Benefits to Former Employees	39	-	120	159	-	-159	-	-	-	-
107	Voluntary Separation Incentive Pay	1,386	-	-1,386	-	-	-	-	-	-	-
199	**Total Civilian Personnel Compensation**	**48,311**	**1,231**	**-76**	**49,466**	**1,134**	**4,726**	**55,326**	**1,272**	**1,224**	**57,822**
308	Travel of Persons	1,894	38	-365	1,567	31	-9	1,589	33	-18	1,604
399	**Total Travel**	**1,894**	**38**	**-365**	**1,567**	**31**	**-9**	**1,589**	**33**	**-18**	**1,604**
673	Defense Financing and Accounting Service	60	1	295	356	7	-2	361	8	-2	367
699	**Total Purchases**	**60**	**1**	**295**	**356**	**7**	**-2**	**361**	**8**	**-2**	**367**
771	Commercial Transportation	312	6	-318	-	-	-	-	-	-	-
799	**Total Transportation**	**312**	**6**	**-318**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
912	Rental Payments to GSA Leases (SLUC)	1,768	35	-234	1,569	31	-9	1,591	33	-7	1,617
913	Purchased Utilities	17	-	-	17	-	-	17	-	-	17
914	Purchased Communications	996	20	-220	796	16	-4	808	17	-3	822
915	Rents (Non-GSA)	3,293	66	-13	3,346	67	-21	3,392	71	-17	3,446
917	Postal Services (U.S.P.S.)	390	8	-46	352	7	-3	356	7	-1	362
920	Supplies & Materials (Non-centrally managed)	2,345	47	-1,513	879	18	-5	892	19	-4	907
921	Printing & Reproduction	252	5	-47	210	3	-	213	3	1	217
922	Equipment Maintenance by Contract	419	8	-162	265	5	-2	268	6	-2	272
923	Facility Sustainment Restoration Modernization	105	2	-102	5	-	-	5	-	0	5
925	Equipment Purchases (Non-centrally managed)	-	-	382	382	8	-14	376	8	-2	382
931	Contract Consultants	1,943	39	-108	1,875	38	-716	1,196	25	61	1,282
932	Management, Professional Support Services	5,341	107	391	5,839	117	312	6,268	132	-321	6,079
933	Studies, Analyses & Evaluations	396	8	-	404	8	0	412	9	703	1,124
934	Engineering and Technical Services	31,397	-	-13,097	18,300	366	103	18,769	394	4,506	23,669
937	Locally Purchased Fuel (Non-Fund)	-	-	454	454	9	-400	63	1	0	64
987	Other Intra-Government Purchases	147,015	2,940	-21,380	128,575	-	48,941	177,516	3,728	23,902	205,146
989	Other Contracts	11,231	225	565	12,020	240	764	13,025	274	-1,861	11,438
998	Other Costs	163	3	-515	-349	-9	383	25	1	-1	25
999	**Total Other Purchases**	**207,071**	**3,513**	**-35,645**	**174,939**	**924**	**49,329**	**225,192**	**4,728**	**26,954**	**256,874**
9999	**TOTAL DSS O&M DW**	**257,648**	**4,789**	**-36,109**	**226,328**	**2,096**	**54,044**	**282,468**	**6,041**	**28,158**	**316,667**

Fiscal Year (FY) FY 2006/FY 2007 Budget Estimates

Defense Threat Reduction Agency (DTRA)

February 2005

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DEFENSE THREAT REDUCTION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

FY 2004* Actuals	Price Change	Program Change	FY 2005** Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
323,428	5,219	-12,721	315,926	5,695	-1,522	320,099	6,152	-8,381	317,870

* The FY 2004 Actuals column includes $0 thousand of FY 2004 Supplemental funds, $31,339 thousand of Iraqi Freedom Fund Transfers, and $0 thousand of FY 2004/FY2005 Title IX obligations.
** The FY 2005 Estimate column excludes $0 thousand of FY 2005 Hurricane Supplemental funds, $144 thousand of Iraqi Freedom Fund Transfers and $0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed

The Defense Threat Reduction Agency (DTRA) is working to make the world safer by reducing the present threat and preparing for future threats. Weapons of mass destruction (WMD) (chemical, biological, radiological, nuclear and high explosives) are the most serious threats our nation and its allies face today.

The rapid growth and evolution of the WMD environments for use against America poses increasing challenges to national security. Terrorists and hostile states continue to seek these weapons and the means to deliver them. The DTRA assesses our country's current vulnerabilities and looks over the horizon to anticipate new threats before they emerge. The use or threatened use of WMD remains a credible concern, one which exposes

I. Description of Operations Financed: (continued)

both our military and civilian citizens to changing, new and possibly lethal dangers, as evidenced by events of September 11, 2001.

The DTRA pursues its essential mission by taking threat reduction to the source, stopping the spread of WMD, securing and dismantling strategic offensive arms, detecting WMD threats, protecting our nation against weapons of terror, reducing the consequences of unthinkable incidents and deterring WMD use.

As WMD challenges continue to evolve and grow, DTRA has rebalanced its program and associated resources to fulfill the Department's highest priorities regarding the identification, reduction, defeat, and response to weapons of mass destruction (WMD). As part of this effort, emphasis was given to supporting the highest priority combat support requirements; providing capabilities to defeat and mitigate threats associated with chemical and biological weapons; simultaneously addressing threats from terrorist attacks; maintaining emphasis on nuclear issues relevant to traditional adversaries and emerging threats; supporting arms control and cooperative threat reduction programs having important interagency and international dimensions; furthering our transformation efforts; and addressing our infrastructure deficiencies.

The resulting program provides for a flexible combat support structure; enhanced consequence management capabilities; force protection, infrastructure protection and dual-use homeland security initiatives; as well as the streamlining and transformation of the supporting business practices and workforce.

As part of this budget submission, Defense Threat Reduction Agency (DTRA) continues to support the Unconventional Nuclear Warfare Defense (UNWD) Program, initiated by

I. Description of Operations Financed: (continued)

Congress in FY 2002. The UNWD is a joint DTRA-National Nuclear Security Administration (NNSA) program directed to demonstrate integrated nuclear warfare protection systems at special test beds at U.S. military installations established for this purpose. Sustainment costs for the UNWD program will transition to the services by the end of FY 2006.

Demands by the Joint Chiefs of Staff (JCS), Combatant Commanders and the civilian sector have increased significantly for DTRA's operational and technical expertise in WMD threat reduction and consequence analysis for planning, exercises and operations. Technical reachback support provides on-site experts for the operation and employment of DTRA software tools utilized for planning, targeting, weaponeering, analyses and consequence management of WMD events. DTRA software tools have become the standard for combatant commands and first responders; however, employment of these very complex tools often requires a level of expertise not usually found at deployed or first responder units. The Defense Threat Reduction Agency’s (DTRA) technical reachback provides for immediate access to experts in the middle of the night and to access DTRA’s entire technical expert base.

Further, DTRA acts as the DoD Executive Agent for the Nuclear Test Personnel Review (NTPR) program which addresses all matters pertaining to the participation and radiation exposures of DoD personnel in U.S. atmospheric nuclear weapons tests from 1945-1962 and the post-war occupation of Hiroshima and Nagasaki. Also, the Agency manages the DoD Radiation Experiments Command Center (RECC) for the Office of the Secretary of Defense. The RECC is the centralized repository for documents and publications pertaining to DoD's involvement in human radiation experiments (HRE) conducted from 1944-1994. The DTRA has

I. Description of Operations Financed: (continued)

accelerated its NTPR effort in FY 2005 and FY 2006 in order to reduce the backlog of Veterans Administration cases requiring dose reconstruction research.

Additionally, DTRA has converted 257 positions from military to civilian as a result of a thorough evaluation of military essentiality functions within the Agency. A robust strategic planning process has been implemented to guide resourcing decisions and enhance performance accountability. The DTRA is committed to a results-oriented human capital management program, incorporating such elements as strategic workforce planning; tailored use of hiring programs and recruitment and retention initiatives; establishing long-term relationships with the academic community; enhancing leadership and professional development; and enhancing performance management. The DTRA workforce is comprised of military and civilian scientists, engineers, researchers, tactical operators, weapons of mass destruction (WMD) subject matter experts and other related disciplines.

The Department of Defense has directed the consolidation of DTRA's finance and accounting operations with the Defense Finance and Accounting Services, effective July 1, 2005. Start-up activities will commence at that time. A plan of action/milestones is currently in place to transition to a fully consolidated operation by October 1, 2005. The consolidation of operations realigns 17 civilian Full Time Equivalents beginning in FY 2006, from DTRA to DFAS.

The Cooperative Threat Reduction (CTR) program is integral to the Defense Threat Reduction Agency (DTRA). However, the CTR program is a separate appropriation and is reflected in a separate submission titled, "Former Soviet Union Threat Reduction".

I. Description of Operations Financed: (continued)

Narrative Explanation of Changes:

FY 2005 President's Budget to FY 2005 Current Estimate:

The FY 2005 current estimate of $315.9 million reflects an overall decrease of $-9.5 million since submission of the FY 2005 President's Budget request in February 2004. The changes include congressional adjustments of $-9.2 million and $.3 million for a below threshold reprogramming to the Defense Logistics Agency for the Mid-Range Financial Systems Audit Program.

FY 2005 Current Estimate to FY 2006 Budget Request:

The FY 2006 budget request reflects an overall increase of $+4.2 million when compared to the FY 2005 current estimate, a price adjustment of $+5.7 million, net functional transfers of $-7.8 million, program increases of $+18.6 million offset by program decreases of $-12.4 million.

FY 2006 Budget Request to FY 2007 Budget Estimate:

The FY 2007 budget request reflects an overall decrease of $-2.2 million when compared to the FY 2006 current estimate, a price adjustment of $+6.2 million, program increases of $1.9 million offset by program decreases of $-10.3 million.

I. Description of Operations Financed: (continued)

A. Arms Control Inspections and Technology:

$ in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
75,933	77,811	79,963	82,357

As an integral part of the U.S. national security strategy, arms control activities enhance confidence in treaty and agreement compliance through effective inspection, monitoring, and verification, and thus contribute to a more stable and calculable world balance of power.

The United States seeks to reduce the threat from weapons of mass destruction (WMD) in a number of ways, particularly through treaty and non-treaty efforts to control, safeguard and eliminate existing weapons. As the focal point for implementing U.S. treaty inspection, escort and monitoring activities, the DTRA executes current arms control treaties and agreements, and prepares for planned or proposed initiatives. Moreover, through the implementation of both conventional and strategic arms control agreements, and experience gained there from, DTRA is increasingly involved in shaping the international security environment through on-site activities in post-conflict stabilization operations. Additionally, as monitors of force withdrawals from regional trouble spots, DTRA inspectors provide, to the Secretary of Defense, first-hand evidence that international commitments are fulfilled through the verifiable reduction of the world's stockpiles of nuclear, chemical, and conventional weapons (which includes the training and equipping of law enforcement and border guard personnel in the Former Soviet Union (FSU), Eastern Europe, and Baltic (countries). United States security interests are directly enhanced by the DTRA arms control mission.

I. Description of Operations Financed: (continued)

The Defense Threat Reduction Agency (DTRA) Arms Control program has three primary objectives: to conduct United States Government inspections of foreign facilities, territories or events; to coordinate and conduct the escort of inspection teams for inspections or continuous monitoring activities in the United States and at U.S. facilities overseas; and to acquire and field technology capabilities required to implement, comply with, and allow full exercise of U.S. rights and prerogatives under existing and projected arms control treaties and agreements. The full and faithful implementation of existing arms control agreements remains an important element of the Administration's national security policy. To accomplish its mission, DTRA organizes, trains, equips, deploys, and exercises operational control over inspection, monitoring, and escort teams, to ensure that the United States Government can exercise its full treaty rights for on-site inspection and to protect United States treaty rights with respect to inspected sites or activities. The DTRA also provides technical advice to United States Government elements concerned with developing, implementing, or evaluating compliance with arms control treaties and agreements. DTRA executes other missions requiring unique skills, organization, or experience resident in DTRA.

DTRA continues its efforts to carry out the inspection, escort, and monitoring provisions of Strategic Arms Reduction Treaty (START), Conventional Armed Forces in Europe (CFE) Treaty, Open Skies Treaty, Chemical Weapons Convention (CWC), Plutonium Production Reactor Agreement (PPRA), and the International Counterproliferation Program (ICP). Other missions include support for the Bosnia Peace Plan initiative, Biological Weapons Convention, Confidence and Security Building Measures, Technical Equipment Inspections Program, Defense Treaty Inspection Readiness Program, International Atomic

I. Description of Operations Financed: (continued)

Energy Agency (IAEA) Strengthened Safeguards System Protocol, Fissile Material Cutoff Treaty, and Mayak Transparency Protocol.

The Defense Threat Reduction Agency (DTRA) FY 2006/2007 Arms Control budget submission provides support for the full range of treaty implementation requirements and reflects the latest revision to treaty entry-into-force (EIF) dates as well as the latest assumptions for inspection and compliance requirements:

I. Description of Operations Financed: (continued)

BUDGET TREATY ASSUMPTIONS

TREATY	ASSUMPTIONS	TREATY	ASSUMPTIONS
Strategic Arms Reduction Treaty (START)	EIF-5 Dec 1994;	International Counterproliferation Program (ICP)	EIF 1 Dec 1996
	Baseline completed 30 June 1995;	Conventional Armed Forces in Europe (CFE)	EIF 17 Jul 1992
	Other inspection activities continue	CFE Adapted	EIF–1st Qtr FY 2006
Chemical Weapons (CW)	Chemical Weapons Convention (CWC) EIF-29 April 1997	IAEA	EIF–1st Qtr FY 2006
		Plutonium Production Reactor Agreement (PPRA)	EIF-23 Sept 1997
Open Skies	EIF-1 Jan 2002	Mayak Transparency Protocol	EIF-1st Qtr FY 2006
Plutonium Management Disposition Agreement	EIF 1st Qtr FY07	Fissile Material Cutoff	EIF–1st Qtr FY 2008

I. Description of Operations Financed: (continued)

1) Strategic Arms Reduction Treaty:

Defense Threat Reduction Agency's (DTRA) mission includes planning to accomplish inspection and escort activities in accordance with the terms of the Strategic Arms Reduction Treaty (START). This mission requires support in the areas of: inspections, escort activities, Portal Perimeter Continuous Monitoring (PPCM), and mock training activities. The DTRA mission also includes planning for possible future START-like Agreements.

The FY 2005 current estimate for START is $11.1 million; the FY 2006 budget request is $11.1 million, and the FY 2007 budget estimate is $11.1 million.

2) Conventional Armed Forces in Europe Treaty:

The DTRA arms control program is required to provide support for the Conventional Armed Forces in Europe (CFE) Treaty ensuring the former Warsaw Pact countries compliance. CFE is a multilateral treaty between countries of the former Warsaw Pact and NATO. The United States is allocated 15 percent of the active inspections available to NATO. An adapted CFE Treaty was signed by States Parties at the November 1999 Istanbul Organization for Security and Cooperation in Europe (OSCE) Summit. At the earliest, entry-into-force (EIF) for the adapted CFE is anticipated for 1st Quarter FY 2006.

The FY 2005 current estimate for Conventional Armed Forces in Europe (CFE) is $2.6 million; the FY 2006 budget request is $2.8 million, and the FY 2007 budget request is $2.9 million.

I. Description of Operations Financed: (continued)

3) Chemical Weapons Convention:

Funds for the Chemical Weapons Convention (CWC) are required to accomplish escort activities of international inspectors from the Organization for the Prohibition of Chemical Weapons (OPCW) and ensure compliance with the terms of the multilateral CWC. The OPCW will conduct periodic inspections of chemical weapons storage facilities and monitor the continuous destruction of chemical weapons at chemical demilitarization facilities and neutralization operations until all weapons at the site have been destroyed. Defense Threat Reduction Agency (DTRA) is currently engaged in escort activity of continuous monitoring at Tooele, Utah; Aberdeen, Maryland; and Anniston, Alabama; Umatilla, Oregon; Pine Bluff, Arkansas; and Newport, Indiana. The OPCW will also conduct periodic inspections at former chemical weapons production facilities until these have been certified as having destroyed all chemical weapons.

The FY 2005 current estimate for CWC is $10.3 million; the FY 2006 budget request is $10.3 million and the FY 2007 budget request is $10.4 million.

4) Open Skies Treaty:

Open Skies (OS) is a multilateral treaty involving the European states (East and West), the Republic of Belarus and the Russian Federation Group of State Parties, Canada, and the United States. Open Skies (OS) involves reciprocal over-flights of states using specific aircraft with specified sensors. Defense Threat Reduction Agency (DTRA) has been directed to plan and prepare for receiving and conducting Open Skies observation missions and for conducting and participating in aircraft and sensor certification inspections. OS entry-into-force (EIF) was 1 January 2002.

I. Description of Operations Financed: (continued)

The FY 2005 current estimate for Open Skies is $2.8 million; the FY 2006 budget request is $3.2 million, and the FY 2007 budget request is $3.2 million.

5) International Counterproliferation Program (ICP):

The DoD International Counter-proliferation Program (ICP) is a congressionally mandated program that combines a cooperative effort between the DoD/Federal Bureau of Investigation (FBI) and DoD/Department of Homeland Security, in which DoD is the lead agency. Participating governments of the Former Soviet Union (FSU), the Baltics, and Eastern Europe have agreed to work with the U.S. to stem the proliferation of weapons of mass destruction (WMD). Recent legislation introduced to Congress authorizes the ICP to operate globally as directed by the Secretary of Defense to combat the increasing WMD proliferation challenges. Funding allows the ICP program to engage countries in regions that have made the long-term commitment to work cooperatively with the U.S. to stop the proliferation of WMD. The ICP is the primary tool for the Combatant Commands to apply in their theater security cooperation strategy to combat WMD and related material trafficking. Funding permits the establishment of a series of specialized training programs designed for foreign officials involved with border security, customs, and law enforcement. Additionally, some program training courses include equipment to enable partner countries to deter, detect, investigate, and respond to the attempted proliferation of weapons of mass destruction (WMD), thus achieving the prime objective of the International Counter-proliferation Program (ICP).

The FY 2005 current estimate for ICP is $11.8 million; the FY 2006 budget request is $10.7 million, and the FY 2007 budget request is $11.1 million.

I. Description of Operations Financed: (continued)

6) Arms Control Technology:

Defense Threat Reduction Agency (DTRA) has maintained a Research, Development, Testing and Evaluation program associated with the development of arms control technologies. The associated Operation and Maintenance (O&M) implementation programs were transferred to the Army and Air Force in FY 2004. The remainder of the program supports the operation and maintenance of the Compliance Monitoring Tracking System (CMTS), which satisfies U.S. compliance obligations under multiple treaties in support of operational military commands.

The FY 2005 current estimate for Arms Control Technology is $1.9 million; the FY 2006 budget request is $2.4 million, and the FY 2007 budget request is $2.4 million.

7) Other Arms Control Missions:

DTRA's mission has expanded to include other special interest projects, such as Confidence and Security Building Measures (CSBM) inspections and evaluations, which are associated with the Organization for Security and Cooperation in Europe (OSCE). The Department of Defense also designated DTRA as the Executive Agent for the Defense Treaty Inspection Readiness Program (DTIRP); and the Technical Equipment Inspections (TEI) Program. Defense Threat Reduction Agency (DTRA) has also been tasked to provide assistance to support administrative efforts to develop alternatives to enhance compliance and increase transparencies associated with the Biological Weapons Convention (BWC), the Dayton Peace Accords, the Mayak Transparency Protocol, Plutonium Management Disposition Agreement (PMDA), and the International Atomic Energy Agency (IAEA) Strengthened Safeguards Program. Also included in the Other Missions category is general

I. Description of Operations Financed: (continued)

operational support which includes Office of the Secretary of Defense (OSD) treaty management support, civilian payroll for arms control activities, program management functions that cannot be directly linked to a specific treaty, and facilities, utilities, furniture, and office automation.

The FY 2005 current estimate for Other Missions is $37.3 million; the FY 2006 budget request is $39.5 million, and the FY 2007 request is $41.2 million.

Other Missions ($ in 000)	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
International Atomic Energy Agency (IAEA) - Strengthened Safeguards Program	106	116	116
Plutonium Production Reactor Agreements (PPRA)	563	946	966
Biological Weapons Convention (BWC)	0	103	105
Mayak Transparency Protocol	779	1,678	1,712
Fissile Material Cutoff Treaty (FMCT)	25	62	63
Defense Treaty Readiness Program (DTIRP)	1,021	1,051	1,073
Confidence and Security Building Measures (CSBM)	371	399	408
Technical Equipment Inspection (TEI)	466	404	501
DoD Support to UNMOVIC	0	0	0
Infrastructure, Treaty Management Support, and Civilian Payroll (Arms Control)	33,979	34,732	36,292
Total	**37,310**	**39,491**	**41,236**

I. Description of Operations Financed: (continued)

B. WMD Combat Support and Operations:

$ in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
109,058	105,652	108,716	103,380

The Defense Threat Reduction Agency (DTRA) provides warfighting support to the Joint Chiefs of Staff (JCS), the Joint Staff, the Combatant Commands, and military services as they engage the threat and challenges posed to the United States, its forces and allies by weapons of mass destruction (WMD). These WMD include high explosives, chemical weapons, biological weapons, nuclear/radiological and special advanced weapons. DTRA supports the essential WMD response capabilities, functions, activities, and tasks necessary to sustain all elements of operating forces in theater at all levels of war.

The Combat Support program provides operational and analytical support to Department of Defense (DoD) components and other U.S. and NATO organizations for nuclear weapons and WMD matters. DTRA's operational programs are closely tied with its research, development, test and evaluation programs that provide technical support to DoD components and other organizations (as appropriate) in areas related to WMD and designated advanced weapons. Combat Support activities include: support to the Secretary of Defense, the JCS, Combatant Commands, military departments, and DoD components for matters involving Chemical, Biological Radiological Nuclear Explosive (CBRNE) weapons. Direct technical support is provided to the theater commands for forecasting potential hazards, and planning for the threat posed by recent activities including classified support to contingency planning. Support is also provided to Office of the Secretary of

I. Description of Operations Financed: (continued)

Defense (OSD) for programs that provide oversight for DoD nuclear matters. DTRA provides support to the Joint Staff with stockpile tracking and accounting, and with conducting nuclear surety inspections. DTRA provides policy and technical subject-matter expertise and advice to Combatant Commanders or Lead Federal Agencies through planning, training, national-level exercises, and operational support for accidents or incidents involving weapons of mass destruction/Chemical, Biological Radiological Nuclear Explosive (WMD/CBRNE) including providing advisory teams to the Combatant Commanders.

The Combat Support program provides the Combatant Commanders with the capability to counter/mitigate the CBRNE threat. As part of the support, Defense Threat Reduction Agency (DTRA) has established Technical Support Groups (TSGs) around the world to provide apportioned forces and US Government agencies with equipment and training. Additionally, the TSGs provide on-site Subject Matter Experts to support the contingency operations. TSGs are comprised of military, scientific, and technical personnel, and bring a 24/7 reachback capability to the DTRA Operations Center and, through the center, a linkage to numerous U.S. Government laboratories.

Within the Combat Support program, the prominence of support to the combatant commands in the War on Terrorism continues to increase since the terrorist attacks against the U.S. and subsequent U.S. offensive operations. At the same time, the dictates of the U.S. National Security Strategy, the National Military Strategy (NMS), Quadrennial Defense Review (QDR), the Nuclear Posture Review (NPR) and changes to the Unified Command Plan (UCP) continue to be integrated into this program. Moreover, emphasis has been placed on the Department’s Transformation Planning Guidance (TPG) to assist in the long range planning efforts of DTRA’s combat support mission and to provide a starting point for future operational endeavors. These documents set and continue to

I. Description of Operations Financed: (continued)

set the priority for DTRA and provide long-term guidance to the DTRA combat support mission as it applies to direct support to Combatant Commands, Homeland Security, and general WMD/CBRNE defense requirements.

Our expanding combat support missions continue to be dual-purposed, synergistic, and closely aligned with the War on Terrorism (WOT), providing a foundation for transformational initiatives within the weapons of mass destruction/Chemical, Biological Radiological Nuclear Explosive (WMD/CBRNE) arena as outlined in the Transformation Planning Guidance. In addition, the Balanced Survivability Assessment (BSA) teams conduct "all-threat" balanced survivability assessments of U.S./Allied systems to identify vulnerabilities and potential mitigation approaches for command, control and communication (C3I) systems, infrastructure, hardened underground facilities and mobile systems. Significant investments have also been made in initiatives providing for enhanced OCONUS consequence management exercise support; and enhanced consequence management advisory team (CMAT) support.

Defense Threat Reduction Agency (DTRA) acts as the Program Integrator for the Foreign Consequence Management (FCM) Exercise Program, as directed by Confidential Joint Chiefs of Staff Instruction (CJCSI) 3214.01A. The FCM Exercise Program creates a series of challenging exercises that assist the Geographic Combatant Commanders (GCCs) in training and preparing for potentially catastrophic events, initiated by a Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) attack or accidental release. DTRA provides an efficient mechanism to assist the GCCs in their training and preparation for a FCM event. The training effort focuses primarily on three scenarios: 1) mitigating the effects of CBRNE attack or accidental release that impacts U.S. Forces or installations overseas or 2) providing assistance to the affected foreign nation

I. Description of Operations Financed: (continued)

following a CBRNE attack or accidental release or 3) situations where DoD is the lead, for example, in a combat zone or where a host government does not exist. While it is understood that primary responsibility outside overseas U.S. installations lies with the affected foreign nation, the complexity, scope, and potential consequences of a Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) event may overwhelm the response capabilities of that country. Therefore, it is in the interest of DoD to be prepared to support U.S. Foreign Consequence Management (FCM) operations intended to assist allied or friendly countries who are affected by a CBRNE event.

The Combat Support Program also provides direct support to the Joint Staff in the area of vulnerability assessments. The Chairman, Joint Chiefs of Staff (JCS), has directed that Defense Threat Reduction Agency (DTRA), in its capacity as a Combat Support Agency, provide him with direct support and has tasked DTRA to perform Joint Staff Integrated Vulnerability Assessments (JSIVA) for Combatant Commands, Services and DoD Agencies and in support of the JCS/J34 Deputy Director for Antiterrorism and Homeland Defense (AT/HD) and to serve as the field agent for JCS/J34 DDAT/HD Antiterrorism/Force Protection Division. In this capacity, the DTRA JSIVA program is to provide teams comprised of active duty military and DoD civilians that are fully capable of assessing seven broad areas relating to facility vulnerability to terrorist operations and the means of reducing mass casualties. These assessments include: (1) Terrorist Options; (2) Security Operations; (3) Structural Engineering and Response; (4) Infrastructure engineering and Response; (5) Operations Readiness; (6) Weapons of Mass Destruction; and (7) Command, Control and Communications.

The JSIVA teams examine specific installations and provide the installation commander with realistic judgments regarding vulnerabilities to terrorist actions and

I. Description of Operations Financed: (continued)

suggestions for both procedural and technical options to mitigate those vulnerabilities. Additionally, DTRA maintains the capability to conduct special assessments and response to worldwide incidents and crisis situations to include those resulting in the aftermath of the September 11, 2001 attacks on the World Trade Center and the Pentagon. Support also includes training for other Government agencies in assessment procedures and processes, and support of technology development for physical security equipment and other anti-terrorism-related technologies, such as blast mitigation systems.

Funding for Joint Staff Integrated Vulnerability Assessments (JSIVAs) provides for the pay and benefits of civilian personnel necessary to carry out the assigned mission. Other expenses include travel, contractual services, to include the use of contractor-personnel with specialized skills in the conduct of assessments, and expendable supplies and equipment that support JSIVA teams.

In FY 2004, the Anti-Terrorism Program successfully completed 114 JSIVAs worldwide. Of the 114 JSIVAs, 30 were conducted in support of US Central Command (CENTCOM) and Operation Iraqi Freedom. Ten Mobile Training Team visits were conducted in support of Combatant Commands, the Military Services and the National Guard Bureau in order to establish trained vulnerability assessment capabilities within each state. In FY 2005, the Anti-Terrorism Program plans to complete 100 JSIVAs worldwide.

In addition, the Balanced Survivability Assessment (BSA) teams conduct “all-threat” survivability assessments to ensure continued and enduring operation of the existing nuclear weapons command and control functions, global command, control, computers and intelligence (C4I) and the intelligence, surveillance, and reconnaissance (ISR) sector capabilities for DoD. In FY 2005, DTRA plans to conduct eight BSAs.

I. Description of Operations Financed: (continued)

Defense Threat Reduction Agency (DTRA) continues to support the Unconventional Nuclear Warfare Defense (UNWD) Program, initiated in FY 2002 by the Congress. UNWD is a joint DTRA-National Nuclear Security Administration (NNSA) program directed to demonstrate integrated nuclear warfare protection systems at special test beds established for this purpose. The UNWD Program has successfully demonstrated nuclear detection technology and utilizes the four test beds to develop and test new detection methods of employment and emplacement to increase stand-off distance for warning time, and refine concepts of operation based on improvements in technology, updated intelligence assessments, and lessons learned. Further, the UNWD Program developed an open system architecture so chemical, biological, and explosive sensors can be integrated into the network in the future.

Funding for FY 2005 and FY 2006 will enable DTRA to sustain test bed operations until October 2006, when the individual Services will assume responsibility and control of the test beds.

Further, DTRA serves as the DoD Executive Agent for the Nuclear Test Personnel Review (NTPR) program which addresses all matters pertaining to the participation and radiation exposures of DoD personnel in U.S. atmospheric nuclear weapons tests from 1945-1962 and the post-war occupation of Hiroshima and Nagasaki. Also, the Agency manages the DoD Radiation Experiments Command Center (RECC) for the OSD. The RECC is the centralized repository for documents and publications pertaining to DoD's involvement in human radiation experiments (HRE) conducted from 1944-1994.

I. Description of Operations Financed: (continued)

Demands by the Joint Chiefs of Staff (JCS), Combatant Commanders and the civilian sector have increased significantly for Defense Threat Reduction Agency's (DTRA) operational and technical expertise in weapons of mass destruction (WMD) threat reduction and consequence analysis for planning, exercises and operations. Technical reachback support primarily provides experts for the operation and employment of DTRA software tools for planning, targeting, weaponeering, analyses and consequence management of WMD events. DTRA software tools have become the standard for Combatant commands and first responders; however, employment of these very complex tools often requires a level of expertise not usually found at deployed or first responder units. DTRA's technical reachback provides for immediate access to experts in the middle of the night and our expertise provides additional access to DTRA's entire technical expert base. Requirements peaked recently during IRAQI FREEDOM during which DTRA provided continuous technical reachback support. Until this point, DTRA technical support was an asymmetric surge capability which used our technical program managers and developmental contractors as support. This concept provided superb results in the technical quality of support; however, continuous operations quickly degraded our R&D mission and development of next generation capabilities. In view of this constraint, DTRA in coordination with several combatant commanders has stood up a dedicated cell of technical experts for continuous, dedicated reachback support. Our current estimate of planning, operational and exercise support requirements indicate that our technical reachback support capabilities will be more than adequately utilized.

This budget group also provides critical operational support and technical expertise to the Department of Defense (DoD), Combatant Commanders, DoD components, and other organizations in the areas of weapons of mass destruction (WMD) threat reduction and consequence analysis, modern hazard prediction, long-term sustainment of DoD nuclear

I. Description of Operations Financed: (continued)

weapon system capabilities and other WMD operational issues as well as targeting support to Combatant Commands, the intelligence community, and the civilian sector in support of deliberate and contingency planning.

C. DTRA Core Operational Support Activities:

$ in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
133,578	126,751	125,692	126,291

The Defense Threat Reduction Agency (DTRA) Core Operational Support Activities program represents a wide range of enabling functions which provide the necessary resources to support the Agency's core mission essential functions---to safeguard America and its friends from WMD by reducing the present threat and preparing for the future threat. The DTRA is organized by *mission essential* and *enabling* functions to effectively carry out its goals and objectives. The strong enabling functions, which comprise the Core Operational Support Activities program, are the foundation of everything DTRA does---resource management, security and asset protection, information management, and acquisition and logistics management---and provide the safety, security, and efficiency necessary for mission success. Activities funded in this budget activity group provide for the essential management, planning, and administration of management headquarters functions, operational, and administrative support to all DTRA functional organizations.

The Defense Threat Reduction Agency (DTRA) has embraced the concept of transformation as a continuous journey -- not an end-state. Since its inception in October 1998, the Agency has progressed far beyond the merger of the On-Site Inspection Agency, Defense

I. Description of Operations Financed: (continued)

Special Weapons Agency, and elements of the Office of the Secretary of Defense. Aggressive action has been taken to capitalize on mission synergies and best business practices; increase focus on mission essential functions; and streamline enabling functions. As a result of these efforts, DTRA has flattened the organization, complied with mandated headquarters management staff reductions, and converted 257 positions from military to civilian as a result of a thorough evaluation of military essentiality. A robust strategic planning process has been implemented to guide resourcing decisions and enhance performance accountability. The DTRA is committed to a results-oriented human capital management program, incorporating such elements as strategic workforce planning; tailored use of hiring programs and recruitment and retention initiatives; establishing long- term relationships with the academic community; enhancing leadership and professional development; and enhancing performance management. Included in the FY 2006/2007 budget submission are resources necessary to support the construction of the Defense Threat Reduction Center on Fort Belvoir. Once completed, this will enable the consolidation of all DTRA National Capital Region elements in a single, secure location, thus providing a framework for future transformation.

The DTRA has integrated its core support operations, functions, and resources--- providing the highest possible level of support to the DTRA missions. The DTRA management headquarters and operational support functions include: the Office of the Director; facilities, engineering and logistics; information technology support; counterintelligence and force protection security; financial and human resources management; physical and information security; contracting and acquisition management; Chief Information Office; Albuquerque field office support; environment, safety, and health; program support and integration; mission support, innovation, and performance management and administrative support operations. Civilian personnel costs associated

I. Description of Operations Financed: (continued)

with the Agency's core operational requirements, which provide the foundational support to all of Defense Threat Reduction Agency's (DTRA) mission functions, represent nearly 37% of the total resources allocated to this budget group.

1) Logistics/Information Technology Support Activities

Logistics support activities include leasing real estate through the General Services Administration and private sources; supply, equipment and material management, including physical plant equipment; facilities management; warehouse operations; civil engineering-related functions including environmental and safety engineering; and, transportation services.

Information Technology (IT) support includes developing DTRA-level information management capital investment strategies, and assisting the organizational components by providing IT services to the mission areas of arms reduction, arms control treaties, proliferation prevention, force protection, chemical biological defense, combat support, technology development, and the Cooperative Threat Reduction Program.

Information Technology support is provided to the DTRA end user via help desk services, software applications development and maintenance, systems engineering, and IT infrastructure (Local Area Network) services that are accomplished through contracted outsourcing. Specific IT support is also tailored to address base-level and long-haul communications requirements. Base-level support consists of providing Blackberry devices, pagers, cellular phones, and local and long distance telephone services. Long-haul communications includes providing Data/Voice and Defense Messaging Service capabilities to points outside the local area via the Wide Area Network. This support also includes video

I. Description of Operations Financed: (continued)

teleconferencing and the maintenance and operation of Defense Threat Reduction Agency (DTRA) world-wide communications equipment.

Information Technology (IT) support services will be expanded in FY 2006 and FY 2007 to include IT modernization, the development of strategies for IT solutions, independent verification and validation (IV&V) for on-going projects, enterprise solutions for IT, IT/Communications contingency of operations planning (COOP), and the expansion of outsourced functions to include asset management, change management, information assurance documentation, quality assurance, and management and control of the DTRA Operations Center.

2) Other Core Operational Support

Includes, but is not limited to, functions and activities associated with the Office of the Director, counterintelligence and force protection security, financial and human resources management, personnel and information/cyber security, contracting, acquisition management, inspector general, general counsel, equal opportunity, congressional liaison, public affairs, quality management, safety and occupational health, photographic, video production, publications and forms, document reproduction, printing, graphic art, and administrative support operations. Civilian personnel costs represent nearly 48% of the total resources associated with *Other Operational Support*. Costs for Defense Finance and Accounting Services are also provided for in this budget group.

I. Description of Operations Financed: (continued)

D. Defense Nuclear Weapons School:

$ in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
4,859	5,712	5,728	5,842

The Defense Threat Reduction Agency (DTRA) is designated as the DoD Executive Agent for providing the warfighter with topical information relating to nuclear weapons. As part of DTRA, the Defense Nuclear Weapons School (DNWS) is the only Department of Defense (DoD) school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DNWS also provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, the DNWS maintains the DoD's only radioactive field training sites, as well as an extensive classified nuclear weapons display area. The DNWS trains students from all levels of DoD, federal and state agencies, and allied countries. The school provides specialized training in U.S. nuclear weapons, incident response, and counterproliferation with emphasis on operational support.

II. Force Structure Summary: Not Applicable

DEFENSE THREAT REDUCTION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands)

A. Activity Group:

		FY 2005				
A. Budget Activity (BA) #	**FY 2004 Actuals**	**Budget Request**	**Appropriation**	**Current Estimate**	**FY 2006**	**FY 2007**
Arms Control Inspection/Tech	75,933	80,792	78,207	77,811	79,963	82,357
Weapons of Mass Destruction (WMD) Combat Support & Operations	109,058	104,907	101,635	105,652	108,716	103,380
Core Operational Support	133,578	133,784	130,500	126,751	125,692	126,291
Defense Nuclear Weapons School	4,859	5,968	5,884	5,712	5,728	5,842
Total DTRA	**323,428**	**325,451**	**316,226**	**315,926**	**320,099**	**317,870**

* The FY 2005 Estimate column excludes $0 thousand of FY 2005 Hurricane Supplemental funds, $144 thousand of Iraqi Freedom Fund Supplemental Funds Transfers and $0 thousand of FY 2004/FY 2005 Title IX obligations.

III. Financial Summary: ($ in Thousands) (continued)

B. Reconciliation Summary:

	Change FY 2005/2005	Change FY 2005/2006	Change FY 2006/2007
Baseline Funding	**325,451**	**315,926**	**320,099**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)	1,300		
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-10,525		
Subtotal Appropriated Amount	**316,226**		
Fact-of-Life Changes (CY to CY Only)	0		
Subtotal Baseline Funding	**316,226**		
Anticipated Supplemental			
Iraqi Freedom Fund Supplemental Funds Transfer	144		
Price Changes		5,695	6,152
Functional Transfers		-7,754	
Program Changes	-300	6,232	-8,381
Current Estimate	**316,070**	**320,099**	**317,870**
Less Iraqi Freedom Fund Supplemental Funds Transfer	-144		
Normalized Current Year	**315,926**		

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases

		TOTAL
FY 2005 President's Budget Request		**325,451**
1. **Congressional Adjustments**		
a. Distributed Adjustments		
b. Undistributed Adjustments		1,300
Export Control Database	1,300	
c. Adjustment to meet Congressional Intent		
d. General Provisions		-10,338
1) Sec 8095 - Advisory and Assistance Services	-4,202	
2) Sec 8122 - Management Improvement Savings	-538	
3) Sec 8140 - Unobligated Balances	-5,178	
4) Sec 8141 - Excessive Growth in Travel and Transportation	-420	
e. Congressional Earmarks		-187
Sec 8044 – Indian Lands Environmental Impact	-187	
FY 2005 Appropriated Amount		**316,226**
2. **War-Related and Disaster Supplemental Appropriations**		
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-324). Transfer from Iraqi Freedom Fund to support the DTRA Counterintelligence Program		144

DEFENSE THREAT REDUCTION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands) (continued)

		TOTAL
3. Fact of Life Changes		
a. Technical Adjustments		
1) Increases: Funding realigned from BA3 for consolidation of Budget Activities within the Operation and Maintenance Defense-Wide appropriation	5,968	
2) Decreases: Funding realigned to BA4 for consolidation of Budget Activities within the Operation and Maintenance, Defense-Wide appropriation	-5,968	
b. Emergent Requirements		
1) Program Increases		
2) Program Reductions		
a) Program Decreases: Below Threshold Reprogramming to Defense Logistics Agency for Mid Range Financial Systems audit program.		-300
FY 2005 Baseline Funding		**316,070**
4. Reprogrammings		
Revised FY 2005 Estimate		**316,070**
5. Less Reprogrammings: Iraqi Freedom Fund Supplemental Funds		-144
FY 2005 Normalized Current Estimate		**315,926**

III. Financial Summary: ($ in Thousands) (continued)

6. Price Change		5,695
7. Functional Transfers		
a. Transfers Out		-7,754
1) Environmental Remediation (Nevada Test Site)	-5,554	

This adjustment transfers funding and program management functions internally within the Agency from the Operations and Maintenance Appropriation to the Research, Development, Test and Evaluation Appropriation (RDT&E). Environmental cleanup required by RDT&E testing activities will now be planned for and funded from the RDT&E, Defense-Wide appropriation.

2) Global Information Grid-Bandwidth Expansion and the Defense Information Systems Network	-2,200	

This adjustment transfers Operation and Maintenance, Defense-Wide funding and program management functions to the Defense Information Systems Agency centralization of operating costs associated with the Global Information Grid-Bandwidth Expansion.

III. Financial Summary: ($ in Thousands) (continued)

8. Program Increases in FY 2006
   a) Program Growth 18,628
      1) Military-to-Civilian Conversions/Civilian Personnel Adjustments 5,381
      Changes between FY 2005 through 2006 are associated with the implementation of a DoD approved plan to civilianize Defense Threat Reduction Agency (DTRA) essential military positions that do not necessarily have to be performed by military personnel, thus returning the military positions to the Services (+ 60 full time equivalents (FTEs)). Changes also reflect the fully implemented consolidation of the residual accounting and finance operations from DTRA to DFAS (- 17 FTEs), as well as an additional FTE reduction (-1 FTE) associated with the DTSA transfer. The remaining changes between FY 2005-FY 2006 reflect DTRA's internal adjustments that include a reduction of 8 FTEs in support of the Chemical Weapons Convention, and an increase of 16 FTE to correct its civilian glidepath. (FY 2005 Base: $106,778)

      2) Cooperative Threat Reduction On-Site Managers 711
      This increase provides 7 full time equivalent workyears (FTE's) to support the Former Soviet Union Threat Reduction Program. These FTE will be used to establish Defense Threat Reduction Offices in Tblisi, Georgia; Tashkent, Uzbekistan; and Almaty, Kazakhstan, and will provide for on-site management of the Strategic Offensive Arms Elimination Program in Perm, Russia and for Project Managers for the Biological Weapons Proliferation Program. (FY 2005 Base: $0)

III. Financial Summary: ($ in Thousands) (continued)

3) Conventional Forces Europe 141

This increase provides for additional training and related travel expenses for the Equipment Recognition Course to ensure that U.S. inspectors are adequately trained on equipment of North Atlantic Treaty Organization countries. With the expansion of North Atlantic Treaty Organization countries, inspectors must be knowledgeable of a greater inventory of equipment. Also with the expansion of North Atlantic Treaty Organization countries from 19 to 22, the Agency will be conducting bilateral inspections with additional treaty partners. (FY 2005 Base: $2,792)

4) Open Skies 298

Increases for the Open Skies Treaty are due to cost adjustments in fuel costs for foreign aircraft used to fly over the United States, in addition to an increase for contract support related to the Open Skies Management and Planning System due to a recompete for operator services. (FY 2005 Base: $3,221)

5) Compliance Monitoring and Tracking 423

The Compliance Monitoring and Tracking System is being replaced by the Arms Control Enterprise System. The Arms Control Enterprise System (Increment 1a) was originally scheduled to be deployed in December 2004, but has been delayed until June 2005. The deployment schedule change results in additional operations and maintenance costs to sustain the legacy system during the transition to the Arms Control Enterprise System. (FY 2005 Base: $1,886)

III. Financial Summary: ($ in Thousands) (continued)

6) Hazard Prediction and Assessment Capability (HPAC)/Consequence Assessment: 457

The Hazard Prediction and Assessment Capability/Consequence Assessment is a forward deployable suite of computer codes able to quickly and accurately predict and assess the effects from incidents involving chemical, biological, radiological, and nuclear releases to the atmosphere. The Consequence Assessment Tool Set is a suite of computer codes allowing for the assessment, response and sustainment requirements resulting from man-made incidents (e.g., weapons of mass destruction (WMD)) and natural hazards (e.g., hurricane and earthquakes). This increase in funding will provide for upgrades of existing hardware and additional weather support personnel to be available for the potential operations or exercises.
(FY 2005 Base: $2,900)

7) Operations Research 129

This increase in funding will provide the simulation support required to perform operations research studies using the Chemical/Biological Sensor Placement, Airbase Assessment Tool supporting the Global Strike support studies for Strategic Command under the Center for Special Weapons Effects, Nuclear, Biological and Chemical (NBC) Threats, Technology Transfers and Resources program. The Center for Special Weapons Effects, NBC Threats, Technology Transfers and Resources program provides the Combatant Commanders with Weapons of Mass Destruction Assessment and Analysis Capabilities using the modeling and simulation technologies developed through the Agency. (FY 2005 Base: $2,170)

III. Financial Summary: ($ in Thousands) (continued)

8) Unconventional Nuclear Warfare Defense (UNWD) 1,272

This increase in funding provides for a full year of contract support to all 4 sites in FY 2006. In FY 2005, the requirement for support was only nine months. The UNWD program is a joint DTRA-National Nuclear Security Administration (NNSA) program directed to demonstrate integrated nuclear warfare protection systems at special test beds established for this purpose. Funding for FY 2005 and FY 2006 will enable DTRA to maintain equipment and sustain test bed operations until October 2006, when the individual Services will assume responsibility and control of the test beds.
(FY 2005 Base: $2,700)

9) Foreign Consequence Management (FCM) 1,174

This increase is due to planned growth in the program. Initial efforts in every Combatant Command over the last 2 years have resulted in new requests for Defense Threat Reduction Agency (DTRA) to sponsor more exercise events and planning for more comprehensive exercises (moving from table top exercises to command post exercises to full scale exercises) with exercise participation expanding to include many other Federal, State, local and Interagency response forces. In addition, the FCM program is expanding to additional Combatant Command Areas of Responsibility (AORs), such as Pacific Command, Southern Command, and Central Command and further east within Europe Command to new regions such as the Black Sea region. This expansion leads to greater costs in the exercise support contract, logistics, equipment, and travel costs.
(FY 2005 Base: $12,835)

III. Financial Summary: ($ in Thousands) (continued)

10) Support to Combatant Commanders 639

This funding increase supports additional travel costs for Reserve Liaison Officers to support two additional Combatant Commands full-time. The funding also provides additional travel costs associated with training for the entire Liaison Officer staff. Funds will also be used to support the Homeland Defense/Homeland Security community by providing technical and operational modeling and hazard prediction scenarios of Weapons of Mass Destruction impacts as well as recommended response methods and procedures. This funding increase will also allow DTRA to conduct system architectural studies in which emphasis is given to assessing common, systemic vulnerabilities in the existing national and strategic architectures. (FY 2005 Base: $280)

11) Site Survey Exercises 288

Site survey exercises are conducted every other year. The increased funding provides travel, supplies, equipment and contractual support. In FY 2006, due to the current world environment and security concerns, locations and schedules of exercises cannot be addressed in this document. (FY 2005 Base: $999)

12) Operational Information Technology Support 3,006

This increase in funding will cover the continuing efforts necessary to provide the Agency with management control, information assurance, cyber security, life cycle and configuration management,

III. Financial Summary: ($ in Thousands) (continued)

and quality control for information technology (IT) services. Consolidation of IT resources will be emphasized in an effort to reduce the IT footprint and move towards a technology that supports an increasingly mobile DTRA workforce. Additionally, emphasis will be placed on IT configuration management in order to reduce hardware and software redundancy and to economize by establishing enterprise license agreements with the major software vendors supporting the Agency's IT infrastructure. (FY 2005 Base: $10,779)

13) Core Operational Support to DTRA Missions 2,709

This adjustment provides support services to augment the Agency's capability to research and assist with the closeout of existing backlogs for contractual actions, and to support Defense Finance and Accounting Service audits, audio/visual support contracts, information technology on-site technical services, physical security, information assurance, printing, recruitment incentives, access control, communications support and A-76 studies. Funding also supports an increase in training requirements due to the military to civilian conversions.
(FY 2005 Base: $6,024)

14) Defense Threat Reduction Information Analysis Center Data Warehouse 673

The Defense Threat Information Analysis Center (DTRIAC) is the key Department of Defense source of information and analysis on nuclear and conventional weapons-related topics. The DTRIAC has major reference collections of documents and photographic data, and

III. Financial Summary: ($ in Thousands) (continued)

can search and retrieve, and perform analyses on a wide variety of data. The DTRIAC stores many one of a kind films and documents. These preserved films and documents must be stored in a controlled environment. Funding provides for critical repair and maintenance services to the current warehouse space. (FY 2005 Base: $0)

15) Defense Threat Reduction Information Analysis Center (DTRIAC) Film Preservation: 1,327

As the key Department of Defense source of information and analysis on nuclear and conventional weapons-related topics, the DTRIAC has major reference collections of documents and photographic data, and can search and retrieve, and perform analyses on a wide variety of data. The DTRIAC has approximately 30,000 films in its archives. Approximately 1,200 of these films are showing evidence of serious degradation. The degraded films, critical nuclear weapons effects films from U.S. Atmospheric Nuclear Tests, all one of a kind, will be preserved for the nuclear weapons effects community by transferring to a polyester based film media at an estimated cost of $1,000 per film. (FY 2005 Base: $0)

9. Program Decreases in FY 2006

a) Program Decreases -12,396

1) Strategic Arms Reduction Treaty (START)/Chemical Weapons Convention (CWC): -334

This reduction reflects a projected savings in START travel costs for sequential inspection of two sites being conducted in

III. Financial Summary: ($ in Thousands) (continued)

Russia versus a single mission at one site. Additionally, a savings is projected in the Votkinsk Portal Monitoring Program Contract as the Cost Plus Fee contract becomes more stabilized. The reduction is also due to less equipment being required for CWC in FY 2006. The Portable Isotopic Neutron Spectroscopies (PINs) are only procured every 6 to 7 years and will be purchased in FY 2005 but not in FY 2006. In addition, there is a smaller requirement in FY 2006 than in FY 2005 for the purchase of chemical weapons equipment, supplies, maintenance and calibration. (FY 2005 Base: $21,439)

2) International Counterproliferation Program -1,271

This reduction reflects a change in the type of missions being performed in FY 2006. More policy visits and less training missions will be conducted in FY 2006 than in FY 2005. Policy visits typically involve fewer personnel and generate less cost than the training missions which involve production, translation, and transportation of training materials; procurement and delivery of law enforcement and interdiction equipment; course delivery; and related travel expenses for participants.
(FY 2005 Base: $11,769)

3) Other Mission Treaty Support -1,470

This reduction reflects a change in OSD Treaty Manager Contract costs in FY 2006. The FY 2005 costs include a 5-month overlapping transition period for the Strategic Treaty Managers contract which will be recompeted in FY 2005. (FY 2005 Base: $37,310)

III. Financial Summary: ($ in Thousands) (continued)

4) National Test Personnel Review (NTPR)	-3,800	
This reduction reflects an adjustment for a reduction in NTPR backlog by 1,500 cases. (FY 2005 Base: $11,671)		
5) Defense Threat Reduction Agency (DTRA) Relocation	-5,416	
This decrease reflects a reduction for one-time costs that occurred in FY 2005 for system furniture requirements and modeling and simulation center outfitting. (FY 2005 Base: $9,007)		
6) Defense Nuclear Weapons School	-105	
The decrease between FY 2005 and FY 2006 is due to the anticipated completion of FY 2005 design/plan for several high value projects including the upgrade of the computer lab to emulate a full emergency operations center. (FY 2005 Base: $5,712)		
FY 2006 Budget Request		**320,099**
10. Price Change		6,152
11. Transfers		
12. Program Increases		
a) Program Growth in FY 2007		1,899
1) Treaty Assumptions and Other Mission Support	748	
This increase provides for additional training mission costs for the International Counterproliferation Program and Conventional Forces Europe in FY 2007. The FY 2007 costs include production,		

III. Financial Summary: ($ in Thousands) (continued)

translation and transportation of training materials. (FY 2006 Base: $53,017)

2) Defense Threat Reduction Center (DTRC) Sustainment 1,151
This increase provides funding for all costs associated with maintaining the new facility: custodial costs, utilities, force protection and security. (FY 2006 Base: $1,700)

13. Program Decreases in FY 2007
a. Program Decreases in FY 2007 -10,280

1) Civilian Personnel Changes -310
This change reflects a reduction of three FTE's as a result of planned efficiencies. (FY 2006 Base: $115,329)

2) Strategic Arms Reduction Treaty -100
This decrease reflects requirements that support a reduction in Conversion Elimination missions from 24 to 17 in FY 2007. (FY 2006 Base: $11,103)

3) Foreign Consequence Management -1,516
This reduction represents a leveling off of program levels and stabilization of the building block approach used in FY 2005 and FY 2006 for expansion to exercise execution, i.e., seminars, table top exercises, command post exercises, and then actual exercise. (FY 2006 Base: $12,835)

III. Financial Summary: ($ in Thousands) (continued)

4) Site Survey Exercises -250
This adjustment reflects a decrease as there are no exercises scheduled for FY 2007. (FY 2006 Base: $1,314)

5) Unconventional Nuclear Warfare Defense (UNWD) -3,618
This decrease in funding represents a transition of UNWD costs to the Services who will now be responsible for maintaining equipment and sustainment of the test bed. (FY 2006 Base: $3,618)

6) Support to Combatant Commanders -1,047
This decrease reflects a reduction of costs associated with development efforts for the technical and operational modeling and simulation scenarios for the Homeland Defense/Homeland Security community. (FY 2006 Base: $1,321)

7) Hazard Prediction and Assessment Capability (HPAC)/Consequence Assessment -284
This decrease reflects a reassessment/re-evaluation of costs for Operational Reachback requirements. (FY 2006 Base: $2,859)

8) Nuclear Test Personnel Review (NTPR) -500
This reduction reflects a projected reduction in the backlog of Veterans Affairs (VA) claims, (approximately 200 - 300 claims), from the original 1800 estimated in FY 2005. (FY 2006 Base: $8,036)

9) Joint Staff Integrated Vulnerability Assessment (JSIVA) -484
Decrease reflects a reduction in estimated travel and equipment

III. Financial Summary: ($ in Thousands) (continued)

purchases associated with conducting the assessments. (FY 2006 Base: $7,019)

10) Defense Threat Reduction Agency (DTRA) Relocation -2,171
This reduction reflects an adjustment for the completion of the DTRA relocation effort. (FY 2006 Base: $2,171)

FY 2007 Budget Request **317,870**

IV. Performance Criteria and Evaluation Summary:

A. Arms Control Inspections and Technology:

	FY 2004 No. Of Missions	FY 2005 No. Of Missions	FY 2006 No. Of Missions	FY 2007 No. Of Missions
Strategic Arms Reduction Treaty				
Inspection Activity	64	71	73	66
Escort Activity	29	29	29	29
Mock Missions	10	10	10	10
Conventional Armed Forces In Europe Treaty				
Inspection Activity	72	72	72	72
Escort Activity	88	81	81	81
Mock Missions	15	15	15	15
Chemical Weapons Treaty				
Inspection Activity	0	0	0	0
Escort Activity	102	133	133	133
Mock Missions	5	5	4	4
Open Skies Treaty				
Inspection Activity	8	9	9	9
Escort Activity	9	8	8	8
Mock Missions	13	12	12	12
International Counterproliferation Program (ICP)	74	82	82	82

IV. Performance Criteria and Evaluation Summary: (continued)

	FY 2004 No. Of Missions	FY 2005 No. Of Missions	FY 2006 No. Of Missions	FY 2007 No. Of Missions
Other Missions				
IAEA-Strengthened Safeguards	0	2	2	2
Plutonium Production Reactor Agreements (PPRA)	11	12	12	12
Biological Weapons (BW)	0	0	0	0
Mayak Transparency Protocol	0	1	8	8
Fissile Material Cutoff Treaty (FMCT)	0	1	1	1

B. WMD Combat Support and Operations:

	FY 2004	FY 2005	FY 2006	FY 2007
1) Inspection of Nuclear-Capable Units	**25**	**25**	**25**	**25**

2) Stockpile Operations - The workload associated with management of the nuclear weapons stockpile is primarily related to developing policies and procedures to be followed by Combatant Commands and Services worldwide; monitoring the status of weapons, weapon issues and components; and developing, maintaining, fielding and providing day-to-day support for automated systems which are used to manage the stockpile during peace, crisis and war. Tracking nuclear weapons requires 100 percent accuracy and can never be minimized regardless of the number of weapons or components. The status and location of all weapons of the DoD nuclear stockpile must be known at all times and the components to support these weapons must be available when and where they are needed.

IV. Performance Criteria and Evaluation Summary: (continued)

3) Emergency Response - DoD Directive 3150.8 and 5105.62 Under Secretary of Defense letter and Chairman, Joint Chiefs of Staff (JCS) tasking through a yearly JCS worldwide exercise schedule, task Defense Threat Reduction Agency (DTRA) to serve as the DoD-lead for coordinating "DoD radiological accident response planning, training, and national-level exercises, with other Federal and international agencies" where the potential exists for a radiological accident/incident. Exercise costs are mission/location dependent, i.e., DIRECT FOCUS – CONUS FTX, approximately 125 participants, DIMMING SUM – OCONUS FTX, 2500 participants.

DTRA assists Federal, State, and local response to radiological emergencies as outlined in the Federal Radiological Emergency Response Plan, the Federal Response Plan, and applicable DoD Directives, and will continue its assistance in accordance with the new National Response Plan which will take affect in mid-2005. Additionally, DTRA assists foreign governments as directed under 10 U.S.C. 404 and E.O 12966. Training and exercises incorporate activities that address assistance to civilian authorities. Defense Threat Reduction Agency (DTRA) also maintains a deployable advisory team to assist Combatant Commands consequence management response forces. Emergency Response is made up of several components that include plans and exercises, consequence management and special nuclear programs. The table below represents the measurable criteria of planned exercises:

IV. Performance Criteria and Evaluation Summary: (continued)

	FY 2004	FY 2005	FY 2006	FY 2007
a) Number of Nuclear Weapon Accident Exercises:				
1. Field Training Exercises (FTX)	2	2	2	2
2. Command Post Exercises (CPX)	2	1	1	2
3. Table Top Exercise (TTX)	3	4	4	5
4. Leadership Orientation Seminars (SEM)	4	4	4	4
b) Number of Foreign Consequence Management Exercises:				
1. Field Training Exercise (FTX)	0	0	1	2
2. Command Post Exercises (CPX)	0	3	4	4
3. Table Top Exercise (TTX)	1	4	5	6
4. Leadership Orientation Seminars (SEM)	3	10	12	15
c) Number of Terrorist Incident Exercises:				
1. Field Training Exercise (FTX)	2	2	2	2
2. Command Post Exercises (CPX)	2	2	1	1
3. Table Top Exercise (TTX)	3	3	2	2
4. Leadership Orientation Seminars (SEM)	5	5	0	0
5. Foreign, Service, and Agency Exercises	2	2	1	1

IV. Performance Criteria and Evaluation Summary: (continued)

4) Joint Staff Integrated Vulnerability Assessments (JSIVA) assessment teams conduct independent anti-terrorism-specific vulnerability assessments of DoD installations and sites. These assessments are intended to provide an independent assessment capability to assist local commanders, on site, to identify anti-terrorism deficiencies and determine appropriate remedies that will mitigate the effects of future terrorist incidents. Current manning and resource levels provide for a consistent level of 80-100 assessments per year, with equal distribution between the United States and overseas locations.

	FY 2004	FY 2005	FY 2006	FY 2007
JSIVA Visits Conducted	114	100	100	100
Sites Visited				
European Command (EUCOM)	21	15	15	15
Army	17	15	15	15
Navy	21	15	15	15
Air Force	9	9	9	9
United States Marine Corp (USMC)	5	4	4	4
Chairman Joint Chiefs of Staff (CJCS)	0	0	0	0
Pacific Command (PACOM)	5	15	15	15
Central Command (CENTCOM)	34	20	20	20
Southern Command (SOUTHCOM)	1	1	1	1
Joint Forces Command (JFCOM)	0	0	0	0
OTHER	1	6	6	6
Mobile Training Team	10	10	10	10

IV. Performance Criteria and Evaluation Summary: (continued)

5) At a reduced level of funding, C3I assessments decreased in FY 2004 to 18 balanced survivability assessments and one red team assessment; and in FY 2005-2007, 7 balanced survivability assessments and one red team assessment will be performed per year.

6) The workload for the Nuclear Test Personnel Review (NTPR) program involves (1) establishing and maintaining a repository of personnel data and historical information for U.S. atmospheric nuclear weapons test participants and Hiroshima and Nagasaki occupation forces, (2) providing dosimetry information and dose reconstruction methodologies for populations supported by the program, and (3) supporting organizations responsible for administering atomic veterans' benefits (Department of Veterans Affairs and Department of Justice) and organizations studying health effects of radiation. The primary measures of workload are (1) the size of the repository maintained (400,000 plus persons), (2) the number of individual cases processed (up to 2,000 per year), (3) the number of dose reconstructions performed (up to 300 per year), and (4) the level of effort to support studies by independent agencies. The primary performance criteria are (1) the turn-around time for individual cases processed (optimally 75% of all cases completed in 90 days), (2) the number of cases in process at any given time (optimally low 200s), and (3) the cost per case processed ($2,500 - $3,000).

7) The workload for the Radiation Experiments Command Center (RECC) involves (1) maintaining a centralized repository of records pertaining to about 2,600 individual DoD events that could be construed as human radiation experiments (HRE), and (2) preserving, maintaining, and operating a searchable database of DoD-identified HRE events to provide a resource for the military departments to conduct information searches supporting high-level external and internal inquiries.

IV. Performance Criteria and Evaluation Summary: (continued)

8) The weapons of mass destruction (WMD) Assessment and Analysis Center supports the Defense Threat Reduction Agency (DTRA) Operations Center by providing access to analytic resources, weather data, archives, and WMD experts. It also supports wargames and exercises with subject-matter expertise (SME) and analysis. The primary measure of workload is the number of hours spent supporting experimentation, exercises, wargames and real-world events. For FY 2004, this required approximately 6,500 hours with 20 domestic trips and 4 overseas trips. The Consequence Assessment Program supported DTRA and outside agencies by providing SME analysis on WMD hazards and consequences to include counterproliferation, consequence management, force protection, and counter-terrorism. Primary tools used are the Hazard Prediction and Assessment Capability and the Consequence Assessment Tool Set. Additionally, support was provided to numerous DoD and Cabinet-level exercises, as well as real-world and National Security Special Events. Weather, outreach, reachback, and training are part of this support. For FY 2004, we used 30,000 hours in addition to the normal operational requirements and 25 domestic trips with 4 overseas. For FY 2005-2007, the estimates are approximately the same as for FY 2004.

C. DTRA Core Operational Support Activities:

The Defense Threat Reduction Agency (DTRA) management and operational support activities provide for the full-range of management headquarters functions as well as essential operational support functions vital to sustain DTRA's worldwide missions and activities. DTRA consists of approximately 2,000 personnel pursuing missions in the areas of counterproliferation, nuclear weapons support, technology security, arms control, Cooperative Threat Reduction, and the Chemical-Biological Defense program. The DTRA currently operates from 10 sites within the United States, and seven sites overseas. Support functions include, but are not limited to:

IV. Performance Criteria and Evaluation Summary: (continued)

Facilities, Engineering, and Logistics Office: Engineering support activities include leasing real estate through the General Services Administration and private sources; supply, equipment and material management, including physical plant equipment; facilities management; warehouse operations; and civil engineering-related functions. The Engineering Office provides this support to DTRA missions world-wide, including, for example: rental of apartments in Moscow, Vienna, and Almaty.

Logistics support activities include logistics planning and services (incorporating Support Agreements, Memorandums of Understanding/Memorandums of Agreement); logistics acquisition; material, equipment, inventory and supply management; warehouse operations; transportation (air, ground, and commercial movement), commercial and leased mission/ U-Drive vehicles, Commercial Travel Office; and mail services. The Logistics program supports general supplies and materials, office administration, and general logistical technical services needed to support DTRA mission activities. These logistics enabling functional activities are in full operation within the National Capital Region and at Kirtland AFB, New Mexico. This logistics support reaches DTRA mission activities world-wide, including, for example: transportation of food and materials into Russia to support the Strategic Arms Reduction Treaty (START) treaty continuous monitoring site in Votkinsk, Russia; procurement of vehicles in Moscow, Kiev, Almaty, and Yokota, Japan; Mail Service Programs including Military Express Mail, Overnight Ground and Air Express Mail, and Diplomatic Pouch; and support to DTRA personnel at the Army chemical demilitarization CONUS sites.

Financial and Human Resource Management: Defense Threat Reduction Agency (DTRA) financial and human resource management activities reflect the varied and complicated nature of the DTRA mission. DTRA executes approximately $2.6 billion per fiscal year

IV. Performance Criteria and Evaluation Summary: (continued)

from five different Defense-wide appropriations. DTRA total obligation authority equals $1.2 billion and the remaining $1.4 billion comes from the DoD Chemical-Biological Defense Program funding and other external sources. The DTRA Business Directorate provides a full range of DoD planning, programming, budgeting, and execution services, including a partial in-house finance and accounting function and liaison with the Defense Finance and Accounting Service (DFAS). Human resources management includes the full range of personnel services for approximately 800 military and 1,000 civilian employees, as well as payroll and workforce management.

Information Technology Support: Information technology (IT) support provides for operational requirements such as maintenance of the Local Area Network (LAN) and managing the day-to-day operation of office automation, IT equipment, software, printers and scanners, for a total of approximately 2,000 employees at 12 sites worldwide. Efforts also include managing a customer information support center and trouble-shooting over 15,000 requests for assistance per year; serving as the Agency focal point for information systems plans and programs; providing and controlling 3,500 computer and ancillary IT equipment for Agency use; managing the operation and maintenance of all aspects of the Agency's information systems architecture; and operating the Agency's telecommunications center to provide secure and non-secure communications via DMS, secure voice, facsimile, telephone and mobile communications worldwide.

Legislative Affairs: The Legislative Affairs Office has the overall management responsibility for Congressional communications, including personal contacts and correspondence, and responsibility for processing and monitoring Congressional communications, reports, etc., received from or directed to Congressional committees, subcommittees, members of Congress and their staff. They respond annually to approximately 240 inquiries.

IV. Performance Criteria and Evaluation Summary: (continued)

Public Affairs: The public affairs function provides the Director and senior staff with expert counsel and assistance in all public affairs matters. They serve as the principal agency point of contact for all news media and public requests for information and act as the DTRA spokesperson. They sponsor the Director's Communications Group, maintain the Agency command briefing and develop the Agency strategic plan brochure, the outreach program, the DTRA brochure and the command video/CD. They are also responsible for the DTRA daily news and information summary, "To the Point."

The staff responds annually to approximately 150 media and 430 public inquiries; facilitates media briefings and interviews; maintains the Agency public access Internet website, local-area network website and 3 classified network websites; publishes a monthly newsletter; publishes intranet news and information pages; conducts publication policy reviews and 440 security reviews; conducts 15 public affairs training classes; supports weapons of mass destruction crisis and consequence management planning and execution, and maintains a deployable public affairs team; publishes a historical book and completes an Agency annual historical report.

Environment, Safety and Health: The Environment, Safety and Health Division of the Business Directorate is responsible for improving and maintaining the overall readiness of the Defense Threat Reduction Agency (DTRA) and the quality of life of its personnel. They annually provide approximately 250 medical consultations; 900 medical record reviews; conduct 250 radiation source shipments; 16 radiation source surveys; conduct 100% facility inspections; coordinate occupational health physicals and medical surveillance requirements; investigate accidents; manage environmental remediation at the Nevada Test Site; and implement Agency-wide environmental stewardship efforts.

IV. Performance Criteria and Evaluation Summary: (continued)

Equal Opportunity Office: The Equal Opportunity Office has overall responsibility for establishing and implementing agency policy and procedures with regard to military and civilian discrimination complaints prevention, processing and adjudication; Alternative Dispute Resolution; Affirmative Employment and Diversity initiatives; and Reasonable Accommodations. They provide expert counsel and assistance to the Director, senior staff, and agency managers and supervisors in all matters concerning equal opportunity, preventing sexual harassment, dispute prevention and resolution, disability hiring and accommodations, and diversity. They provide continuous cultural and diversity awareness training; process approximately 25 informal complaints, ten formal complaints, and six formal investigations annually; and conduct seven staff assistance visits, three college recruitment trips, and five special events annually.

Mission Support Services: The Mission Support Division of the Business Directorate is responsible for managing the use of all conference rooms; processing 1,100 work orders for photographic services and video production; managing 200 DTRA publications and creating and managing 140 DTRA forms; overseeing proper management and storage of millions of documents; managing contracts and lease agreement for 100 office reproduction machines, processing 1,300 work orders for reproduction and printing services; processing 1,550 work orders for design and graphic art services.

Security and Counterintelligence: Provides and/or facilitates protection services aimed at neutralizing the insider, terrorist, and foreign intelligence threats directed against Defense Threat Reduction Agency (DTRA) personnel, activities, information, facilities, and cyberspace. Manages, conducts and coordinates the Antiterrorism/Force Protection, Personnel, Physical, Special Security and Technical Security missions in support of DTRA operations and/or its mission. Provides counterintelligence support for Arms Control, Research and Technology Protection, Inquiries and Assessments, Technical

IV. Performance Criteria and Evaluation Summary: (continued)

Counterintelligence Services, Briefings, Debriefings and Exercises. Manages the Foreign Counterintelligence Program, a multi-faceted program that employs proactive, defensive, and reactive measures that includes an array of counterintelligence functional services focusing on foreign intelligence threats targeted towards personnel, missions, facilities, information and cyber space of DTRA, Department of Defense, and other US government agencies and activities.

Contracting and Acquisition Management: Supports Component Acquisition Executive (CAE) on acquisition and contracting matters for DTRA. Interfaces with OUSD (AT&L) on acquisition workforce matters. Publishes, maintains and enforces the Agency's acquisition/contract policies. Provides comprehensive acquisition/contracting support to meet the Agency's mission requirements. Manages DTRA's Small Business and Competition Programs (Competition Advocate, Task Order Ombudsman and Small and Disadvantaged Business Utilization Specialist). Serves as Agency liaison for contracting related issues with external organizations, industry and institutions.

D. Defense Nuclear Weapons School:

In FY 2004, the Defense Nuclear Weapons School (DNWS) taught 17 courses, 50 in-resident classes and 27 Mobile Training Team (MTT) classes; in FY 2005, the DNWS will teach 21 courses, 60 in-resident classes and 38 MTT classes. In FY 2006 and FY 2007, the DNWS will teach 21 courses, 70 in-resident classes and 48 MTT classes and will continue to implement training transformation with a minimum of two courses transformed to web-based training. The DNWS provides training in the areas of nuclear core competencies; radiological/nuclear response training; and Chemical, Biological, Radiological, Nuclear Explosive/Consequence Management.

IV. Performance Criteria and Evaluation Summary: (continued)

Student Projections:	FY 2004	FY 2005	FY 2006	FY 2007
Combatant Commands				
USA Active	598	628	659	692
USA Reserve	12	13	14	14
USA Guard	13	14	15	15
USAF Active	863	906	951	999
USAF Reserve	18	19	20	20
USAF Guard	17	18	19	19
USN Active	244	256	269	282
USN Reserve	5	5	6	6
USMR Active	244	256	269	282
USMC Reserve	5	5	6	6
Other DoD	473	497	522	532
Non-DoD	0	0	0	0
Total	2,492	2,617	2,750	2,867

Student Projections:	FY 2004	FY 2005	FY 2006	FY 2007
Non-Combatant Commands				
USA Active	236	248	260	273
USA Reserve	4	4	4	5
USA Guard	4	4	4	5
USAF Active	389	408	429	450
USAF Reserve	9	9	10	10

IV. Performance Criteria and Evaluation Summary: (continued)

USAF Guard	8	8	9	9
USN Active	80	84	88	92
USN Reserve	2	2	2	2
USMR Active	80	84	88	92
USMC Reserve	2	2	2	2
Other DoD	227	238	250	263
Non-DoD	585	614	645	677
Total	1,626	1,705	1,791	1,880
OVERALL TOTAL STUDENT PROJECTIONS	4,118	4,322	4,541	4,747

IV. Performance Criteria and Evaluation Summary: (continued)

Student Projection by Number of Contact Hours:	FY 2004	FY 2005	FY 2006	FY 2007
Combatant Commands				
USA Active	15,383	16,152	16,960	17,808
USA Reserve	320	336	353	370
USA Guard	321	337	354	372
USAF Active	22,153	23,261	24,424	25,645
USAF Reserve	462	485	509	535
USAF Guard	461	484	508	533
USN Active	6,282	6,596	6,926	7,272
USN Reserve	128	134	141	148
USMR Active	6,282	6,596	6,926	7,272
USMC Reserve	128	134	141	148
Other DOD	12,177	12,787	13,426	14,098
Non DOD	0	0	0	0
Total	64,097	67,302	70,668	74,201

IV. Performance Criteria and Evaluation Summary: (continued)

Student Projection by Number of Contact Hours:	FY 2004	FY 2005	FY 2006	FY 2007
Non-Combatant Commands				
USA Active	4,720	4,956	5,204	5,464
USA Reserve	98	103	108	113
USA Guard	98	103	108	113
USAF Active	7,867	8,260	8,673	9,107
USAF Reserve	164	172	181	190
USAF Guard	163	171	179	189
USN Active	1,606	1,686	1,771	1,859
USN Reserve	33	35	36	38
USMR Active	1,606	1,686	1,771	1,859
USMC Reserve	33	35	36	38
Other DoD	4,589	4,818	5,059	5,312
Non-DoD	11,799	12,389	13,008	13,659
Total	32,776	34,414	36,134	37,941
OVERALL TOTAL Number of Contact Hours	96,873	101,716	106,802	112,142

DEFENSE THREAT REDUCTION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)	888	787	751	751	-36	0
Officer	498	469	464	464	-5	0
Enlisted	390	318	287	287	-31	0
Reserve Drill Strength (E/S) (Total)	16	21	21	33	0	12
Officer	16	21	21	33	0	12
Reservists on Full Time Active Duty (E/S)						
Civilian End Strength (Total)	1,043	1,156	1,145	1,147	11	2
U.S. Direct Hire	1,043	1,156	1,145	1,147	11	2
Active Military Average Strength (A/S) (Total)	703	621	592	592	-29	0
Officer	383	361	357	357	-4	0
Enlisted	320	260	235	235	-25	0
Reserve Drill Strength (A/S) (Total)						
Reservists on Full Time Active Duty (A/S) (Total)						
Civilian FTEs (Total)	968	1,082	1,139	1,136	57	-3
U.S. Direct Hire	968	1,082	1,139	1,136	57	-3
Foreign National Direct Hire						
Total Direct Hire	968	1,082	1,139	1,136	57	-3
Foreign National Indirect Hire						
Memo: Military Technician Included						
Memo: Reimbursable Civilians Included	8	12	12	12	0	0
Average Annual Civilian Salary ($000)	96.6	99.8	102.3	104.7	+2.5	+2.4

Explanation of Changes between years: Changes between FY 2005-FY 2006 are associated with the continuation of the implementation of a DoD-approved plan to civilianize DTRA essential military positions that do not necessarily have to be performed by military personnel, thus

V. Personnel Summary: (continued)

returning the military positions to the Services (+ 107 full time equivalence (FTE) in FY 2005 and + 60 FTE equivalence in FY 2006). In addition, reflect the fully implemented consolidation of the residual accounting and finance operations from DTRA to DFAS (-17 FTE), as well as an additional FTE reduction (-1 FTE) associated with the DTSA transfer. The remaining changes between FY 2005-FY 2006 reflect DTRA's internal adjustments that include an increase of 7 FTEs in support of the Cooperative Threat Reduction Program, a reduction of 8 FTEs in support of the Chemical Weapons Convention, and an increase of 16 FTE to correct its civilian glidepath. Changes between FY 2006- FY 2007 reflect a further reduction of three FTEs associated with internal Agency efficiencies.

DEFENSE THREAT REDUCTION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

VI. OP32 Line Items as Applicable: ($ in Thousands)

Line Item	Description	FY 2004 Program	Change from FY 2004 to FY 2005: Price Growth	Change from FY 2004 to FY 2005: Program Growth	FY 2005 Program	Change from FY 2005 to FY 2006: Price Growth	Change from FY 2005 to FY 2006: Program Growth	FY 2006 Program	Change from FY 2006 to FY 2007: Price Growth	Change from FY 2006 to FY 2007: Program Growth	FY 2007 Program
0101	Executive, General and Special	91,854	3,215	11,709	106,778	2,457	6,094	115,329	2,652	-310	117,671
0103	Wage Board	223	8	-231	0	0	0	0	0	0	0
0107	Voluntary Separation Incentive Pay	459	0	-459	0	0	0	0	0	0	0
0111	Disability Compensation	191	0	-191	0	0	0	0	0	0	0
0199	**Total Civilian Personnel**	**92,727**	**3,223**	**10,828**	**106,778**	**2,457**	**6,094**	**115,329**	**2,652**	**-310**	**117,671**
0308	Travel of Persons	15,507	308	2,026	17,841	372	1,052	19,265	402	-1,510	18,157
0399	**Total Travel**	**15,507**	**308**	**2,026**	**17,841**	**372**	**1,052**	**19,265**	**402**	**-1,510**	**18,157**
0416	GSA Managed Supplies & Materials	0	0	317	317	7	84	408	9	0	417
0417	Locally Procured DoD Centrally	25	0	-25	0	0	0	0	0	0	0
0499	**Total Fund Supplies & Materials**	**25**	**0**	**292**	**317**	**7**	**84**	**408**	**9**	**0**	**417**
0671	Communications Services (DISA)	5,085	-52	998	6,031	-788	-1,741	3,502	-171	247	3,578
0673	Defense Financing and Accounting	1,665	40	235	1,940	-52	1,086	2,974	-288	70	2,756
0678	Defense Security Service	1	0	-1	0	0	0	0	0	0	0
0699	**Total Purchases**	**6,751**	**-12**	**1,232**	**7,971**	**-840**	**-655**	**6,476**	**-459**	**317**	**6,334**
0703	AMC SAAM/JCS Exercises	4,220	-2,633	1,116	2,703	-140	-190	2,373	-78	91	2,386
0720	DCS Pounds Delivered	22	0	-22	0	0	0	0	0	0	0
0771	Commercial Transportation	564	10	-63	511	10	-8	513	11	5	529
0799	**Total Transportation**	**4,806**	**-2,623**	**1,031**	**3,214**	**-130**	**-198**	**2,886**	**-67**	**96**	**2,915**
0912	Rental Payments to GSA Leases	4,560	68	-428	4,200	88	-1,796	2,492	52	-1,371	1,173
0913	Purchased Utilities	233	4	23	260	5	-112	153	3	-104	52
0914	Purchased Communications	1,544	30	-839	735	16	-114	637	14	-145	506
0915	Rents (Non-GSA)	820	16	-336	500	10	-510	0	0	0	0
0917	Postal Services (U.S.P.S.)	159	0	135	294	0	0	294	0	0	294

DEFENSE THREAT REDUCTION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

VI. OP32 Line Items as Applicable: ($ in Thousands) (continued)

Line Item	Description	FY 2004 Program	Change from FY 2004 to FY 2005 Price Growth	Change from FY 2004 to FY 2005 Program Growth	FY 2005 Program	Change from FY 2005 Price Growth	Change from FY 2005 Program Growth	FY 2006 Program	Change from FY 2006 Price Growth	Change from FY 2006 Program Growth	FY 2007 Program
0920	Supplies & Materials (Non-	4,635	93	-2,036	2,692	56	382	3,130	65	28	3,223
0921	Printing & Reproduction	253	5	105	363	8	351	722	16	-1	737
0922	Equipment Maintenance by Contract	3,466	69	-1,468	2,067	44	383	2,494	53	12	2,559
0923	Facility Maintenance by Contract	297	6	21	324	7	445	776	17	-445	348
0925	Equipment Purchases (Non-centrally	4,749	94	2,816	7,659	163	1,058	8,880	185	-1,217	7,848
0931	Contract Consultants	384	8	-392	0	0	0	0	0	0	0
0932	Management & Professional Support	869	18	-737	150	3	0	153	3	0	156
0933	Studies, Analysis, & Evaluations	5,657	113	-943	4,827	100	709	5,636	118	-863	4,891
0934	Engineering Technical Services	439	9	435	883	19	-37	865	18	83	966
0937	Locally Purchased Fuel	621	294	-152	763	74	141	978	-47	0	931
0987	Other Intra-governmental Purchases	38,780	775	-17,197	22,358	468	-684	22,142	463	-108	22,497
0989	Other Contracts	109,583	2,192	-34,143	77,632	1,632	9,103	88,367	1,857	-2,349	87,875
0998	Other Costs	26,563	529	27,006	54,098	1,136	-17,218	38,016	798	-494	38,320
0999	**Total Other Purchases**	**203,612**	**4,323**	**-28,130**	**179,805**	**3,829**	**-7,899**	**175,735**	**3,615**	**-6,974**	**172,376**
0999	**TOTAL**	**323,428**	**5,219**	**-12,721**	**315,926**	**5,695**	**-1,522**	**320,099**	**6,152**	**-8,381**	**317,870**

he FY 2005 Program column excludes $0 thousand of FY 2005 Hurricane Supplemental funds, $144 thousand of Iraqi Freedom Fund Transfers and $0 housand of FY 2004/FY 2005 Title IX obligations.

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Defense Technology Security Administration (DTSA)

February 2005

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DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

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

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
Admin & Servicewide BA-4	20,287	606	-1,078	19,815	434	1,448	21,697	446	-409	21,734

* The FY 2004 Actuals column includes $0.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Actuals column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed: The Technology Security program develops and implements DoD technology security policies on international transfers and prepares for the future threat through activities and programs that control, monitor, and prevent the transfer of defense-related goods, services, and technologies that could threaten U.S. national security interests. The Defense Technology Security Administration has five objectives that principally support the USG National Security Strategy of preparing for future threats: (1) retain the U.S. technology edge while narrowing the military capabilities gap with our allies (if possible), (2) increase interoperability with our Allies to improve our combined military effectiveness and increase the pool of countries who can fight with U.S. forces, (3) increase scrutiny of exports that could contribute to terrorism or the production of weapons of mass destruction, (4) facilitate defense exploitation (use) of commercial technology products, and (5) maintain a healthy defense industrial base.

The FY 2005 current estimate is $19.815 million; the FY 2006 budget request is $21.697 million and FY 2007 budget request is $21.734 million.

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Narrative Explanation of Changes:

FY 2005 President's Budget to FY 2005 Current Estimate

The FY 2005 current estimate of $19.815 million reflects a decrease of $.641 million when compared to $20.456 million submitted for the FY 2005 President's Budget Request. The program adjustments are the result of five congressional actions: Section 8095 Advisory and Assistance Services ($-.263 million), Section 8122 Management Improvement Savings ($-.034 million), Section 8140 Unobligated Balances ($-.324 million), Section 8141 Excessive Growth in Travel and Transportation ($-.008 million), and Section 8044 Indian Lands Environmental Impact ($-.012 million).

FY 2005 Current Estimate to FY 2006 Budget Request

The FY 2006 budget request reflects an overall increase of $1.882 million when compared to the FY 2005 current estimate, which includes a price adjustment of $.434 million and program increase of $1.448 million. Programmatic increases are due to several factors, such as the military-to-civilian conversion of 1 FTE; increase of two FTEs for the technical review of Space-Related Export License ($.5 million and 2 FTEs); and contracts.

FY 2006 Current Estimate to FY 2007 Budget Request

The FY 2007 budget request reflects an overall increase of $.037 million when compared to the FY 2006 current estimate, which includes a price adjustment of $.446 million and program decrease of $-.532 million offset by program increase of $.123 million. Programmatic increase adjustment reflects copiers life cycle purchase ($.123 million). The programmatic decreases reflect adjustments of operational requirements ($-.532 million).

II. Force Structure Summary: The Technology Security Program performs functions in support of three basic areas: (1) technology security policy; (2) technology security implementation; and (3) technology security compliance and enforcement. These functions include:

Technology Security Policy: (1) Determining, coordinating and issuing Department of Defense (DoD) positions on export control regulations, control lists, entity/project/end-user lists, commodity jurisdiction and classification matters; (2) Determining, coordinating, and issuing technology security guidelines and procedures to DoD components and organizations; (3) Providing support to and participating in USG discussions and negotiations with foreign governments and international organizations on export control matters, including the design and implementation of international export control regimes; (4) Representing DoD in interagency processes on technology security policy and implementation matters; and (5) Working with OUSD(AT&L), the Military Services and other OSD entities, to ensure the success of such initiatives like NATO Defense Capabilities Initiative, War on Terrorism and Enduring Freedom.

Technology Security Implementation: (1) Determining, coordinating, and issuing DoD positions on export license applications referred to DoD by regulatory agencies; (2) Representing the Under Secretary of Defense for Policy on the National Disclosure Policy Committee dealing with disclosure guidance for classified military information; (3) Determining, coordinating, and issuing DoD positions on reviews of foreign investment in U.S. defense-related companies with the Treasury-chaired Committee on Foreign Investment in the United States; and (4) Administering the responsibilities of the former Armed Services Patent Advisory Board including coordinating DoD's review process for patent secrecy determinations.

Technology Security Compliance and Enforcement: (1) Coordinating and implementing the Space Launch Safeguards and Monitoring Program; (2) Identifying and applying safeguards on specific transfers of controlled military and dual-use goods and technologies to mitigate security risks associated with diversion or misuse; (3) Determining, coordinating, and issuing DoD positions on compliance and enforcement related matters referred to DoD by export control regulatory agencies, including review and advice on voluntary disclosures under the International Traffic in Arms Regulations; and (4) Providing technical support to technology security intelligence, enforcement, and diplomatic organizations and activities of the U.S. Government.

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands)

		FY 2005				
A. Activity Group	FY 2004 Actuals	Budget Request	Appro-priation	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Admin & Servicewide	20,287	20,456	19,815	19,815	21,697	21,734

B. Reconciliation Summary

	Change FY 2005/2005	Change FY 2005/2006	Change FY 2006/2007
Baseline Funding	20,456	19,815	21,697
Congressional Adjustments (Dist)			
Congressional Adjustments (Undist)			
Congressional Adjustments (Gen Prov)	-641		
Subtotal Appropriated Amount	19,815		
Fact-of-Life Changes (CY to CY Only)			
Subtotal Baseline Funding	19,815	19,815	21,697
Anticipated Supplemental			
Reprogrammings			
Price Changes		434	446
Functional Transfers			
Program Changes		1,448	-409
Current Estimate	19,815	21,697	21,734

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases

	Amount	Totals
FY 2005 President's Budget Request		**20,456**
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		-629
1) Sec 8095 – Advisory and Assistance Services	-263	
2) Sec 8122 – Management Improvement Savings	-34	
3) Sec 8140 – Unobligated Balances	-324	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-8	
e. Congressional Earmarks – Indian Lands Environmental Impact		-12
FY 2005 Appropriated Amount		**19,815**
2. War-Related and Disaster Supplemental Appropriations		
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287)		
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)		
3. Fact of Life Changes		
a. Functional Transfers		
b. Technical Adjustments		
c. Emergent Requirements		

III. Financial Summary: ($ in Thousands) (continued)

FY 2005 Baseline Funding		**19,815**
4. Reprogrammings		
Revised FY 2005 Estimate		**19,815**
5. Less:War-Related and Disaster Supplemental Appropriations		
FY 2005 Normalized Current Estimate		19,815
6. Price Change		434
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006		1,448
1) Civilian Pay: This increase provides funding to support one Full-Time Equivalent (FTE) for the military-to-civilian conversion. In addition, an increase in funding to provide for two additional FTEs to support the technical review of Space-Related Export Licenses. (FY 2005 Baseline: $14,481K)	372	
2) Other Intra-governmental Purchases: Increased funding is required to support the information technology life cycle operational requirements. (FY 2005 Baseline: $1,453K)	331	

III. Financial Summary: ($ in Thousands) (continued)

3) Defense Financing & Accounting Services: This increase supports additional cost to support one man-year of effort for the preparation and analysis of financial statements. (FY 2005 Baseline: $232K)	113	
4) Other Contracts: This increase annualizes the cost on an existing contract, where the base year covered less than the normal 12 month period. (FY 2005 Baseline: $1,470K)	534	
5) Operational Requirements: This increase supports requirements associated with general operation functions, such as travel, supplies, etc. (FY 2005 Baseline: $1,437K)	98	
9. Program Decreases		
FY 2006 Budget Request		**21,697**
10. Price Change		446
11. Transfers		
12. Program Increases		
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		123
1) Equipment Purchase: This increase provides acquisition support associated with implementing life cycle cost for the purchase of copiers. (FY 2006 Baseline: $11K)	123	

III. Financial Summary: ($ in Thousands) (continued)

13. Program Decreases		
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		-532
1) Phasing down the contractual support associated with implementing the Technology Security Process Improvement Plan. (FY 2006 Baseline: $2,035)	-477	
2) Operational Requirements: This decrease is related to requirements associated with general operation support – travel, supplies, etc.(FY 2006 Baseline: $492)	-55	
FY 2007 Budget Estimate		**21,734**

IV. Performance Criteria and Evaluation Summary

These workload performance indicators, or Technology Security Actions (TSAs), represent a wide range of work accomplished by the Technology Security program: Policy, License, and Technology. The TSAs represent a generic weighted unit of measure, which allows for the tracking and analysis of our business activity. The composite number of such actions actually counted, e.g., review and analysis of munitions and dual-use export applications, preparation of policy documents, and technical support to interagency/international negotiations represent a major application of resources to achieve all mission, regulatory and statutory objectives. Many TSAs are devoid of precise performance measurement criteria, e.g., one particular policy development/implementation may take a portion of three professionals a total of one staff week, whereas another may take several staff-months.

	FY 2004	FY 2005	FY 2006	FY 2007
Technology Security Actions (TSAs)	98,634	100,607	102,619	104,671

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)	32	32	31	31	-1	
Officer	16	16	16	16		
Enlisted	16	16	15	15	-1	
Civilian End Strength (Total)	142	152	155	155	3	
U.S. Direct Hire	142	152	155	155	3	
Foreign National Direct Hire						
Total Direct Hire	142	152	155	155	3	
Foreign National Indirect Hire						
Memo: Military Technician Included Above						
Memo: Reimbursable Civilians Included	28	38	38	38		
Memo: Additional Military Technicians Assigned to USSOCOM						
Active Military Average Strength (A/S) (Total)	32	32	31	31	-1	
Officer	16	16	16	16		
Enlisted	16	16	15	15	-1	
Civilian FTEs (Total)	132	149	152	152	3	
U.S. Direct Hire	132	149	152	152	3	
Foreign National Direct Hire						
Total Direct Hire	132	149	152	152	3	
Foreign National Indirect Hire						
Memo: Military Technician Included						
Memo: Reimbursable Civilians Included	25	38	38	38		
Average Annual Civilian Salary	123,871	125,174	130,204	133,217		

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

VI. OP 32 Line Items as Applicable: ($ in Thousands)

			Changes from FY 2004 to FY 2005			Changes from FY 2005 to FY 2006			Changes from FY 2006 to FY 2007		
		FY 2004 Program	Price Growth	Program Growth	FY 2005 Program	Price Growth	Program Growth	FY 2006 Program	Price Growth	Program Growth	FY 2007 Program
CIVILIAN PERSONNEL COMPENSATION											
0101	Exec, Gen and Special Schedules	13,555	475	451	14,481	333	372	15,186	350	-48	15,488
0199	**Total Civilian Personnel Compensation**	**13,555**	**475**	**451**	**14,481**	**333**	**372**	**15,186**	**350**	**-48**	**15,488**
TRAVEL											
0308	Travel of Persons	342	7	1	350	7	8	365	8	-1	372
0399	**Total Travel**	**342**	**7**	**1**	**350**	**7**	**8**	**365**	**8**	**-1**	**372**
OTHER FUND PURCHASES											
0673	Payments to DFAS	227	6	-1	232	-6	113	339	-33	40	346
0699	**Total Purchases**	**227**	**6**	**-1**	**232**	**-6**	**113**	**339**	**-33**	**40**	**346**
OTHER PURCHASES											
0912	Rental Payments to GSA Leases	1,059	16	-77	998	21	-1	1,018	21		1,039
0914	Purchased Communications	339	7	-2	344	7		351	7		358
0917	Postage (U.S.P.S.)	4		1	5			5			5
0920	Supplies & Materials (Non-Fund)	112	2	-53	61	1	65	127	3		130
0921	Printing and Reproduction	1			1			1			1
0922	Equipment Maintenance by Contract	41	1	-14	28	1	15	44	1	-44	1
0925	Equipment Purchases (Non-Fund)	12		-12			11	11		123	134
0987	Other Intra-Government Purchases	1,617	32	-196	1,453	31	331	1,815	38	-2	1,851
0989	Other Contracts	2,683	54	-1,267	1,470	31	534	2,035	43	-477	1,601
0998	Other Costs	295	6	91	392	8		400	8		408
0999	**Total Other Purchases**	**6,163**	**118**	**-1,529**	**4,752**	**100**	**955**	**5,807**	**121**	**-400**	**5,528**
9999	**GRAND TOTAL**	**20,287**	**606**	**-1,078**	**19,815**	**434**	**1,448**	**21,697**	**446**	**-409**	**21,734**

Fiscal Year (FY) 2006/FY 2007 Budget Estimates
Department of Defense Dependents Education (DoDDE)

February 2005

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DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION
Operation and Maintenance, Defense-Wide
Fiscal Year FY 2006/FY 2007 Budget Estimates

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

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
DoDDE	1,867.1	56.9	-152.1	1,771.9	79.5	-81.8	1,769.6	43.8	-18.9	1,794.5

* The FY 2004 Actuals column includes $84.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed: The Department of Defense Dependents Education (DoDDE) programs are the Department of Defense Education Activity (DoDEA) and the Family Advocacy Program (FAP).

DoDEA is the Presidential and national showcase for education excellence. DoDEA provides a world-class education program that inspires and prepares all students in military communities around the world to be successful and responsible citizens in a dynamic global environment. Courses of study in DoDEA schools parallel those found in public schools in the United States. The DoDEA schools' diverse curriculum offerings fully support the DoDEA Community Strategic Plan. DoDEA is a DoD field activity operating under the direction, authority and control of the Under Secretary of Defense for Personnel and Readiness (P&R) and Deputy Under Secretary of Defense for Military Community and Family Policy (MC&FP). The DoDEA is comprised of the Management Headquarters, the Consolidated School Support, the Department of Defense Dependents Schools (DoDDS), and the DoD Domestic Dependent Elementary and Secondary Schools (DDESS).

I. Description of Operations Financed: (continued)

- The DoDDS educates 68,304 students in 153 schools located in 13 countries (Bahrain, Belgium, Cuba, Germany, Iceland, Italy, Japan, Korea, Netherlands, Portugal, Spain, Turkey, and the United Kingdom). The DoDDS program is supported by 9,147 full-time equivalent staff. The DoDDS also funds 2,030 students enrolled in non-DoD schools.

- The DDESS educates 29,135 students in 68 schools located in seven states (Alabama, Georgia, Kentucky, New York, North Carolina, South Carolina, and Virginia), the Commonwealth of Puerto Rico, and the Territory of Guam. The DDESS program is supported by 4,258 full-time equivalent staff. The DDESS manages special arrangement contracts that provide funds for tuition and transportation services for 1,568 students in local school districts in locations not served by DDESS. Special arrangement contracts are located in Delaware, Kansas, Massachusetts, and New York. DDESS also funds 329 students enrolled in non-DoD schools.

- The Management Headquarters is responsible for overseeing, directing and controlling agency activities as well as establishing educational standards, developing agency-wide policy and guidance, monitoring programs and outcomes, providing technical assistance and garnering resources for the DoDEA. The Management Headquarters provides educational leadership, support and direction to area directors, district superintendents and school administrators. The Management Headquarters also conducts educational program evaluations, coordinates curriculum materials adoptions, implements educational programs that reflect national trends, and coordinates professional development and accountability profiles. Additionally, Management Headquarters provides counsel to the Under Secretary of Defense (P&R) on matters relating to educational programs.

I. Description of Operations Financed: (continued)

- The Consolidated School Support functions include the streamlined functional areas of human resources administration, financial management, logistics, procurement, information technology, internal review, manpower management, and safety and security.

To ensure sustained high levels of student achievement, the DoDEA has developed a Community Strategic Plan (CSP) with goals and benchmarks that drive funding and organizational improvements. The CSP is the catalyst for changing the teaching and learning process; raising the standard of learning to ensure excellence; creating greater local autonomy in devising methods and strategies to meet the standards; creating a common language for communication among all stakeholders; and creating greater accountability for reaching the expected outcomes. The CSP unifies the strategic direction for both DoDDS and DDESS while it provides the flexibility to address each program and community's unique issues and challenges. The plan provides a road map for keeping DoDEA in the forefront in advancing the DoD's agenda for education, and as a leader in the Nation for improving student performance and achievement.

DoDEA's schools are mostly overseas. The DoDEA performs its mission in many unique and demanding circumstances due to geography, U.S. national interests and the current military environment, and DoDEA operations continue during this period of heightened security and threat of terrorism. This budget request supports DoDEA's plans to:

- Complete the implementation of a full-day kindergarten program and continue a program to reduce the pupil to teacher ratio from 24:1 to 18:1 in grades 1-3. With the exception of three locations, full implementation of the program to reduce pupil to teacher ratio will be completed by FY 2005;
- Provide for T-1 lines in all DoDEA schools;
- Strengthen the high school (9-12) program to include advanced studies, support and enrichment in academic courses, enhanced college and career counseling, professional/technical preparation, and increased distance learning for student learning and professional staff development;

I. Description of Operations Financed: (continued)

- Increase staffing and provide specialized equipment and furnishings for children with moderate to severe disabilities to comply with the Individuals with Disabilities Education Act (IDEA); and
- Embrace the President's initiative for the "No Child Left Behind" Reform Act of 2001.

The Family Advocacy Program (FAP) consists of funding allocations for each of the Military Services and the Defense Logistics Agency for use in their Family Advocacy Programs including New Parent Support Programs; and the headquarters support staff, one military authorization, and the Military Family Resource Center. The majority of funding is distributed to the Military Services for program costs to provide high quality FAP prevention and treatment services at 302 installations. The FAP staff of 869 civilians and 672 contractors execute the FAP within the Military Departments down to installation level. The budget also includes official travel, communications, office supplies and equipment, printing and reproduction, and contractual services. This budget includes funding for the DoD Family Advocacy Command Assistance Team deployments for out-of–home allegations of child sexual abuse in the DoD-sanctioned activities, and operation of the DoD Hotline for reporting allegations of child abuse or safety violations within military child care settings. The FAP missions are:

Family Advocacy:

1. Establish, develop, and maintain comprehensive programs for the prevention, identification, and treatment of child and spouse abuse.
2. Raise professional awareness of military family violence; foster cooperation among the Services and between military and civilian agencies; and enhance multidisciplinary approaches for addressing the problems associated with family violence.
3. Collect and analyze abuse incident data.
4. Evaluate prevention and treatment programs.

I. Description of Operations Financed: (continued)

5. Develop standards for joint-services efforts.
6. Develop multidisciplinary coordinated community approaches that build strong and resourceful individuals, couples, and families to ensure the safety of all members of the community.
7. Cooperate with responsible civilian authorities in efforts to address problems associated with Family Advocacy.
8. Provide additional victim advocate services to military service members and their families.
9. Provide shelter services on an as-needed basis to victims of domestic violence in order to provide a safe place to live temporarily.

Family Assistance:

1. Provide 24/7 family and service members assistance to military members and their families via a toll free 1-800 number worldwide.
2. Provide access to non-medical counseling services across a broad area to include readjustment counseling for returning service members, financial counseling, employment counseling for spouses, counseling on relationships and communication issues and other areas.
3. Provide a warm hand-off to Tricare for those situations that warrant medical related assistance.
4. Enhance the availability of child care resources to military members.

The Transition Assistance/Relocation Assistance Programs are provided to all separating military personnel and their families. Relocation assistance is also provided for active duty permanent change of station moves. The TAP staff of 390 civilians and 226 contractors execute the TAP in the Military Departments down to installation level. Funding will maintain staffing at 213 transition and 262 relocation sites worldwide. Similarly, the RAP staff of 176 civilians and 79 contractors execute the RAP in the Military Departments down to installation level. Funding supports program service delivery, training, marketing, overseas job fairs, and veteran's counselors, database development and maintenance, and other automation support. Initiatives

I. Description of Operations Financed: (continued)

include an operational internet web site for the DoD Job Search, Transition Bulletin Board (TBB), the Standard Installation Topic Exchange Service (SITES), a public web site providing general relocation information and a personal financial management web site for relocation and transition service members. As authorized by the National Defense Authorization Act (Public Laws 101-510, 101-189, and 102-484), the TAP/RAP mission is to:

1. Encourage and assist separating or retiring military personnel to enter public or community service jobs ;
2. Provide employment assistance to separating Service members and their spouses; and
3. Establish a DoD Relocation Assistance Program (RAP) to provide information and services during permanent change of station or transition.

II. Force Structure Summary: **N/A**

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III. Financial Summary: (Dollars in Thousands):

A. Budget Activity (BA) 4	FY 2004 Actuals	Budget Request	FY 2005 Appropriation	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
1. DoDEA	**1,567,428**	**1,475,588**	**1,509,807**	**1,509,807**	**1,513,904**	**1,530,329**
DoDDS	1,061,875	991,718	1,014,895	1,014,895	1,043,117	1,049,803
DDESS	373,487	386,364	372,787	372,787	375,589	383,148
Management Headquarters	28,478	30,645	30,718	30,718	30,888	31,770
Consolidated School Support	103,588	66,861	91,407	91,407	64,310	65,608
2. Family Advocacy	**244,455**	**229,046**	**204,849**	**204,849**	**196,411**	**203,661**
Family Advocacy	118,942	147,797	123,600	123,600	126,900	130,500
Family Assistance	125,513	81,249	81,249	81,249	69,511	73,161
3. Transition Assistance	**55,198**	**57,218**	**57,218**	**57,218**	**59,313**	**60,547**
Total	**1,867,081**	**1,761,852**	**1,771,874**	**1,771,874**	**1,769,628**	**1,794,537**

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III. Financial Summary: (Dollars in Thousands):

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**1,761,852**	**1,771,874**	**1,769,628**
Congressional Adjustments (Distributed)	27,100		
Congressional Adjustments (Undistributed)	34,555		
Adjustments to Meet Congressional Intent	-1,042		
Congressional Adjustments (General Provisions)	-50,591		
Subtotal Appropriated Amount	**1,771,874**		
Fact-of-Life Changes (CY to CY Only)			
Subtotal Baseline Funding			
Anticipated Supplemental			
Reprogrammings			
Price Changes		48,395	39,367
Foreign Currency		31,147	4,479
Functional Transfers			
Program Changes		-81,788	-18,937
Current Estimate	**1,771,874**	**1,769,628**	**1,794,537**

DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION
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III. Financial Summary: (Dollars in Thousands):

C. Reconciliation of Increases and Decreases:	**Amount**	**Totals**
FY 2005 President's Budget Request		**1,761,852**
1) Congressional Adjustments		9,416
a) Distributed Adjustments	**27,100**	
(1) Family Advocacy Program	17,000	
(2) Sustainment, Restoration and Modernization	12,750	
(3) Lewis Center for Education Research	2,550	
(4) Office of Victim Advocate	1,800	
(5) Math and Tech Teachers Development	1,000	
(6) i-SAFE	1,000	
(7) Professional Development (Dyslexia)	1,000	
(8) Spouse Certification Program	-10,000	
b) Undistributed Adjustments	**35,000**	
(1) Impact Aid	30,000	
(2) Impact Aid-Children with Disabilities	5,000	
c) General Provisions	**-51,642**	
(1) Section 8104: Grants to Public Schools	5,500	
(2) Section 8141: Excessive Growth in Travel and Transportation	-1,776	
(3) Section 8122: Management Improvement Savings	-3,004	

III. Financial Summary: (Dollars in Thousands):

C. Reconciliation of Increases and Decreases:	**Amount**	**Totals**
(4) Section 8095: Advisory and Assistance Services	-23,455	
(5) Section 8140: Unobligated Balance	-28,907	
d) Congressional Earmarks:	**-1,042**	
(1) Section 8044: Indian Lands Mitigation	-1,042	
FY 2005 Appropriated Amount		**1,771,268**
2) Prior Year carryover for assistance to public schools (P.L. 108-87, Section 8102)		1,051
3) Fact of Life Changes		-445
(1) Below Threshold Reprogramming to Defense Logistics Agency for the Mid Range Financial Systems audit program	-400	
(2) Below Threshold Reprogramming to Defense Human Resources Activity for the Pipeline Reemployment Program.	-45	
Baseline Funding		**1,771,874**
4) Reprogrammings		
Revised FY 2005 Estimate		**1,771,874**
5) Less: Emergency Supplemental Funding		
Normalized Current Estimate for FY 2005		**1,771,874**

III. Financial Summary: (Dollars in Thousands):

C. Reconciliation of Increases and Decreases:	**Amount**	**Totals**
6) Price Change		79,542
a) Price	48,395	
b) Foreign Currency	31,147	
7) Program Increases		34,833
a) Program Growth in FY 2006	**34,833**	
(1) Increase to Facility Maintenance from non-pay programs as calculated in the Facilities Sustainment Model (FSM). Increase complies with the Strategic Planning Guidance. Annual FSM requirements reflect DoDEA's current real property inventory, area cost factors and inflation. (Base: $61,901)	16,624	
(2) Partial restoration to supplies, equipment and transportation from civilian pay program to meet educational classroom requirements. (Base: $79,698)	10,987	
(3) Increase to the Family Advocacy Program for domestic violence and family counseling programs such as financial assistance and support to young troops and families. (Base: $204,849)	5,500	
(4) Increase to the Transition Assistance Program for enhancements to services for separating Service members. (Base: $57,218)	891	
(5) Additional funding required to reimburse the Department of Labor for DoDDE's share of Federal Employees Compensation Act (FECA). (Base: $2,345)	431	
(6) Increase to the Family Advocacy Program	400	

III. Financial Summary: (Dollars in Thousands):

C. Reconciliation of Increases and Decreases:	**Amount**	**Totals**
for toll-free and on-line assistance program (militaryonesource.com) to support troops and families 24 hours a day/7 days a week. (Base: $204,849)		
8) Program Decreases		-116,621
a) One time FY 2005 Congressional Adjustments	**-37,882**	
(1) Family Advocacy Program	-17,357	
(2) Sustainment, Restoration and Modernization	-13,020	
(3) Lewis Center for Education Research	-2,604	
(4) Office of Victim Advocate	-1,838	
(5) Math and Tech Teachers Development	-1,021	
(6) i-SAFE	-1,021	
(7) Professional Development (Dyslexia)	-1,021	
b) Undistributed Adjustments	**-35,735**	
(1) Impact Aid-Children with Disabilities	-5,105	
(2) Impact Aid	-30,630	
c) General Provisions	**-6,689**	
(1) Section 8102: Grant to Public Schools	-6,689	
d) Program Decreases in FY 2006	**-36,315**	
(1) Reduction in DoDEA programs to cover foreign currency requirements due to the changes in FY 2006 budget rates. (Base: $678,535)	-29,437	
(2) Realignment from Operation & Maintenance, Defense-wide to Military Construction to fund the prioritized projects in the FY 2006 DoDEA MILCON program. (Base: $1,771,874)	-3,500	

III. Financial Summary: (Dollars in Thousands):

C. Reconciliation of Increases and Decreases:	**Amount**	**Totals**
(3) Adjustment for one-time add of 23 FTEs and costs for salaries, supplies and equipment at Fort Stewart, GA for Army Residential Communities Initiative (RCI). (Base: $2,300)	-2,348	
(4) Reduction of 9 FTEs and salaries associated with the consolidation of the accounting functions to Defense Finance and Accounting Service (DFAS).(Base: $3,040)	-730	
(5) Decrease for anticipated savings from the consolidation of accounting functions to DFAS. (Base: $1,093,339)	-300	
FY 2006 Budget Request		**1,769,628**
9) Price Change		43,846
a) Price		39,367
b) Foreign Currency	4,479	
10) Program Increases		5,153
a) Program Growth in FY 2007	**5,153**	
(1) Increase to the Family Advocacy Program for domestic violence and family counseling programs such as financial assistance and support to young troops and families. (Base: $196,411)	2,723	
(2) Partial restoration to travel, accounting services and contracts from non-pay programs to meet educational support. (Base: $234,589)	2,030	

III. Financial Summary: (Dollars in Thousands):

C. Reconciliation of Increases and Decreases:	**Amount**	**Totals**
(3) Toll-free and on-line assistance program (militaryonesource.com) to support troops and families 24x7. (Base: $196,411)	400	
11) Program Decreases		-24,090
a) Program Decreases in FY 2007	**-24,090**	
(1) Decrease to civilian pay to cover DoDDE's share of the DoD reduction for contract support. (Base: $1,104,831)	-10,531	
(2) Reduction in DoDEA's programs to fully fund teacher salaries resulting from GS/WB pay raise adjustments (3.4% to 2.3%) and to cover foreign currency requirements due to the changes in FY 2006 budget rates. (Baseline: $1,769,628)		-13,559
FY 2007 Budget Estimate		**1,794,537**

IV. Performance Criteria and Evaluation Summary:

DoDEA
Enrollment and Number of Schools:

Enrollment:

	FY 2004 Actuals	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
Special Education	1,237	1,363	1,363	1,363
Sure Start	1,104	1,115	1,115	1,115
Pre-kindergarten	2,840	2,532	2,532	2,532
Kindergarten	10,125	9,786	9,786	9,786
Grades 1 through 12	86,264	82,643	82,643	82,643
Contract Schools	1,810	1,568	1,568	1,568
Non-DoD Schools Program	2,689	2,359	2,359	2,359
Total	**106,069**	**101,366**	**101,366**	**101,366**

Note: Special Education enrollment reflects students enrolled in Preschool Children with Disabilities and other self-contained special education programs only. Approximately 10% of the K-12 enrollment are special education students which are educated in the least restrictive age appropriate classroom environment.

Number of Schools:	**223**	**221**	**221**	**221**

IV. Performance Criteria and Evaluation Summary (Continued):

IV. Performance Criteria and Evaluation (Facilities Sustainment, Restoration and Modernization)

	FY 2004		FY 2005		FY 2006	FY 2007
Funding Levels	Budget	Actual	Budget	Estimate	Estimate	Estimate
Sustainment	71,210	63,317	73,722	64,722	83,334	75,991
Restoration & Modernization	18,873	19,697	12,028	7,179	4,292	13,694
Demolition	-	-	-	-	-	-
Total	90,083	83,014	85,750	71,901	87,626	89,685
DoDDE		87%		84%	95%	86%
Department Sustainment Goal		93%		95%	95%	95%

Performance Criterion #1 – Cost and Productivity Metrics: Improve student achievement and education quality consistent with Presidential and national educational goals. Goals for FY 2006-2007 are:

1. Per pupil costs across DoDEA will not increase more than 7% over the previous year.
2. The average K-12 pupil to teacher ratio will not be less than 18:1 and not greater than 24:1 during FY 2006–2011. In FY 2004, the pupil to teacher ratio for K-12 was 18:2.
3. In accordance with the DoDEA Community Strategic Plan, 75% of students should perform at or above the standard category on the CTBS TerraNova 2nd Edition test battery and no more than 8% fall in the below the standard category by 2006.
4. In FY 2006-2011, no less than 95% of the DoDEA teachers will be professionally certified within three years of employment in the subject area and grade level to which they are assigned.
5. One hundred percent of the DoDEA schools will receive and maintain accreditation through their regional accreditation agency.

Performance Criterion #2 - Quality and Customer Responsiveness Metrics: The DoDEA conducts independent surveys of its major stakeholder groups, sponsors, students and teachers, every two years to measure satisfaction levels with the programs and services provided. The survey results are incorporated into each school's School Improvement Plans to ensure continued improvement on

IV. Performance Criteria and Evaluation Summary (Continued):

issues affecting student achievement and satisfaction with the DoDEA education program. The next Customer Satisfaction survey is scheduled for the first quarter of FY 2005.

Goal for FY 2006-2007: Customer Satisfaction Survey results will be communicated to major stakeholders and used to identify priority areas for school, district, area and system improvement.

Performance Criterion #3: Ensure programs supporting military members and their families provide command flexibility, adopt a community development approach and are cost effective, efficient, and focused on outcomes. The planned strategy is to:

- Promote regionalization, reduction of duplication, integration of services, and internal and external partnerships at all levels;
- Promote technology as a primary tool; and
- Increase education initiatives for program staff and commanders to shift program delivery from a center-based to an outreach, community development approach.

Goal for FY 2006-2007: Continue to incorporate web-based training in the FAP program. The goal is three courses per year.

Performance Criterion #4: Diminish negative effects of primary stressors unique to military life. The planned strategy is to:

- Provide policy and guidance to promote integrated services targeting deployment, reunion, casualty, and other contingency situations; and
- Provide policy and guidance to reduce the incidence and effects of all forms of family violence; child abuse and neglect, spouse abuse, and youth violence.

Goal for FY 2006-2007: Continue to extend the use of contract Victim Advocates to respond to the specific needs of victims in order to preclude further violence.

IV. Performance Criteria and Evaluation Summary (Continued):

Performance Criterion #5: Ensure that resources and state-of-the-art technology are provided to enhance the employability and financial stability of service members and their families. The planned strategy is to identify tools and resources to support efficient and effective delivery systems.

Goal for FY 2006-2007: Develop and implement baselines and evaluation criteria for all economic well-being programs.

Performance Criterion #6: Promote joint and regional services for economic well-being programs. The planned strategy is to leverage resources through partnerships, technology, and regional/joint initiatives.

Goal for FY 2006-2007: Develop and implement baselines and evaluation criteria for obtaining funding for all economic well-being programs.

Performance Criterion #7: Ensure that economic well-being policies support the needs of military families, as well as the legislative and executive branches. The planned strategy is to provide policy guidance to Military Departments to develop programs to improve the economic well-being of service members and their families.

Goal for FY 2006-2007: Identify redundant processes in economic well-being programs.

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V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)	1	1	1	1	0	0
Officer	1	1	1	1	0	0
Reserve Drill Strength (E/S) (Total)						
Reservists on Full Time Active Duty (E/S)						
Civilian End Strength (Total)	16,498	16,511	16,476	16,476	-35	0
U.S. Direct Hire	16,154	16,154	16,119	16,119	-35	0
Foreign National Direct Hire	94	103	103	103	0	0
Total Direct Hire	16,248	16,257	16,222	16,222	-35	0
Foreign National Indirect Hire	250	254	254	254		
Memo: Military Technician Included Above						
Memo: Reimbursable Civilians Included						
Memo: Additional Military Technicians Assigned to USSOCOM						
Active Military Average Strength (A/S) (Total)	1	1	1	1	0	0
Officer	1	1	1	1	0	0
Reserve Drill Strength (A/S) (Total)						
Reservists on Full Time Active Duty (A/S) (Total)						
Civilian FTEs (Total)	13,715	13,869	13,837	13,837	-32	0
U.S. Direct Hire	13,383	13,525	13,493	13,493	-3	0
Foreign National Direct Hire	89	97	97	97	0	0
Total Direct Hire	13,473	13,622	13,590	13,590	-32	0
Foreign National Indirect Hire	243	247	247	247	0	0
Memo: Military Technician Included						
Memo: Reimbursable Civilians Included						
Average Annual Civilian Salary ($000)	76.4	78.8	80.4	81.1		

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

	FY 2004 Actuals	Foreign Currency	Price Growth	Program Growth	FY 2005 Estimate	Foreign Currency	Price Growth	Program Growth	FY 2006 Estimate
SES, General & Special Schedules	1,020,865		37,390	7,490	1,065,745		33,554	-15,659	1,083,640
Wage Board	14,908		316	-418	14,806		434		15,240
Foreign National Direct Hire (FNDH)	2,695		109	60	2,864		105		2,969
Benefits to Former Employees	127		5		132		4		136
Benefits to Former Employees (CSRS&FEHB)									
Disability Compensation	1,549		49	747	2,345		70	431	2,846
Travel of Persons	95,792	744	1,894	-9,518	88,912	8,141	1,884	-13,940	84,997
Stock Fund Supplies & Materials	128		-6	-122					
Defense Finance & Accounting	4,614		111	729	5,454		-147	11	5,318
MTMC Other									
Commercial Transportation	24,976	9	451	-5,589	19,847	122	398	-109	20,258
Foreign Nat'l Indirect Hire (FNIH)	7,300		241	-94	7,447		247	-168	7,526
Rental Payments to GSA (SLUC)	3,193		49	17	3,259		68	-12	3,315
Purchased Utilities (Non-fund)	19,598	114	392	188	20,292	3,245	426	-4,524	19,439
Purchased Communications (Non-fund)	17,857	17	358	-428	17,804	922	373	-936	18,163
Rents (Non-GSA)	10,404	120	207	256	10,987	1,623	231	-1,488	11,353
Postal Service (USPS)	295		1	39	335		3		338
Supplies & Material (Non-fund)	62,945	32	1,259	-23,832	40,404	804	848	-3,927	38,129
Printing & Reproduction	2,774	5	54	-672	2,161	68	45	-73	2,201
Equipment Maintenance by Contract	11,526	33	232	-414	11,377	451	239	-1,712	10,355
Facility Maintenance by Contract	83,014	874	1,661	-23,648	61,901	7,800	1,301	16,624	87,626
Equipment Purchases	26,401		526	-7,480	19,447	288	409	-1,650	18,494
Mgmt & Professional Support Svcs	1,677		34	-1,634	77		2		79
Studies, Analysis & Evaluations	829		17	-846					
Engineering & Technical Services	676		14	-690					
Other Intra-government Purchases	186,464	79	3,729	-2,490	187,782	1,068	3,943	-98	192,695
Grants	38,606		772	1,172	40,550		852	-41,402	0
Other Contracts	208,740	488	4,175	-65,691	147,712	6,615	3,102	-13,155	144,274
Other Costs									
Foreign Currency variance	19,067		381	-19,448	0				
Interest Penalty Payments	61		2	171	234		4	-1	237
Total	1,867,092	2,515	54,423	-152,145	1,771,874	31,147	48,395	-81,788	1,769,628

VI. OP-32 Line Items as Applicable (Dollars in Thousands) (Continued):

	FY 2006 Estimate	Foreign Currency	Price Growth	Program Growth	FY 2007 Estimate
SES, General & Special Schedules	1,083,640		25,416	-16,078	1,092,978
Wage Board	15,240		352		15,592
Foreign National Direct Hire (FNDH)	2,969		108		3,077
Benefits to Former Employees	136		1		137
Benefits to Former Employees (CSRS&FEHB)					
Disability Compensation	2,846		83		2,929
Travel of Persons	84,997	1,192	1,783	853	88,825
Stock Fund Supplies & Materials					
Defense Finance & Accounting	5,318		-516	469	5,271
MTMC Other					
Commercial Transportation	20,258	16	426	-14	20,686
Foreign Nat’l Indirect Hire (FNIH)	7,526		244	-227	7,543
Rental Payments to GSA (SLUC)	3,315		69	51	3,435
Purchased Utilities (Non-fund)	19,439	256	408	-110	19,993
Purchased Communications (Non-fund)	18,163	31	379	-10	18,563
Rents (Non-GSA)	11,353	217	237	-59	11,748
Postal Service (USPS)	338		2	1	341
Supplies & Material (Non-fund)	38,129	138	801	-6,149	32,919
Printing & Reproduction	2,201	9	45	-9	2,246
Equipment Maintenance by Contract	10,355	65	218	-31	10,607
Facility Maintenance by Contract	87,626	1,060	1,840	-841	89,685
Equipment Purchases	18,494	81	389	7	18,971
Mgmt & Professional Support Svcs	79		2		81
Studies, Analysis & Evaluations					
Engineering & Technical Services					
Other Intra-government Purchases	192,695	143	4,045	-221	196,662
Grants	0				
Other Contracts	144,274	1,271	3,031	3,431	152,007
Other Costs					
Foreign Currency variance					
Interest Penalty Payments	237		4		241
Total	1,769,628	4,479	39,367	-18,937	1,794,537

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

National Defense University (NDU)

February 2005

NDU

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NATIONAL DEFENSE UNIVERSITY
Operation and Maintenance, Defense-Wide
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Operation and Maintenance, Defense-Wide Summary ($ in millions)

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
NDU BA-3	$89.5	$2.1	$0.3	$91.9	$2.0	$-26.7	$67.2	$1.5	-$0.5	$68.1

I. Description of Operations Financed: The National Defense University (NDU) is under the direction of the Chairman of the Joint Chiefs of Staff and is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools. NDU is the premier center for joint professional military education. NDU educates military and civilian leaders through teaching, research, and outreach in national security strategy, national military strategy, and national resource strategy; joint and multinational operations; information strategies, operations, and resource management; acquisition; and regional defense and security studies. NDU is one of the primary DOD centers for seminars and symposia and frequently supports DOD and Congressional representatives with professional development and conferencing.

Narrative Explanation of Changes: Of the $26.7M reduction from FY 2005 to FY 2006, $-21.7M is for the functional transfer of the regional centers (Center for Hemispheric Defense Studies, Africa Center for Strategic Studies and Near East-South Asia Center for Strategic Studies) to the Defense Security Cooperation Agency. This includes reductions in civilian personnel compensation, travel, equipment purchases, and contracts. The remaining $-5.0M is for reduced levels of management support services, adjustments to the estimated pay rate, and, a change in the life-cycle replacement and sustainment of IT resources. The FY 2006 to FY 2007 reduced program cost of $.5M is for a planned decrease of services purchased from other government agencies.

NATIONAL DEFENSE UNIVERSITY
Operation and Maintenance, Defense-Wide
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II. Force Structure Summary: NDU is located at Ft. McNair, Washington, DC, and Norfolk, VA. Its colleges and institutions are:

- National War College
- Industrial College of the Armed Forces
- Information Resources Management College
- Institute for National Strategic Studies
- Joint Forces Staff College
- CAPSTONE
- Secretary of Defense Corporate Fellows Program
- The China Center
- National Strategic Gaming Center
- Joint Reserve Affairs Center

Joint Professional Military Education

The Chairman of the Joint Chiefs of Staff (CJCS) has oversight of National Defense University by authority of the amended 1986 Department Reorganization Act. The Chairman defines the objectives and policies for Professional Military Education (PME) for the United States Armed Forces through the Military Education Division of the Joint Staff. Specific objectives and policies for PME appear in CJSC Instruction 1800.01 “Officer Professional Military Education Policy”, dated December 2000 and for NDU in the CJSC Instructions, “Policies for the National Defense University.”

II. Force Summary: (continued)

National War College

The National War College (NWC) conducts a senior-level course of study in national security strategy to prepare selected military officers and federal officials for high-level policy, command, and staff responsibilities. In conducting this course of study, the College emphasizes the joint (multi-service) and interagency perspectives, and awards its graduates the Master of Science in National Security Strategies. The National War College graduated 200 students for Academic Year (AY) 2004. The 200 students consisted of: 132 U.S. military (45 Army, 43 Air Force, 14 Marine Corps, 28 Navy and 2 Coast Guard), 16 Defense Leadership Management Program (DLAMP) participants, 9 DOD civilians, 24 non-DOD civilians, and 19 International Officers. The AY 2005 class of 224 consists of 138 U.S. military (46 Army, 46 Air Force, 16 Marine Corps, 28 Navy and 2 Coast Guard), 12 DLAMP, 12 DOD civilians, 30 non-DOD civilians, and 32 International Officers. The number of students for AYs 2006/2007 is predicted to increase reflecting additional U.S. Interagency students.

Industrial College of the Armed Forces

The mission of the Industrial College of the Armed Forces (ICAF) is to prepare selected military officers and civilians for senior leadership and success in developing our national security strategy and in evaluating, marshalling, and managing resources in the execution of that strategy. ICAF awards its graduates a Master of Science degree in National Resource Strategy. For AY 2004 ICAF graduated 306 students (includes 183 U.S. military, 25 international officers, 70 from DOD and DLAMP agencies, 23 from non-DOD agencies and 5 from the private sector). The 183 military consisted of 60 Army, 45 Navy, 58 Air Force, 17 Marine Corps, and 3 Coast Guard students. ICAF has 89 faculty members. Beginning with AY 2005, class size has grown to 313 as approved by the Joint Chiefs of Staff without obtaining additional faculty members.

II. Force Summary: (continued)

Information Resources Management College

The Information Resources Management College (IRM College) prepares leaders to direct the information component of national power by leveraging information and information technology for strategic advantage. IRM College programs are designed to provide a dynamic forum in which senior defense professionals and the broader military and federal civilian communities gain knowledge, skills, and competencies for IRM leadership. The college offers the following programs: Chief Information Officer (CIO) Certificate Program; Advanced Management Program; Information Assurance Certificate Program and the e-Government Leadership Certificate Program. The college is nationally recognized for its curriculum in information systems security by the Committee on National Security Systems and is certified as a National Security Agency (NSA) Center of Academic Excellence in Information Assurance Education. The College also educates retention students as part of the DOD Information Assurance Scholarship Program. In AY 2004, the College filled 3,590 class seats. IRMC accepted 365 new students in the CIO Certificate Program, 280 into the Information Assurance Certificate Program, and 54 into the e-government Leadership Program. Overall, IRMC decreased the number of intensive course offerings by 8% while 30% of all intensive course offerings are now offered through distributed learning, up from 27% in the prior academic year. IRMC continues to convert additional offerings of intensive courses to the distributed learning format and now has begun to experiment with alternative formats of distributed learning, including blended models.

Joint Forces Staff College

The mission of the Joint Forces Staff College (JFSC), Norfolk, Virginia, is to educate military officers and other national security leaders in joint, multinational, and interagency teamwork, attitudes, and perspectives. The mission is accomplished with four

II. Force Summary: (continued)

internal schools and 10 different courses of instruction. Total school student throughput for AY 2004 was over 4,500. In AY 2004, JFSC provided Joint Professional Military Education Phase II (JPME II) education through the Joint and Combined Warfighting School (JCWS) to 727 military officers (317 Air Force, 233 Army, 176 Navy and Marine Corps and one Coast Guard) along with eight civilians from the interagency community and 51 international officers from 22 countries. Short nonresident courses in the joint planning process were taught to over 3,000 students. JFSC held four one-week certificate-granting courses in Homeland Security planning with a throughput of 74 students. In August 2004, JFSC welcomed 25 students to the first class of the new Joint Advanced Warfighting School (JAWS), a 10-month in-residence single-phase JPME program designed to educate joint campaign planners and strategists. The Department of Education has reviewed the curriculum and recommended a Master's Degree be awarded to JAWS graduates. Future plans call for the inclusion of selected allied offices and interagency civilians as early as AY 2006. The Reserve Component (RC) JPME program provides Congressionally-directed Advanced JPME (AJPME) to selected reserve component officers. Similar in content to the JCWS program, AJPME is a blended resident and distance education curriculum spread over 40 weeks. Three Reserve Component (RC) JPME classes, consisting of 100 total officers, graduated in AY 2004. Additionally, specialized courses are conducted for military personnel and civilian equivalents involved in Information Operations Planning and Command and Control Staff positions. Over 700 students went through these classes in AY 2004.

CAPSTONE

CAPSTONE, a Congressionally mandated Joint Professional Military Education program, educates approximately 160 newly selected general and flag officers, and selected senior civilians. The program is growing to 172 beginning in FY 2005. In conjunction with

II. Force Summary: (continued)

JFSC, a new course, **Pinnacle**, for three-star general and flag officers was developed in FY 2004 and the first class commenced in October 2004. The six-day course is offered twice a year and is designed to prepare senior leadership for the challenges of Joint combat command, specifically; instructing how to meld campaign plans from the services into an integrated composite command.

NATIONAL DEFENSE UNIVERSITY
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III. Financial Summary:

A. Budget Activity 3:	FY 2004 Actual	FY 2005 Budget Request	FY 2005 Approp	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Professional Development Education						
NWC	1,358	1,378	1,378	1,378	1,350	1,350
ICAF	1,404	1,370	1,532	1,532	1,345	1,345
IRMC	1,708	1,828	1,828	1,325	1,805	1,805
JFSC	7,717	6,261	7,389	7,389	6,625	6,625
INSS	2,150	2,641	2,641	2,146	3,090	3,090
Other Programs	75,182	76,785	80,195	78,108	52,943	53,934
TOTAL	89,519	90,263	94,963	91,878	67,158	68,149

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
BASELINE FUNDING	90,263	91,878	67,158
Congressional Adjustments			
Distributed	4,700		
Undistributed	-3,031		
Congressional Earmarks	-54		
Price Changes		2,020	1,492
Functional Transfers		-21,700	
Program Changes		-5,040	-501
Current Estimate	**91,878**	**67,158**	**68,149**

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III. Financial Summary: (continued)

(Dollars in Thousands)

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
FY 2005 President's Budget Request (Amended, if applicable)		**90,263**
1. Congressional Adjustments		
a. Distributed Adjustments		4,700
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		-3,031
1) Sec 8095 – Advisory and Assistance Services	-1,221	
2) Sec 8122 – Management Improvement Savings	-156	
3) Sec 8140 – Unobligated Balances	-1,505	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-149	
e. Congressional Earmarks – Indian Lands Environmental Impact		-54
FY 2005 Appropriated Amount		**91,878**
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2005 Baseline Funding		**91,878**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2005 Estimate		**91,878**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		

NATIONAL DEFENSE UNIVERSITY
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III. Financial Summary: (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 Normalized Current Estimate		**91,878**
6. Price Change		2,020
7. Functional Transfers		
a. Transfers In		
b. Transfers Out		
1) Regional Centers transferred to DSCA		-21,700
8. Program Increases		
9. Program Decreases		
a. One-Time FY 2005 Costs		
1) Congressional adds		-4,799
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006		
1) Reduction in management support services		-241
FY 2006 Budget Request		**67,158**
10. Price Change		1,492
11. Transfers		
12. Program Increases		
13. Program Decreases		
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		
1) Reduction in Inter-Library Web access/Lib of Cong		-501
FY 2007 Budget Estimate	**68,149**	**68,149**

NATIONAL DEFENSE UNIVERSITY
Operation and Maintenance, Defense-Wide
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IV. Performance Criteria and Evaluation Summary:

IV. Performance Criteria and Evaluation (Facilities Sustainment, Restoration and Modernization)

	FY 2004		FY 2005		FY 2006	FY 2007
Funding Levels	Budget	Actual	Budget	Estimate	Estimate	Estimate
Sustainment	.9	.9	0	0	0	0
Total	.9	.9	0	0	0	0
Department Sustainment Goal	.9	.9	0	0	1.0	1.0

IV. Performance Criteria and Evaluation (Morale, Welfare and Recreation)

	FY 2004		FY 2005		FY 2006	FY 2007
Funding Levels	Budget	Actual	Budget	Estimate	Estimate	Estimate
Other Morale, Welfare & Recreation	.5	.6	.6	.6	.6	.6
Civilian FTEs	3	3	3	3	3	3
Population Served	9,000	9,065	9,100	9,100	9,150	9,150
Military and Dependents	7,000	7,055	7,050	7,050	7,075	7,100
Civilian and Dependents	2,000	2,010	2,050	2,050	2,075	2,100
Department Goal	9,000	9,065	9,100	9,100	9,150	9,200

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V. Personnel Summary:

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Active Military End Strength (E/S) (Total)						
Officer	177	180	180	180	0	0
Enlisted	89	90	90	90	0	0
Reserve Drill Strength (E/S) (Total)						
Officer	7	8	8	8	0	0
Enlisted	0	0	0	0	0	0
Reservists on Full Time Active Duty (E/S)						
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
Civilian End Strength (Total)						
U.S. Direct Hire	570	511	511	511	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	570	511	511	511	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
Memo: Military Technician Included Above	0	0	0	0	0	0
Memo: Reimbursable Civilians Included	84	83	83	83	0	0
Memo: Additional Military Technicians Assigned to USSOCOM	0	0	0	0	0	0
Active Military Average Strength (A/S) (Total)						
Officer	177	180	180	180	0	0
Enlisted	89	90	90	90	0	0
Reserve Drill Strength (A/S) (Total)						
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
Reservists on Full Time Active Duty (A/S) (Total)						

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V. Personnel Summary: (continued)

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
Civilian FTEs (Total)						
U.S. Direct Hire	574	550	493	494	-57	+1
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	574	550	493	494	-57	+1
Foreign National Indirect Hire	0	0	0	0	0	0
Memo: Military Technician Included	0	0	0	0	0	0
Memo: Reimbursable Civilians Included	73	80	80	80	0	0
Average Annual Civilian Salary	$87,289	$104,385	$103,572	$105,545	-$813	+$1,973

NATIONAL DEFENSE UNIVERSITY
Operation and Maintenance, Defense-Wide
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VI. OP-32 Line Items as Applicable: ($ in Thousands)

		FY 2004 Prog	Price Growth	Prog Growth	FY 2005 Prog	Price Growth	Prog Growth	FY 2006 Prog	Price Growth	Prog Growth	FY 2007 Prog
	CIVILIAN PERSONNEL COMPENSATION										
101	Executive, General & Special Schedules	41,725	1,138	4,857	47,720	1,098	-7,784	41,034	944	-258	41,720
103	Wage Board	139	3	389	531	12	9	552	13	58	623
106	Benefits to Former Employees		0		0	0		0	0		0
199	Total Civilian Personnel Compensation	41,864	1,141	5,246	48,251	1,110	-7,775	41,586	956	-200	42,342
	TRAVEL										
308	Travel of Persons	5,952	119	588	6,659	140	-2,674	4,125	87	-22	4,190
399	Total Travel	5,952	119		6,659	140		4,125	87		4,190
	DEFENSE WORKING CAPITAL FUND SUPPLIES & MATERIAL PURCHASES										
416	GSA Managed Supplies & Materials	227	5	-2	230	5	-1	233	5	-1	237
499	Total Supplies & Mat'l Purchases	227	5		230	5		233	5		237
	DEFENSE WORKING CAPITAL FUND EQUIPMENT PURCHASES										
507	GSA Managed Equipment	3,257	65	637	3,959	83	-2,805	1,237	26	-372	891
599	Total Fund Equipment Purchases	3,257	65		3,959	83	-2,805	1,237	26		891
	TRANSPORTATION										
771	Commercial Transportation	0	0	4	4	0	0	4	0	0	4
799	Total Transportation	0	0		4	0	0	4	0	0	4
	OTHER PURCHASES										
912	Rental Payments to GSA (SLUC)	1,158	17	193	1,368	29	-711	686	14	-2	699
913	Purchased Utilities (Non-Fund)	19	0	-19	0	0	0	0	0	0	0
914	Purchased Communications (Non-Fund)	1,497	30	-1,527	0	0	0	0	0	0	0
917	Postal Services (U.S.P.S.)	226	0	-14	212	0	-81	131	0	1	132
920	Supplies & Materials (Non-Fund)	4,632	93	416	5,141	108	152	5,401	113	890	6,404
921	Printing & Reproduction	758	15	397	1,170	25	-13	1,182	25	-7	1,200
922	Equipment Maintenance by contract	850	17	-271	596	13	-40	569	12	402	982
923	Facility Sustainment, Restoration, & Mod	0	0	4	4	0	0	4	0	0	4
925	Equipment Purchases (Non-Fund)	2,899	58	1,109	4,066	85	-2,639	1,512	32	-454	1,090

NATIONAL DEFENSE UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

VI. OP-32 Line Items as Applicable: ($ in Thousands)

		FY 2004 Prog	Price Growth	Prog Growth	FY 2005 Prog	Price Growth	Prog Growth	FY 2006 Prog	Price Growth	Prog Growth	FY 2007 Prog
931	Contract Consultants	936	19	-66	889	19	53	960	20	-7	973
932	Management & Prof Supt Services	12,768	255	-3,669	9,354	196	-6,817	2,734	57	-16	2,775
933	Studies, Analysis, & Evaluations	101	2	347	450	9	-353	106	2	0	108
937	Locally Purchased Fuel (Non-Fund)	2	1	-1	2	0	0	2	0	0	2
989	Other Contracts	11,226	225	-2,657	8,794	185	-2,454	6,525	137	-716	5,946
998	Other Costs	1,147	23	-441	729	15	-583	161	4	5	170
999	Total Other Purchases	38,219	755	-6,199	32,775	684	-13,036	19,973	425	-363	20,485
	TOTAL	**89,519**	**2,409**	**-1,277**	**91,878**	**2,020**	**-26,740**	**67,158**	**1,492**	**-501**	**68,149**

Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Office of Economic Adjustment (OEA)

February 2005

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OFFICE OF ECONOMIC ADJUSTMENT
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Operation and Maintenance, Defense-Wide Summary ($ in Thousands)
Budget Activity (BA) 4: Administration and Service-wide Activities

	FY 2004 Actuals	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
OEA	57,512	1,198	30,080	88,790	1,868	-60,195	30,463	602	-18,533	12,532

* The FY 2004 Actuals column includes $0.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed: The Office of Economic Adjustment (OEA) manages and directs the Defense Economic Adjustment Program and coordinates the involvement of other Federal Agencies. Economic adjustment assistance provides a community-based context for assessing economic hardships caused by DoD program changes by identifying and evaluating alternate courses of action, identifying resource requirements, and assisting in the preparation of an adjustment strategy or action plan to help communities that are adversely impacted by Defense changes help themselves. These are communities:

(a) that are affected by base closures, realignments, and reductions in defense industry employment;
(b) where the local economy is heavily dependent on defense expenditures;
(c) where expansion of the local military installation significantly increases the demand for public facilities and services; or
(d) where community development and encroachment threatens the mission of an installation.

I. Description of Operations Financed: (continued)

The OEA staff is experienced in economic and community development, land use planning, real estate development, Federal real property programs, military programs and worker adjustment. Project Managers also bring a working knowledge of other Federal Agencies and their respective programs to help communities put together an adjustment program combining Federal, State, local and private resources.

The OEA funding will be used to continue assistance to earlier Base Realignment and Closure (BRAC) communities that require OEA funding to undertake specialized plans that facilitate the reuse of the base. In addition, OEA will work with military installations and their surrounding communities to prevent further community development from encroaching on base operational effectiveness.

The OEA administers a Joint Land Use Study (JLUS) program to encourage cooperative land use planning between military installations and the surrounding communities where civilian encroachment is likely to impair the operations of an installation. In these instances, OEA may provide technical and financial assistance to state and local governments to achieve compatible land use and development activities near Defense facilities. The OEA may also support the Under Secretary of Defense (Policy), EUCOM/Joint Staff, and NATO for international defense restructuring and reforms; threat reduction; and enhanced relationships with Partner Nations.

The FY 2001 Defense Authorization Act amended the Base Closure and Realignment Act of 1990 to allow for an additional round of base realignments and closures (BRAC) starting in FY 2005. The FY 2006 budget request includes $18 million for requirements related to BRAC 2005.

II. Force Structure Summary: Not Applicable.

OFFICE OF ECONOMIC ADJUSTMENT
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary (O&M, Defense-Wide: $ in Thousands):

A. Budget Activity 4, Administration and Service-Wide Activities:

	FY 2004 Actuals	Budget Request	FY 2005 Appropriation	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
OEA Administration	10,712	11,756	8,915	11,915	12,463	12,532
BRAC 2005		33,000	33,000	30,000	18,000	
March Joint Powers Authority	1,000		1,500	1,500		
Davids Island-Fort Slocum	1,500		2,600	2,600		
McClellan AFB Sewer Remediation	4,900		2,000	2,000		
Bayonne Military Ocean Terminal	4,200		5,000	5,000		
Cecil Field	1,200		1,000	1,000		
Hunters Point Naval Shipyard	2,200		2,250	2,250		
Norton AFB	3,400		4,250	4,250		
George AFB	3,400		1,700	1,700		
Charles Melvin Price Support Center	1,000					
CCAT	4,500					
Asbestos Removal at Eaker AFB	250					
Fibers Cleanup at Front Royal	6,000					
Knollwood Special Care Unit	1,500					
Hangar Renovation at Griffis AFB	500					
Environmental Study of the former NIKE Missile Site	250					
Port of Anchorage Intermodal Marine Facility Project	5,000		7,375	7,375		

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Operation and Maintenance, Defense-Wide
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III. Financial Summary (O&M, Defense-Wide: $ in Thousands):

			FY 2005			
	FY 2004 Actuals	Budget Request	Appropriation	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
Adak Airport Operations Improvements			3,400	3,400		
Port of Anchorage Army Deployment Staging Area			5,000	5,000		
UCHSC-DCH Fitzsimmons Medical Center	6,000		6,500	6,500		
Program for Citizen-Soldier Support			1,800	1,800		
Thorium/Magnesium Excavation – Blue Island			500	500		
OEA Total	**57,512**	**44,756**	**88,790**	**88,790**	**30,463**	**12,532**

OFFICE OF ECONOMIC ADJUSTMENT
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary (O&M, Defense-Wide: $ in Thousands):

B. Reconciliation Summary:

	Change FY 2005/2005	Change FY 2005/2006	Change FY 2006/2007
Baseline Funding	44,756	88,790	30,463
Specified Congressional Adjustments	46,875	-	-
Congressional Adjustments Undistributed	-	-	-
General Provisions (Undistributed)	-2,789	-	-
Congressional Earmarks	-52	-	-
Subtotal Appropriated Amount	88,790	-	-
Price Changes	-	1,868	602
Functional Transfers	-	-	-
Program Changes	-	-60,195	-18,533
Current Estimate	88,790	30,463	12,532

III. Financial Summary (O&M, Defense-Wide: $ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**44,756**
1. Congressional Adjustments		
a. Distributed Adjustments	**46,875**	
1) March Joint Powers Authority	1,500	
2) Davids Island – Fort Slocum Remediation	2,600	
3) McClellan AFB	2,000	
4) Bayonne Military Ocean Terminal	5,000	
5) Cecil Field	1,000	
6) Hunters Point Naval Shipyard	2,250	
7) Norton AFB	4,250	
8) George AFB	1,700	
9) Adak Airport Operations Improvements	3,400	
10) Fort Benjamin Harrison Relocation Project	2,000	
11) Port of Anchorage Army Deployment Staging Area	5,000	
12) Port of Anchorage Intermodal Marine Facility	7,375	
13) UCHSC-DCH Fitzsimmons Medical Center	6,500	
14) Program for Citizen-Soldier Support	1,800	
15) Thorium/Magnesium Excavation – Blue Island	500	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions	**-2,789**	
1) Sec 8095 – Advisory and Assistance Services	-1,178	
2) Sec 8122 – Management Improvement Savings	-151	
3) Sec 8140 – Unobligated Balances	-1,452	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-8	
e. Congressional Earmarks – Indian Lands Environmental Impact	**-52**	
FY 2005 Appropriated Amount		**88,790**
2. War-Related and Disaster Supplemental Appropriations		

III. Financial Summary (O&M, Defense-Wide: $ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
3. Fact of Life Changes		
FY 2005 Baseline Funding		**88,790**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2005 Estimate		**88,790**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2005 Normalized Current Estimate		**88,790**
6. Price Change		1,868
7. Functional Transfers		
8. Program Increases		126
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006		
1) Increase civilian personnel compensation to adjust for effects of civilian pay raises (Base: $4,665K)	109	
2) Increase DFAS services (FY 2005 base: $401K)	17	
9. Program Decreases		-60,321
a. One-Time FY 2005 Costs		
1) Decrease BRAC 2005 funding including price growth (Base: $33,000K)	-12,412	
2) Decrease one-time distributed Congressional adjustments including price growth	-47,859	
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006		
1) Decrease benefits to former employees (Base: $50K)	-50	
FY 2006 Budget Request		**30,463**

OFFICE OF ECONOMIC ADJUSTMENT
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary (O&M, Defense-Wide: $ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases	Amount	Totals
10. Price Change		
11. Transfers		602
12. Program Increases		99
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		
1) Increase civilian personnel compensation to adjust for effect of civilian pay raises (FY 2006 base: $4,895K)	53	
2) Increase DFAS financial services (FY 2006 base: $407K)	46	
13. Program Decreases		-18,632
a. One-Time FY 2006 Costs		
1) Decrease add for BRAC 2005 community assistance grants including price growth	-18,610	
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		
1) Nominal decreases to supplies, communications, travel, other contracts	-22	
FY 2007 Budget Estimate		**12,532**

IV. Performance Criteria and Evaluation Summary:

BRAC 2005 will increase the demand for new BRAC Community Assistance Grants. It is anticipated that Joint Land Use Studies will decrease due to the focus on closures and realignments.

	Number of Projects			
Type of Project	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
Base Closure/Realignment Grants	35	65	75	75
Defense Industry Impacts	2	2	2	2
Joint Land Use Studies	40	25	15	15
State Grants	2	5	5	5

OFFICE OF ECONOMIC ADJUSTMENT
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. Personnel Summary:

	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (Total)						
Officer	3	3	3	3	0	0
Enlisted	0	0	0	0	0	0
Civilian End Strength (Total)						
US Direct Hire	40	45	45	45	0	0
Active Military Average Strength (A/S) (Total)						
Officer	3	3	3	3	0	0
Enlisted	0	0	0	0	0	0
Civilian FTEs (Total)						
US Direct Hire	29	41	41	41	0	0
Annual Civilian Salary Cost ($000)						
Average Civilian Salary Amount	103	115	119	123	4	4

OFFICE OF ECONOMIC ADJUSTMENT
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VI. OP 32 Line Items as Applicable ($ in Thousands):

	CIVILIAN PERSONNEL COMPENSATION	FY 2004 Program	Price Growth	Program Growth	FY 2005 Program	Price Growth	Program Growth	FY 2006 Program	Price Growth	Program Growth	FY 2007 Estimate
101	Exec., General & Special Schedules	2,932	108	1,625	4,665	121	109	4,895	113	53	5,061
107	VSIP	62	0	-12	50	0	-50	0	0	0	0
199	Total Civilian Comp	2,994	108	1,613	4,715	121	59	4,895	113	53	5,061
	TRAVEL										
308	Travel of Persons	192	4	179	375	8	-2	381	8	-3	386
399	Total Travel	192	4	179	375	8	-2	381	8	-3	386
	OTHER PURCHASES										
673	DFAS Accounting Services	394	10	-3	401	-11	17	407	-40	46	413
912	Rental Payment to GSA	417	6	0	423	9	-3	429	9	-2	436
914	Purchased Communications	306	6	-1	311	7	-2	316	7	-3	320
920	Supplies & Materials	210	4	1	215	5	-2	218	5	-2	221
921	Printing/Reproduction	0	0	25	25	1	-1	25	1	0	26
923	Facility Maintenance	116	2	0	118	2	0	120	3	-1	122
925	Equipment	107	2	6	115	2	0	117	2	-1	118
987	Other Intragovernmental Purchases	42,976	860	-42,931	905	19	0	924	19	-2	941
988	Grants	7,962	159	72,159	80,280	1,686	-60,250	21,716	456	-18,610	3,562
989	Other Contracts	1,836	37	-968	905	19	-11	913	19	-8	924
998	Other Costs	2	0	0	2	0	0	2	0		2
999	Total Other Purchases	54,326	1086	28,288	83,700	1,739	-60,252	25,187	481	-18,583	7,085
	TOTAL	57,512	1,198	30,080	88,790	1,868	-60,195	30,463	602	-18,533	12,532

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Office of the Secretary of Defense (OSD)

February 2005

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Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

Operation and Maintenance, Defense-wide Summary: ($ in Thousands)

Appropriation Summary	FY 2004 Actuals	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
Budget Activity 4	801,744	21,825	-64,773	752,893	18,545	7,420	778,858	16,074	104	795.036

Notes:* The FY 2004 Actuals column includes $77,312 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

** The FY 2005 Actuals column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $6,000 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

Mission and Functions

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

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

I. Description of Operations Financed: (continued)

A. Acquisition, Technology and Logistics (AT&L)

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

B. Personnel and Readiness

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

C. Comptroller/Chief Financial Officer

The Comptroller's office is the staff element that oversees and sets policy for budget and fiscal matters including financial management, accounting policy and systems, budget formulation and execution, contract audit administration and organization. The office is responsible for the analysis of force planning and programming as a part of the process upon which force structure, system acquisition, and other resource allocation actions are based.

I. Description of Operations Financed: (continued)

D. Intelligence

The Office of the Under Secretary of Defense for Intelligence (USD(I)) was established on May 8, 2003 to provide oversight, policy and guidance for all intelligence, counterintelligence and security, and other intelligence-related activities and functions. In this role, the USD(I) will advise the Secretary of Defense, the Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff and the Combatant Commanders on the performance of national and defense intelligence capabilities to include the manning and structure of the intelligence organizations within DoD.

E. Policy

The OUSD for Policy oversees matters relating to international security policy and political-military affairs. Functional areas are: NATO, foreign military sales, arms limitation agreements, international trade and technology, peacekeeping, partnerships, regional security affairs, special operations and low-intensity conflicts, integration of plans and policies with overall national security objectives, drug control policy requirements, priorities, systems, sources, and programs, and issuance of policy guidance affecting departmental programs.

Homeland Defense, an Assistant Secretary of Defense under the USD (Policy), is a top five priority effort, part of the White House Homeland Security initiative, and a top Congressional interest area for homeland security. In 2003, the Secretary of Defense consolidated the Department's civil support, incident management and other homeland defense activities under one Principal, to include oversight responsibility for U.S. Northern Command (NORTHCOM). The Assistant Secretary of Defense (Homeland Defense) is the central point of contact between the Department of Defense, Department of Homeland Security, and other Federal Departments and Agencies. This funding consolidates the operating budget for the Office of the Assistant Secretary of Defense (Homeland Defense), Maritime Defense Awareness (MDA), and the Defense Critical Infrastructure Program (DCIP).

I. Description of Operations Financed: (continued)

F. Networks and Information Integration/DoD Chief Information Officer

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

G. General Counsel

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

H. Legislative Affairs

The Assistant Secretary of Defense (Legislative Affairs) is the primary advisor to the Secretary of Defense and the Department on all legislative matters.

I. Description of Operations Financed: (continued)

I. Public Affairs

The Assistant Secretary of Defense (Public Affairs) is the principal staff advisor and assistant to the Secretary of Defense and Deputy Secretary of Defense for public information, internal information, community relations, information training, and audiovisual matters.

J. Intelligence Oversight

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

K. Director, Operational Test and Evaluation

The Director, Operational Test and Evaluation, oversees operational test and evaluation, in a field environment, of equipment in transition from development to production.

L. Director, Administration and Management

Under the direction of the Deputy Secretary of Defense, the Director of Administration and Management (DA&M) is the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense on DoD-wide organizational and administrative management matters. The DA&M includes in his portfolio the Washington Headquarters Services and the Pentagon Force Protection Agency.

I. Description of Operations Financed: (continued)

Budget Activity Explanations

1. Core Operating Program

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
217,531	234,318	238,750	243,764

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

I. Description of Operations Financed: (continued)

2. Other DoD Programs and Initiatives

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
105,827	88,667	152,996	181,215

a. Capital Security Cost Sharing Program
(FY 2005 $0 / FY 2006 $61,300 / FY 2007 $91,400)

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

b. Business Management Modernization Program
(FY 2005 $19,575 / FY 2006 $23,686 / FY 2007 $23,652)

Business Modernization and Systems Integration (BMSI) Office

The mission of the Business Modernization and Systems Integration Office is to facilitate the transformation and modernization of Department of Defense's (DoD) business processes and systems through cross-core business mission area integration to make relevant, reliable, and timely business information available on a routine basis to support informed decision making at all levels throughout the DoD.

Specific BMSI functions include:

- Provide the architectural content, integration, and mapping necessary for effective portfolio management of DoD business systems within the DoD and Federal portfolios.
- Oversee and guide the BMMP portfolio management process.

I. Description of Operations Financed: (continued)

- Develop, maintain, coordinate, and oversee implementation of a transition plan for the DoD Business Transformation and migrate from the "As-Is" to the "To-Be" business environment.
- Ensure and measure the effectiveness of the Business Enterprise Architecture's (BEA) ability to accurately reflect DoD business missions and strategies to sufficiently drive acquisition of solutions that directly support and realize those missions and strategies.
- Develop, extend, and maintain DoD BEA in collaboration with BMMP Governance.
- In collaboration with the DoD Global Information Grid (GIG) Chief Architect, develop, promulgate, and maintain enterprise architecture (EA) methodologies and standards for the DoD Business Mission Area.
- Establish and maintain mission, vision, strategy and processes for BMMP.
- Serve as the enterprise-level integration point to keep the Department's business transformation activities and investments aligned with the BEA.
- Build and maintain stakeholder "buy in" of BMMP goals and methodologies.
- Enable BMSI resources to achieve BMMP mission, vision, and strategy through adequate funding, training, and technology.
- Review and recommend Comptroller certification action of core business mission area supported business system Information Technology (IT) investments.
- Develop guidance to ensure business systems IT investments are aligned with BMMP goals and objectives and are consistent with the BEA and Transition Plan (TP).

In accordance with the National Defense Authorization Act for FY 2005, the Secretary established the Defense Business Systems Management Committee (DBSMC), chaired by the Deputy Secretary of Defense with the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) as the Vice Chair. The DBSMC will provide recommendations to the

I. Description of Operations Financed: (continued)

Secretary that will ensure the use of common decision criteria for DoD business system modernization to align business transformation to Warfighter capabilities and objectives. The Vice Chair will provide acquisition oversight of the Department's business transformation efforts along with the four appointed Approval Authorities for defense business systems: USD (AT&L), USD (Personnel and Readiness), USD (Comptroller), and Assistant Secretary of Defense (Networks and Information Integration). The DBSMC is under charter as defined by Section 186 of USC Title 10. Convening in February, the DBSMC will comply with the March 15, 2005 reporting requirements mandated. Within that reporting, the DBSMC will identify that the Approval Authority Investment Review Boards (IRBs) have convened and that a threshold criteria for the review and certification of Defense Business Systems has been established. In setting up the IRBs, the DBSMC will conduct a formal review of the Defense Business Systems Modernization Program's accomplishments to date' and review and ratify new program objectives, structure and baseline. The Program is on track to comply with all aspects of the law by September 30, 2005.

1) Business Systems Transformation Core Business Mission Areas
(FY 2005 $18,690 / FY 2006 $25,317 / FY 2007 $23,225)

The Department of Defense's (DoD's) business transformation requires re-engineering processes and systems that transcend current organizational boundaries, making extensive coordination across DoD Components absolutely essential. In order to transform these business processes, the Under Secretary of Defense (Comptroller) (USD(C)) – in coordination with the USD (Acquisition, Technology and Logistics) and the USD (Networks and Information Integration) – has been tasked by the Secretary to oversee the major activities undertaken in implementing business transformation. The task entails engaging the Department's Principal Staff Assistants to build and manage six key functional areas, called Core Business Mission Areas, and transcending Enterprise Information Environment (EIE) Mission Area that cut across

I. Description of Operations Financed: (continued)

the Components. The budget for EIE is separately addressed elsewhere in the OSD budget. The Mission Areas are responsible for portfolio management of the Department's systems within each business area and for ensuring all systems are compliant with the DoD Business Management Modernization Program (BMMP). The resources for Human Resources Management (HRM) and Logistics (LOG) Core Business Mission Areas are separately addressed in the Defense Human Resources Agency (DHRA) and Defense Logistic Agency (DLA) budget submission.

The Department's business areas are divided into the following BMMP Core Business Mission Areas:

- Financial Management
- Installations and Environment
- Acquisition
- Enterprise Information Environment
- Human Resources Management
- Logistics

2) Financial Management Core Business Mission Area
(FY 2005 $9,225 / FY 2006 $13,355 / FY 2007 $10,810)

The Financial Management (FM) Core Business Mission Area serves as the BMMP's primary agent for the transformation of the planning, programming, and budgeting community throughout the

I. Description of Operations Financed: (continued)

DoD, consistent with the Business Enterprise Architecture (BEA). This is accomplished through a variety of packages.

Specific FM Core Business Mission Area functions include the following:

- Serves as the primary agent for the transformation of finance and accounting operations and financial management functional processes.
- Define core finance and accounting processes that support DOD business management.
- Define US General Ledger (USSGL) postings for DOD business events.
- Define data attributes needed to support budgeting and cost management, performance measurement, and external reporting requirements.
- Transform the Planning, Programming, Budgeting, and Executing System to a capabilities-based planning and resourcing system with enhanced joint capability tradeoff analysis that is supported by timely and accurate budget execution and performance data.
- Initiate and coordinate implementation of Department-wide business process transformation and IT systems integration across all planning, programming, and budgeting business areas.
- Work with the DoD Strategic, Planning and Budgeting community to analyze existing business processes and related systems in order to consolidate, modernize, and migrate to the Business Enterprise Architecture.
- Link resource requirements to strategy and objectives, and streamline the planning, programming, budgeting, and execution process will guide transformation.

I. Description of Operations Financed: (continued)

3) Installations and Environment Core Business Mission Area (FY 2005 $2,483 / FY 2006 $3,895 / FY 2007 $3,964)

The Installations and Environment (I&E) Core Business Mission Area leads process change across all relevant business areas and supports I&E Core business mission area governance within the BMMP. Since its inception, the I&E Business Transformation Directorate has established the I&E Core Business Mission Area Governance Board and commenced work on several initiatives in conjunction with the BMMP. The Mission Area includes packages pertaining to Real Property Management, Environmental Management, and I&E Enterprise.

Specific I&E Core Business Mission Area functions include the following:

- Create a vision in which the I&E Community supports the DOD through effective and efficient management of real property, natural assets, and services.
- Support installation, environment, safety and occupational health community business transformation through collaborative and business process reengineering, change, and data management
- Assist the DoD I&E community to innovate and successfully improve business processes and supporting IT systems and to initiate and coordinate implementation.
- Identify new data requirements, business rules, and reporting requirements.
- Identify form content and delivery reporting details.

I. Description of Operations Financed: (continued)

4) Acquisition Core Business Mission Area
(FY 2005 $6,113 / FY 2006 $6,788 / FY 2007 $7,200)

The Acquisition (AQ) Core Business Mission Area leads the transformation to strategic acquisition by integrating the people, processes, and technologies required to implement a modern acquisition environment that supports the Warfighter's needs. The AQ Core Business Mission Area includes a Contract Management Package and an Acquisition and Procurement Enterprise Data Package.

Specific AQ Core Business Mission Areas functions include the following:

- Establish constraints and controls for management and oversight of Service and Defense Agency execution of FM portfolio management decisions and the FM Transition Plan through establishment and maintenance of the FM Acquisition Program Baseline.
- Develop and provide policy, procedures, tools, and documentation for executing Capital Planning and Investment Control portfolio management processes encompassing systems and programs for which the Acquisition Core Business Mission Area has primary or secondary responsibility.
- Capture data from all systems in the portfolio, guide systems through a review process governed by the Portfolio Management Community of Interest, and conduct analyses, process control, and cross-core business mission area coordination to facilitate investment decisions.

I. Description of Operations Financed: (continued)

- Provide research and analytic support and assist in the identification, adoption and utilization of sources of systems inventory, budgetary, and other data required for the execution of portfolio management activities.
- Re-structuring of governance, standing up appropriate working structures and Integrated Product Teams to facilitate expansion of both architecture and portfolio management activities in the Acquisition community.
- Develop the Core business mission area Architecture, supporting the BEA and the BMSI architecture workshops and transition planning.
- Establish a collaborative framework for integrating architectural, portfolio management, system assessment, and performance management inputs into an overall coherent plan.
- Develop and execute a deliberate and robust change and communications management strategy to engage both internal and external DoD stakeholders and audiences.
- Leverage the work currently being done for procurement and expand its coverage so as not to create an entirely new and duplicative effort.
- Determine acquisition needs, estimate and obtain funding for these needs, and establish a plan to carry out the resulting program.
- Develop and facilitate the review and coordination of the FM Transition Plan.
- Develop an Analysis of Alternatives before the long-term solution for an enterprise system.
- Assist the Core Business Mission Area's expansion from a purely procurement function to all of "Acquisition".
- Facilitate communication and collaboration for the FM Support Contractor Team.
- Replace old ways of conducting acquisition with new paperless electronic systems.

I. Description of Operations Financed: (continued)

- Create a one-stop shop for DoD AQ Core Business Mission Area information.

5) Enterprise Information Environment (EIE) Core Business Mission Area (FY 2005 $869 / FY 2006 $1,279 / FY 2007 $1,251)

The Enterprise Information Environment (EIE) Mission Area Portfolio Management Plan manages resources as assets and better focus on resources for investment, to maximize efficiency in both the Business and EIE Mission Areas. It encompasses data management, enterprise reporting, enhancements to these functions, enterprise services environment, and information assurance.

Specific EIE functions include the following:

- Ensure implementation of the DoD Net-Centric Data Strategy, which includes standards and design to meet the following goals: data visibility (metadata features and standards), data accessibility (shared space), institutionalization of data management, data understandability, enabling data to be trusted, data interoperability, and responsiveness to user needs.
- Provide oversight, guidance, and support to the BMSI office in its role as Capability Integrator for the Business Mission Area to ensure Net-Centricity is addressed.
- Work with the BMMP office to become congruent with the Global Information Grid (GIG) architecture, and Net-Centric Operations and Warfare Reference Model.
- Support the development of EIE Mission Area Portfolio Management Plan to manage resources as assets and better focus resources for investment to maximize efficiency in both the Business and EIE Mission Areas.

I. Description of Operations Financed: (continued)

- Oversee BEA development to ensure compliance with the DoD Architecture Framework and Core Architecture Data Model requirements, and conduct architecture reviews when warranted.
- Develop and implement a deliberate and robust transition and communications management strategy to engage both internal and external DoD stakeholders and audiences.
- Analyze BMMP BEA products to ensure they integrate with the EIE Mission Area product/standards to achieve the Net-Centric architecture goals established by the department.
- Enable the successful implementation of follow-on core business mission area specific packages by establishing Information Assurance business processes and standards.
- Ensure all Cross Mission Area Architectures issues are being addressed up-front in the development of the BEA.
- Support the BMMP office to ensure that the BEA is a useful and relevant tool to drive the Net-Centric goals of the department.
- Ensure consistency with the GIG Architecture and architecture development issues to determine solutions.
- Define and execute the EIE Mission Area requirement process and coordinate these requirements across all mission areas.
- Stand up EIE Mission Area by defining roles and responsibilities associated with the mission area.
- Establish data management business processes, standards, and the Conceptual Business Data Model.

I. Description of Operations Financed: (continued)

- Begin to develop and implement standardized and integrated packages for the Mission Areas.
- Establish an IT Portfolio Management oversight process.
- Design and develop data sharing foundation components.
- Develop the Portfolio Evaluation Criteria.

c. Contracts and Other Support Services (COSS)
(FY 2005 $21,333 / FY 2006 $9,605 / FY 2007 $9,929)

The Contracts and Other Support Services (COSS) program provides for contracts, consulting services, and other support requirements of various OSD components.

Various support requirements of the following offices and activities are funded from this program:

Legislative Affairs; ASD(Networks and Information Integration); Public Affairs; Transformation Office; Intelligence Oversight; Director, Administration & Management (OSD); Historian; General Counsel; Organization and Management Planning; Secretary's Analytic Agenda; Health Affairs; and Reserve Affairs.

I. Description of Operations Financed: (continued)

d. Net Assessment
(FY 2005 $16,327 / FY 2006 $20,203 / FY 2007 $20,433)

The Net Assessment support program is managed by the Advisor for Net Assessment and pays for assessments and projects initiated by the Secretary of Defense, for selected projects of broad importance proposed to the Advisor for Net Assessment and for research in support of Net Assessment work. These projects explore near- and long-term problems and opportunities for U.S. military forces and policy especially the Revolution in Military Affairs, wargaming, and simulation. The program is expected to grow as senior leadership requires more information about the Middle- and Far-East countries and various war scenarios.

e. Office of Force Transformation
(FY 2005 $12,244 / FY 2006 $12,385 / FY 2007 $12,576)

The Office of Force Transformation's objective is to facilitate the Department's transformation of the force. These activities will include training, travel, contract support, information technology, research, experimentation and exercise assessment, prototyping, publications, multi-media and transportation.

f. Republic of Korea Scholarship Program
(FY 2005 $498 / FY 2006 $500 / FY 2007 $0)

The Republic of Korea (ROK) Scholarship program is intended to provide for scholarships to South Koreans to follow up a memorial to Korean nationals who lost their lives at Nogun-Ri during the Korean Conflict.

I. Description of Operations Financed: (continued)

3. Acquisition, Technology and Logistics Programs (AT&L)

FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY2007 Estimate
110,934	135,761	154,107	143,524

The AT&L, in response to the Secretary's call to transform the Department to a more efficient organization, made significant changes in the collective resource posture in the FY 2005 budget request. The transformed programs continue in FY 2006/FY 2007. In order to accomplish the mission as effectively as in the past, the programs requested in Operations and Maintenance accounts are more critical than ever. Programs funded in this account support 5 primary acquisition missions:

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY2007 Estimate
a. Congressional Mandate	28,820	41,884	33,945	35,014
b. Improve Acquisition & Logistics Process	40,758	52,072	68,891	58,529
c. Regulatory Requirement	8,950	18,687	25,830	25,006
d. Promulgate Policy	8,594	8,963	8,193	7,588
e. OSD Decision Support	23,812	14,155	17,248	17,387
TOTAL	110,934	135,761	154,107	143,524

a. Congressional Mandate: Programs in this category respond directly to specific Congressional Direction and comprise over 25% of the AT&L budget request. They are as follows:

I. Description of Operations Financed: (continued)

1) Legacy Resource Management –
(FY 2005 $9,505 / FY 2006 $9,133 / FY 2007 $9,141)

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.

2) CFO Act Compliance – (FY 2005 $1,914 / FY 2006 $1,978 / FY 2007 $2,206)

Achieving compliance with the CFO Act (CFOA) and the Federal Financial Management Improvement Act is mandated by the Congress and is one of the Secretary's top priorities. The DoD owns more than 80 percent of the government's property, plant and equipment, operating materials and supplies, and inventory items, which are valued at well over $1 trillion and which fall under the purview of the OUSD(AT&L). This program is a coordinated approach, using subject matter experts and Public Accounting Firms, to develop and implement new policies, processes and procedures that are critical to the success and compliance with public law. Outcomes from this Program include more reliable management information and improvements to the management of the Department's funds and assets, as well as more accurate information reported to the Congress.

3) Arctic Military Environmental Cooperation (AMEC) –
(FY 2005 $1,429 / FY 2006 $1,420 / FY 2007 $1,415)

AMEC has completed a number of technology demonstration projects with Norway and Russia in support of the environmental aspects of ballistic missile nuclear submarine

I. Description of Operations Financed: (continued)

dismantlement in the fragile arctic region of Russia (e.g. completion of a 40 ton cask to store offloaded spent nuclear fuel). In 2003, the United Kingdom joined the program and, with Norway, contributes a total of approximately $6M per year to AMEC. AMEC is currently refining its strategic direction as part of the G8 Global Partnership to curb proliferation of nuclear materials. The program has a proven track record and is a cost effective means of constructive involvement with the military forces of Norway, the United Kingdom and Russia.

4) Native American Land Remediation –
(FY 2005 $10,267 / FY 2006 $261 / FY 2007 $268)

Congress directe that funds made available within the DoD, Operation and Maintenance, Defense-Wide appropriation in FY 2005 shall be used for the Native American Lands Environmental Mitigation Program. The program funds efforts to document information on DOD environmental impacts to Indian Lands, environmental mitigation projects on Indian Lands, training and technical assistance to the tribes, and implementation of a DOD Policy for Working with American Indians and Alaska Natives.

5) Electronic Business Center of Excellence (E-Business COE) –
(FY 2005 $12,956 / FY 2006 $12,843 / FY 2007 $12,874)

The E-Business COE is responsible for implementing DoD's Business Enterprise Architecture mandated by National Defense Authorization Acts for Fiscal Year 2003 and 2004, as well as implementing the E-Government part of the President's Management Agenda, mandated by Public Law 107-347, and The E-Government Act of 2002. The office leads the transformation to strategic acquisition by integrating the people, processes and technologies required to implement a modern acquisition environment that supports the warfighter's needs. This includes transforming the acquisition/procurement business environment for DoD and external

I. Description of Operations Financed: (continued)

partners through electronic business governance, the application of technology, and the alignment of DoD's business modernization programs with CIO and other Federal Agency initiatives.

Funds provided will enable the office to: 1) Continue to create and maintain accessible, efficient, effective, seamless and collaborative acquisition processes; 2) Govern programs across the DoD acquisition community to support the integrated acquisition end state and the Federal Enterprise Architecture. Review, approve and enforce standards, refining its strategic direction as part of the G8 Global Partnership to curb proliferation constraints, guidelines, processes, and products for use within the acquisition community; 3) Establish an Integrated Digital Environment that will link industry, program and oversight offices, and other DoD functional offices in a way that all share the same, validated data; 4) Create a structure for knowledge management and change management to implement E-Business initiatives DoD-wide; 5) Conduct portfolio management of all acquisition/procurement information systems so the Department moves to fewer more capable systems; 6) Ensure integration of systems and processes with Federal E-Government architectures and transition DoD systems to government-wide use; 7) Align business processes and data strategies with Net-Centric goals of the Networks Infrastructure and Integration community; and 8) Implement the results of the Analysis-of-Alternatives which is currently determining the Department's future acquisition/procurement information needs.

6) Test Resource Management Center -
(FY 2005 $5,813 / FY 2006 $5,874 / FY 2007 $6,036)

The Test Resource Management Center (TRMC) is developing and maintaining a biennial, strategic plan reflecting the needs of DoD with respect to T&E facilities and resources for the Secretary of Defense and Congress, as directed in 10 U.S.C. 196. The strategic plan is a

I. Description of Operations Financed: (continued)

ten year, T&E capabilities and resources forecast that parallels and supports DoD's warfighting strategies, master plans, and guidance documents. Also, TRMC is currently reviewing, providing oversight, and certifying adequacy of the Service budgets to the Secretary of Service and Defense Agency T&E budgets, in accordance with written guidance. TRMC is filling Congressional intent by assessing the adequacy of Major Range and Test Facility Base infrastructure and resources required to support the development, acquisition, fielding, and sustainment of defense systems. Funding is used to pay TRMC operating expenses, FRDC and private vendors. It provides assistance in budget certification, strategic planning and, other support requirements to meet the timing of the guidance.

7) Capital Asset Management System- Military Equipment (CAMS-ME) – (FY 2005 $0 / FY 2006 $2,436 / FY 2007 $3,074)

CAMS will bring the Department into compliance with the Chief Financial Officers Act of 1990 and the Federal Financial Management Improvement Act of 1996. CAMS will increase public confidence in the Department's ability to account for its assets and help achieve a clean audit opinion. Implementation of CAMS-ME will provide reliable and accurate information to decision makers: 1) Total acquisition cost of assets will be consistently determined; 2) Decision makers will get comparable information over time and between programs; and 3) It will allow better investment planning for replacements.

b. Improve Acquisition & Logistics Processes: Programs in this category will improve DoD acquisition procedures and will have a direct and significant benefit to the worldwide acquisition corps and contribute to readiness of our troops and the defense of this nation. Programs constitute 45% of the total AT&L budget request.

I. Description of Operations Financed: (continued)

1) Consolidated Acquisition Reporting System (CARS) – (FY 2005 $879 / FY 2006 $391 / FY 2007 $463)

Provides funds to maintain and upgrade the CARS suite of software that has been used for over 14 years to collect major defense acquisition program information to satisfy DoD oversight and management needs to include Congressionally mandated reporting requirements. Although the CARS is a legacy system, the replacement, DAMIR, will not be fully implemented for several years and the CARS software must be updated and maintained until it is replaced.

2) Defense Reform Project for Competition/Defense Management Initiative – (FY 2005 $2,605 / FY 2006 $2,545 / FY 2007 $2,614)

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

3) Acquisition Programs Support Systems – (FY 2005 $8,925 / FY 2006 $8,603 / FY 2007 $8,952)

This program provides contract resource management analysis, IT services and products, and administrative support to improve the flow of mission essential information and expedite acquisition decision making within OUSD(AT&L) and other elements of the entire acquisition community. Funding in this program augments funding for IT applications provided from organizational support funds. Funding is essential because of the critical nature and unique

I. Description of Operations Financed: (continued)

attributes of the acquisition process, and the demands for timely and accurate decision support systems at the corporate headquarters level. Also provides additional funding to assure continuity of leadership operations since September 11, 2001.

4) Logistics Systems Modernization Support –
(FY 2005 $11,450 / FY 2006 $13,215 / FY 2007 $16,355)

The DUSD Logistics and Material Readiness (L&MR) formulates logistics business systems policy, program integration, interoperability, standardization, and technology improvements. Advanced Information Technology capability has created unique opportunities to dramatically improve logistics support to the war fighter. New information paradigms have emerged allowing the Services and Agencies to implement logistics systems based on various successful commercial-off-the-shelf software packages that provide enterprise-wide information sharing and interoperability. The rapid pace of technology coupled with extraordinary demand to modernize outdated legacy systems will result in disjointed or duplicative deployments of enterprise integration software unless the DUSD(L&MR) provides adequate policy, direction, and oversight.

The DUSD(L&MR)has determined that these enterprise systems are the foundation upon which both logistics excellence and savings rest. The funds identified above will provide the resources to support this essential DUSD(L&MR) mission requirement. Specifically, the Deputy Director of Logistics Systems Management (LSM) will: 1) Prepare instructions, DoD publications and directive memoranda to the Services regarding the enterprise integration for logistics systems; 2) Ensure synchronization of the various enterprise integration programs under way within the Services and Agencies; 3) Establish liaison with and provide functional representation to the Business Management Modernization Program and represent the Logistics Core Mission Area in the BMMP forums; 4) Coordinate the information technology requirements and functional capability within DUSD/L&MR activity; 5) Develop and facilitate objective

I. Description of Operations Financed: (continued)

measurement by the Services and Agencies of appropriate metrics to achieve the return on investment from enterprise integration activity within logistics; 6) Develop and maintain the OSD roadmap for enterprise integration supporting the logistics community; 7) Establish and maintain a portfolio management process to transform the department's Logistics Systems to meet OSD architectural and policy requirements. 8) Establish a formal integration and qualification structure to accelerate enterprise integration development and ERP deployment activities within the Services and Agencies. These tasks will help to accelerate the transition from the over 3,000 disparate legacy logistics information systems now supporting the community to an integrated information environment enabling modernized business processes across the Logistics core business mission area. Integration of DoD logistics information systems consistent with an overarching DoD and Logistics architecture based on modern commercial off the shelf software and technology will help meet the warfighter's requirements for efficient and effective logistics information.

Modernization projects are under way within the Services and the Defense Agencies to replace aging logistics information systems. In order to ensure these projects deliver the integrated information environment the warfighter needs, and to ensure they are affordable and effective, we must maintain significant collaboration between programs. Moreover, we can accelerate the modernization process and reduce unwarranted duplication by ensuring each project tracks with the top-level logistics information architecture. Logistics system modernization and management requires a new focus on speed, economy, and effectiveness; these funds support this new focus.

5) Defense Procurement & Acquisition Policy –
(FY 2005 $7,259 / FY 2006 $13,119 / FY 2007 $12,833)

The Defense Procurement and Acquisition Policy Program (DPAP) implements changes throughout the DoD acquisition, technology and logistics community in the areas of

I. Description of Operations Financed: (continued)

acquisition excellence; workforce management and career development; and related communication and outreach. Specifically, funds will support continued implementation and outreach for new policy changes resulting from the flexibilities provided in the FY 2004 legislation concerning Defense Acquisition Workforce Improvement Act; as well as improvements in workforce data management to provide centralized performance measures and reporting capability to support these changes. Other workforce management initiatives include continued improvements in human capital strategic planning; and targeted marketing for critical skills and a central referral capability to attract potential talent to acquisition jobs. New initiatives include establishment of a scholarship program that targets future critical skills identified through human capital strategic planning; as well as an intra-departmental developmental assignments and industry-government exchange program (pending legislative authority) to capture and inculcate best practices throughout the Department. Communication and outreach efforts include developing several web-based continuous learning modules and guidebooks. Module development and execution are designed to form the basis of understanding commercial business practices and how they differ from traditional government approaches.

6) Mission Capabilities (MC)/Systems Engineering (SE) – (FY 2005 $6,278 / FY 2006 $6,898 / FY 2007 $6,956)

This program creates a capability to foster system-of-system acquisition processes; interoperability and network readiness including execution review and oversight processes; mission area analysis; AT&L staff participation, training and integration into the IT oversight process (e.g. resource analysis, logistics, contracting, interoperability, development testing); and Liaison with DoD and Component CIOs on acquisition matters. Program growth for FY 2006 and beyond is due to findings from the FY 2004 program that have revealed increased complexities in both MC and SE areas described below. It has become clear

I. Description of Operations Financed: (continued)

that program growth is required to accomplish a capabilities-based approach to acquisition, building on the top down, joint warfighting capabilities requirements process. This requires cross-service/agency and cross functional areas oversight and leadership to ensure acquisition linkage with joint warfighting needs. SE is a key element to this cross-cutting analysis with program growth necessary to further strengthen the role of SE across the Department. The initial work to assess acquisition programs for effectiveness of their application of SE has revealed the need to increase the breadth of technical assessments to determine necessary program and policy changes required to institutionalize the needed enhancements in the Department's SE program. It has further defined needs for increased use of modeling and simulation to support the acquisition process.

In the area of MC, this program is assigned the mission and function to help provide Functional Capabilities Boards (FCBs) with the systems perspectives, to include fiscal, performance, and engineering data for acquisition systems, and then lead development of systems solutions to mission areas by defining, validating system of systems (SoS) approaches and corresponding acquisition strategies to meet those needs.

MC works with operational, intelligence, command, control, and communications communities to sort out how best to use systems to achieve MC providing systems perspective to capability analysis, allocating performance and schedule exceptions to individual programs, and working to harmonize development plans and schedules. This is partly achieved through managing the development of integrated plans and roadmaps for capability areas that provide the strategic direction needed to assess gaps and redundancies in these areas. This program will also lead engagement in the PPBS program review, development of investment strategies to build MC, and shape investment plans. In addition, this program will identify related technology gaps and shortfalls, and work with others in the Department to address them.

I. Description of Operations Financed: (continued)

Fielding MC require mission area analyses, assessments of system-of-systems interoperability in a mission area context, and executive oversight of system-of-systems acquisition to ensure they provide joint mission area capabilities. SE is establishing a systematic process that provides a broader perspective for making acquisition decisions based on the needs of an entire mission area and the interdependencies of contributing programs, rather than just that of a single system. Lessons learned from program technical reviews along with roadmap development will be incorporated into refinements of these mission area context reviews. Key to the success of the MC area is the application of a modular open systems approach (MOSA) at the system-of-systems level.

7) Base Installation Visualization Tool System (BIVT)/Defense Installation Spatial Data Infrastructure (DISDI) – (FY 2005 $14,676 / FY 2006 $13,728 / FY 2007 $0)

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

I. Description of Operations Financed: (continued)

8) Unique Item Identification (UID) – (FY 2005 $0 / FY 2006 $640 / FY 2007 $632)

The DoD vision for unique item identification is to implement policy, regulations, and supporting processes that establish a strategic imperative for uniquely identifying tangible items. To that end, uniquely identified tangible items will facilitate item tracking in DoD business systems and provide reliable and accurate technical and financial data for management, financial accountability, and asset management purposes. On 29 July 2003, Acting USD(AT&L) signed the policy making Unique Identification (UID) a mandatory DoD requirement on all solicitations issued on or after January 1, 2004 and on 23 December, 2004 this policy was expanded to include legacy items in inventory and operation, including government furnished property (GFP). The DoD UID effort also enables an intelligent Business Enterprise Architecture (BEA) that will allow DoD to achieve a clean audit opinion, manage the supply chain and track assets to support our troops. Marking tangible items (e.g., property, equipment, spare parts, supplies) with a unique item identifier to record the acquisition, issuance, maintenance, storage, transfer, expenditure, and/or disposal of those items will enable the accurate and timely recording of financial transactions in both non-financial (business) and financial systems. Unique item identifiers support the acquisition life cycle management of weapon systems by enabling items and data to be associated among diverse automated information systems, which in turn results in improved visibility of assets and broader availability of technical supporting data for sustainment. Ongoing collaborative efforts among USD(AT&L), Joint Staff and the Services include the generation of policy on legacy items and government furnished property.

I. Description of Operations Financed: (continued)

9) Facilities Program Requirements – (FY 2005 $0 / FY 2006 $284 / FY 2007 $289)

The Facilities Program Requirements (FPR) System will integrate multiple models and requirements generators into a single DoD structure. Initially, it will integrate the existing Facilities Assessment Database and Facilities Sustainment Model, two separate tools used by all Defense Components to support development of facilities requirements and appropriate cost estimates. Using FPR, DoD can generate verifiable sustainment requirements for the Defense Components, rather than each Component developing requirements independently using different metrics and assumptions.

10) Corrosion Prevention Program – (FY 2005 $0 / FY 2006 $9,468 / FY 2007 $9,435)

This program implements the congressional legislative imperative as defined in 10 U.S.C. 2228, which was part of The National Defense Authorization Act of FY 2003, that directed the Department to focus on prevention and mitigation of corrosion of military equipment and infrastructure within the Department. The program also addresses GAO-03-753, published July 7, 2003, "Defense Management: Opportunities to Reduce Corrosion Costs and Increase Readiness." The Department concurred with the executive recommendations. Corrosion effects readiness and is a safety concern.

In a recent General Accounting Office (GAO) report entitled "Opportunities Exist to Improve Implementation of Department of Defense's Long-Term Corrosion Strategy," the GAO identified a number of shortcomings with the Defense Department's corrosion control strategy and provided several recommendations to enhance its effectiveness. The conferees concur with GAO's overall assessment and direct the Department to comply with the recommendations provided in the report. Specifically, the conferees direct the Department to establish a

I. Description of Operations Financed: (continued)

specific, separate program element or budget line to ensure that sustained and adequate funding is available for the corrosion control projects that have the best potential to provide maximum benefit across the Department.

c: Regulatory Requirement: Programs in this category are responsive to various national and Departmental reporting requirements. Funds will respond to those requirements and/or improve procedures by which the Department assures compliance. Programs constitute over 16% of the FY 2006 / FY 2007 AT&L request.

1) Acquisition Workforce Demonstration –
(FY 2005 $2,691 / FY 2006 $3,156 / FY 2007 $3,011)

Acquisition, Technology, & Logistics (AT&L) implemented the Acquisition Demonstration in February 1999 to enhance the quality, professionalism, and management of the acquisition workforce and chartered the Acquisition Demonstration Project Office to manage the effort. AT&L oversight of the Acquisition Demonstration programs ensures program visibility across the AT&L workforce, facilitates Senior Executive Committee direction to AT&L to recruit/develop/retain talented people, enables AT&L to leverage the Acquisition Demonstration in pursuing other AT&L initiatives, and provides a team experienced in the design, development, and training of a results/outcome based personnel system. In FY 2006, Acquisition Demonstration will continue transitioning support from the Acquisition Demonstration project to the National Security Personnel System.

2) Environmental Security Cooperation –
(FY 2005 $1,731 / FY 2006 $1,692 / FY 2007 $1,737)

The Defense Environmental International Cooperation program funds bilateral and

I. Description of Operations Financed: (continued)

multilateral initiatives with foreign defense departments and militaries in support of the Secretary's Security Cooperation Guidance goals. DoD's environmentally-based security cooperation activities complement its overall efforts in the global war on terrorism by facilitating access; enhancing interoperability building competent coalition partners; developing and fostering regional capabilities/cooperation; and promoting U.S. values by reinforcing efforts by militaries in newly democratic societies to adjust to concepts such as civilian oversight, public accountability, openness, and cooperation with civilian agencies.

3) Readiness and Environmental Protection Initiative (REPI) - (FY 2005 $11,817 / FY 2006 $20,000 / FY 2007 $20,000)

The Military Departments identify expanding development and urban growth as an increasing challenge to range and installation viability and a growing impediment to mission readiness. The REPI is a new effort to sustain military readiness while assisting in the protection of valuable habitat and open space. REPI is a component of the administration's ongoing effort to reduce encroachment impacts on military testing and training. Specifically, the initiative supports cooperative agreements with states and local communities, and other interested stakeholders to acquire key conservation easements thus preventing incompatible development around military bases and ranges. DoD promotes such partnerships through its Sustainable Ranges Initiative and uses authority enacted by Congress in 2003 – Section 2811 of the National Defense Authorization Act (10 USC 2684a).

I. Description of Operations Financed: (continued)

4) Base Realignment and Closure (BRAC) Support – (FY 2005 $2,197 / FY 2006 $733 / FY 2007 $0)

BRAC support funding is required to support BRAC 2005 planning/preparation activities necessary to meet the statutory requirements set forth in BRAC legislation and ensure a comprehensive analysis is conducted.

5) Low Observable/Counter Low Observable Export Control (LO/CLO) – (FY 2005 $251 / FY 2006 $249 / FY 2007 $258)

Funds support reviewing all aspects of the arms export control and licensing process to include the review and approval of those technologies associated with low observables (LO) and counter-low observables (CLO).

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

1) Deskbook – (FY 2005 $3,140 / FY 2006 $2,946 / FY 2007 $2,884)

The legacy Deskbook system was replaced on 12 Dec, 2003 with the implementation of version 2.2 of Acquisition, Technology and Logistics (AT&L) Knowledge Sharing System (AKSS). The AKSS and Acquisition Community Connection (ACC) are the primary sources of up-to-date material on AT&L mandatory policies and discretionary practices; providing the DAWIA

I. Description of Operations Financed: (continued)

workforce of 150,000 military and civilian DoD employees and over a million industry partners with instant access to DoD experts and to on-line collaborative knowledge communities.

Funds provided will assist the office to: (1) Operate, maintain and improve AKSS and ACC; (2) Develop the DoD/DAU Learning Asset Digital Repository (LeadR) to replace the present GOTS reference database and content management system; (3) Capture and manage all Defense Acquisition University (DAU) Learning Assets (Certification Course Modules/Materials, Continuous Learning Modules, Guidebooks/Handbooks, Rapid Deployment Training and Performance Support Materials, Student Developed Materials/Lessons Learned) in the LeadR; (4) Link/Contribute learning assets through AKSS and ACC; (5) Expand and build communities of practice in ACC to cover all AT&L functional career fields, special topic areas, organizational learning spaces, and executive learning spaces; and (6) re-engineer, expand and automate the Ask-A-Professor system in AKSS. Funding will also help develop additional job performance support products accessible through AKSS and ACC.

2) Transform Procurement Regulations –
(FY 2005 $3,587 / FY 2006 $2,484 / FY 2007 $1,729)

This is a continuing initiative to increase the efficiency and improve the quality and effectiveness of the DoD's procurement regulatory process and rulemaking capability. The work of the Defense Acquisition Regulation Council touches all contract awards, transactions and the administration of DoD contracts valued in excess of $150 billion per year issued from locations around the world. The Defense Federal Acquisition Regulation Supplement to the Federal Acquisition Regulation and the processes to generate and maintain these regulations have far reaching implications for industry, small businesses, Congress and all members of the Acquisition workforce. This initiative provides the tools to move the development, implementation, publication and communication of hundreds of policies, laws and needed

I. Description of Operations Financed: (continued)

changes in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement from a bureaucratic, lengthy and paper-based process to an electronic, web-based, far-reaching capability.

3) Defense Acquisition Management Information Retrieval (DAMIR) – (FY 2005 $2,236 / FY 2006 $2,763 / FY 2007 $2,975)

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

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

I. Description of Operations Financed: (continued)

1) OSD Study Program / Environmental Restoration - (FY 2005 $14,155 / FY 2006 $17,248 / FY 2007 $17,387)

The OSD Studies and Analysis Program supports requirements for analyses and contractor assistance within OSD and the Joint Staff, especially on programs/issues that have no separately justified program funding, and in circumstances where the OSD principal has no other possible operations funding to accomplish management research. The program is designed to improve the ability of OSD and Joint Staff components to execute their missions in a complex global political environment. The focus of many research projects and policy analysis is intermediate to long-range in nature. The program allows executive decision-makers to access specialized technical support which cannot be acquired from in-house resources. Much of this program ($4.0 million) also produces regular Congressional reports and responds to Congressional direction/questions which require quick turnaround as well as related follow-on analysis.

4. Personnel and Readiness (P&R)

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
35,890	23,225	30,746	31,380

a. Training Transformation (FY 2005 $13,094 / FY 2006 $9,886 / FY 2007 $10,418)

The Department’s second priority after pursuing the global war on terrorism is to strengthen joint warfighting capabilities. Training Transformation (T2) is the enabler of force transformation to strengthen these capabilities. The Department initiated T2 as the foundation for the Department’s broader Force Transformation efforts to meet the needs of the

I. Description of Operations Financed: (continued)

regional combatant commander. The T2 program has a phased approach for systematically expanding joint warfighter capabilities in support of national security requirements across the full spectrum of joint, interagency, intergovernmental, and multinational operations.

Departmental efforts supported with these funds include the Joint National Training Center's (JNTC) efforts towards an initial operating capability of October 2004, followed by full operating capability by October 2009; the Joint Knowledge Development and Distribution Capability (JKDDC) courseware development based on Combatant Commander(s) requirements (over 20 courses developed in 2004); and the Joint Assessment and Enabling Capability (JAEC) which provides the process to measure the degree to which training improves joint force readiness.

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

b. Personnel & Readiness Studies (FY 2005 $3,188 / FY 2006 $3,400 / FY 2007 $3,480)

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

I. Description of Operations Financed: (continued)

c. Personnel & Readiness Base Allowance for Housing (BAH)
(FY 2005 $429 / FY 2006 $481 / FY 2007 $492)

The BAH Research and Studies budget contains the funding for administration of the BAH program, including nationwide data collection of housing costs.

d. Personnel & Readiness - Defense Safety Oversight Council (DSOC)
(FY 2005 $0 / FY 2006 $9,201 / FY 2007 $9,143)

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

e. Administrative Support (FY 2005 $1,101 / FY 2006 $1,214 / FY 2007 $1,242)

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

I. Description of Operations Financed: (continued)

f. Lost Work Days System (FY 2005 $2,784 / FY 2006 $3,724 / FY 2007 $3,774)

Lost Work Days is currently known as the Secretary's Mishap Reduction Initiative. Since taking office, Secretary Rumsfeld has sought to change how the Department of Defense views the safety of its military personnel and civilian employees. Our goal is zero preventable mishaps, and we have taken a major step in that direction.

The Secretary's 50% reduction goal is achievable and will directly increase our operational readiness. We are a world-class military and will not tolerate preventable accidents. Congress and we owe no less to the men and women who defend our Nation.

g. Defense Readiness Reporting System (DRRS)
(FY 2005 $2,629 / FY 2006 $2,840 / FY 2007 $2,831)

Over the last several years, the Congress, the General Accounting Office, and others have cited numerous deficiencies in the current readiness reporting system. As a result, U.S.C. Title 10, section 117, directed the Secretary of Defense to establish a comprehensive readiness reporting system for the Department of Defense.

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

I. Description of Operations Financed: (continued)

5. Comptroller and Chief Financial Officer

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
15,515	10,304	16,732	17,258

a. OUSD(C) Administrative Support (FY 2005 $455 / FY 2006 $502 / FY 2007 $513)

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

b. Comptroller Initiatives (FY 2005 $6,238 / FY 2006 $12,592 / FY 2007 $12,562)

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

I. Description of Operations Financed: (continued)

c. Future Year Defense Program (FYDP) Improvement
(FY 2005 $2,743 / FY 2006 $3,638 / FY 20007 $3,859)

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

6. Under Secretary of Defense (Intelligence)

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
81,372	53,501	46,032	44,628

a. USD (I) Mission and Analysis Fund
(FY 2005 $15,659 / FY 2006 $13,461 / FY 2007 $9,300)

1) Intelligence and Warfighting Support:

Serve as the principal office for ensuring that intelligence support across the Department meets critical and timely warfighter needs and requirements. This includes

I. Description of Operations Financed: (continued)

ensuring the alignment of policies and programs with current operational requirements, the oversight and sufficiency of special access programs, the conduct of various intelligence-related strategies and assessments, and the alignment of cutting-edge and emerging intelligence-related technologies with warfighter needs, financial support and Information Operations (IO) policies and programs.

Perform studies and technical analyses of ongoing and emerging requirements in the intelligence, reconnaissance and surveillance (ISR) activities with particular emphasis on the Global War on Terrorism (GWOT). These analyses support the formulation, coordination, management and oversight of DoD policies, guidance and plans for ISR programs. In concert with US Joint Forces Command, influence development of collaborative planning tools to coordinate and visualize national (and tactical) intelligence collection assets to ensure their most effective use for Stability Operations and GWOT. Oversee support to crisis operations to ensure that the warfighter has the intelligence resources (manpower and funding) and appropriate support from the Combat Support Agencies and the Service Intelligence components.

Conduct analyses, special studies, assessments, working groups and other information-sharing forums to respond to Defense Strategic Guidance or Contingency Planning. Review and analyze lessons learned from OEF, OIF, and GWOT to refine required IC support and update procedures to operate in the new battlespace (e.g. Joint Urban Warfare, coalition efforts, special security requirements such as for the Olympics).

Provide coordination with the intelligence community on military intelligence needs; priorities; training; analysis; exploitation management; intelligence data dissemination and sharing.

I. Description of Operations Financed: (continued)

Perform follow-on activities related to the "Taking Stock of Defense Intelligence" study, to include coordination with the Combatant Commands and the Intelligence Community (IC), lead and participate in integrating activities to consolidate global intelligence requirements which directly support warfighting contingency plans. Refine requirements through face-to-face feedback, prioritize IC assets for concurrent crises, and analyze risk of consequences for allocation of limited assets.

Provide coordination on military intelligence issues (to include policy) with the IC, other Government departments, Congress, and the National Security apparatus for issues that span the scope of the 9/11 Commission, Congressional inquiries and others that require an extremely rapid response. Accomplish time-sensitive tasking, research, analysis, coordinated studies, reports and other activities to support Congressionally mandated national commissions, studies and similar actions by obtaining appropriate intelligence experts for tailored support to critical, specialized projects.

Analyze and implement Intelligence Continuity of Operations (I-COOP) and intelligence restructuring to ensure both the continuity of critical/essential functions and improve support to DoD and national intelligence needs. Conduct readiness surveys, balanced scorecard and performance assessments in order to validate I-COOP. Conduct tabletop exercises and other simulations to evaluate the viability of I-COOP plans, policies and programs.

Analyze, coordinate and oversee operational matters concerning Departmental intelligence and related activities directly supporting the warfighter. Ensure sensitive support to DoD Components and to non-DoD agencies, including support to special activities.

I. Description of Operations Financed: (continued)

Lead efforts to Remodel Defense Intelligence through coordination with Joint Staff and Defense IC. Identify and analyze alternatives, develop policy and directives to implement, such as through Joint Intelligence Operations Centers. Strengthen Defense HUMINT by identifying and implementing initiatives that expand existing capabilities, improve communications and procedures. Improve all-source intelligence through analysis, defining and implementing solutions that enhance aspects of data sharing, multi-level security, internal processes, and common architectures. Analyze and implement methods to improve the professionalism and development of the total Intelligence workforce.

Continue the development of an Intelligence Campaign Planning (ICP) process to provide a comprehensive methodology for integrating and synchronizing theater and national intelligence support to COCOM OPLANs and the DoD adaptive planning process. Continue ICP efforts on the top priority plans as directed by Contingency Planning Guidance.

Information Superiority Integration Support (ISIS) provides program oversight and integration of, and related planning for the implementation of joint and combined end-to-end integration of ISR systems. The ISIS program also provides resources for the acquisition process oversight, direction, and technical analysis to ensure Services' and Defense Agencies' acquisition and special interest programs, transformation initiatives, and war efforts meet Department needs and address acquisition milestone decisions and related programmatic requirements. Integration Support will oversee the migration from stovepiped ISR systems to the transformational end-to-end integrated, interoperable, secure systems that will populate the Global Information Grid. Emphasis is placed on ensuring interconnectivity and assured data flow to shared intelligence data core business mission areas, enabling most efficient use of limited ISR assets while effectively meeting warfighter needs for timely intelligence information at tactical, operational, strategic and national levels of decision-making.

I. Description of Operations Financed: (continued)

Provide Information Operations (IO) analysis and oversight of IO technology research, development, and demonstration; provides technical expertise to monitor development, testing, acquisition and sustainment of IO tools, techniques and capabilities; and provide assistance in technical integration and evaluation of DoD IO capabilities, including intelligence support, that form the basis of DoD's investment strategy to mature IO into a core military competency.

2) Preparation and Warning:

Forecasting and Evaluation: perform oversight and evaluate Defense Intelligence capabilities for predictive intelligence as well as warning. Perform oversight and evaluation of predictive intelligence functions, including threat projection and forecasting, levels of needed expertise, and new approaches to system threat reporting documents. Perform oversight and evaluation of warning functions.

Warning is a separate and distinct function from threat projection and forecasting because it is more directly associated with customer operational needs, response times and missions. Perform development of, and application of, measures of effectiveness and methodologies for evaluation of intelligence performance.

Also have responsibility for development, preparation, synthesis, and coordination of draft guidance for the USD(I) dealing with future surveillance and reconnaissance and Horizontal Integration (HI) concepts.

Plans and Preparations: define future system concepts and operational concepts that pertain to all aspects of intelligence. This includes HI, both upstream (collection

I. Description of Operations Financed: (continued)

operations) and downstream (data exploitation, management, analysis, assurance) as well as development of an HI Road Map and the support for technology demonstrations that test options for information assurance and data sharing.

Includes future concepts for global intelligence surveillance and reconnaissance across a full range of platforms and sensors and mapping these into an integrated Intelligence, Surveillance and Reconnaissance Road Map. Also includes implications of threats to space systems and disruptive technologies for sustaining an advantage-based strategy for intelligence and for addressing potential vulnerabilities of intelligence systems. Assessments of disruptive technologies encompass a wide range of advanced research activities as well as analysis of how these technologies apply to future systems.

3) Policy, Requirements and Resources:

Provide oversight, policy and guidance for all DoD intelligence activities. Develop and promulgate guidance and priorities for Defense intelligence to ensure conformance with SecDef and, as appropriate, DCI policy and priorities. Advise SecDef on the Department's responsibilities regarding the National Intelligence Community. Develop and coordinate DoD intelligence and intelligence-related plans, policies, programs, requirements and resource allocations. Ensure execution of DoD intelligence policy and resource decisions are fully responsive and complementary to the direction of the DCI. Exercise overall supervision and policy oversight of the Defense Civilian Intelligence Personnel System. Develop a set of high-level metrics to monitor and track Defense intelligence progress in meeting SecDef objectives and priorities. Ensure defense intelligence funds are spent effectively in support of the warfighters. Monitor intelligence-related DoD interaction involving Congress with an aim toward generating Congressional funding and legislation supporting DoD goals. Develop methodologies and communication vehicles to establish common understanding throughout

I. Description of Operations Financed: (continued)

DoD intelligence-related organization of DoD-Congressional interactions on major issues connected to the Intelligence Community. Ensure that the White House and OSD policy positions on important intelligence issues connected to the DoD dialogue with Capitol Hill are widely understood throughout the legislative offices of various DoD intelligence-related organizations. Maintain and manage records that document the OUSD(I) dialogue with Capitol Hill.

b. USD(I) Special Access Programs (FY 2005 $22,871 / FY 2006 $18,936 / FY 2007 $23,588)

The USD(I) Special Access Programs will focus on continuous assessment and analysis of DoD's asymmetrical technological superiority against terrorist assets and activities world wide. Particular emphasis will be in assuring the Combatant Commanders' capability to execute the force projection mission with the best possible all source intelligence information and equipment for the operational forces to maximize success of operations. These transformational capabilities are critical to homeland defense and essential in defending against terrorist threats worldwide by providing the support necessary to conduct preemptive offensive operations. Our assessments must come up with new ways to counteract the threat with our technological advantages. The DoD must be an overwhelming offensive capability with a commensurate defensive capability. Funding will sustain a mechanism that supports the rapid exchange of intelligence information between the Theater Combatant Commanders, the components, Allied/Coalition partners, and US Embassies. These efforts have direct applicability to the current military operations ongoing in the Central Command Area of Responsibility.

I. Description of Operations Financed: (continued)

c. USD(I) Counter Intelligence and Security
(FY 2005 $14,088 / FY 2006 $12,791 / FY 2007 $11,740)

Provide policy and program oversight for the DoD security and counterintelligence (CI) communities and programs. Includes CI investigations, operations, collection, analysis/production and CI functional services and the CI missions supporting the protection of DoD research, technology, critical infrastructure, personnel, information and operations from the threats posed by foreign intelligence services and terrorists; the DoD polygraph and technical surveillance countermeasure programs and for the security of personnel, administration, weapons, information, physical structures, and the Defense industrial base. The DoD CI community includes the Military Departments, Combatant Commands, the Joint Staff, seven Defense Agencies and the CI Field Activity.

Provide DoD Policy and program oversight for personnel security, physical security, industrial security, information security, operations security, chemical/biological security, special access program security, and research and technology protection. Technical disciplines involve thorough understanding and potential applicability to DoD of research and development in areas such as investigative tools, surveillance countermeasures, biometrics, information technology, and behavioral science advances. Security Training and Awareness supports the Joint Security Training Consortium, a jointly funded DoD initiative to standardize training, strengthen functional skills, and enhance career development opportunities for the security workforce. This office is also responsible for CI and security staff support to the staff of the Secretary of Defense, the National CI Executive and other national and DoD elements, in addition to representation on DoD and national level working groups and other forums.

I. Description of Operations Financed: (continued)

7. Under Secretary of Defense (Policy)

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
58,778	23,602	46,664	38,562

a. Policy Studies (FY 2005 $3,555 / FY 2006 $4,497 / FY 2007 $4,642)

Studies, analyses, contractor support and Intergovernmental Personnel Act employees are funded from these funds. This program will contribute expert knowledge to the USD(P) staff when analyzing and recommending options to the President, Secretary, or Congress members in response to international crises such as during Operation Iraqi Freedom and Operation Enduring Freedom. Funding will support the operations for international security and allow an evaluated response to the evolving challenges of the international environment while providing the Secretary with timely, thoughtful, and creative approaches to the issues that the military face.

b. Support to the Organization for Security and Cooperation in Europe (OSCE) (FY 2005 $411 / FY 2006 $710 / FY 2007 $708)

The OUSD Policy presence in Vienna and Geneva requires contract support and these funds help pay the costs.

I. Description of Operations Financed: (continued)

c. Rewards Program (FY 2005 $2,629 / FY 2006 $3,000 / FY 2007 $2,831)

Special Operations/Low Intensity Conflict provides these funds to pay rewards for information concerning terrorists outside the United States.

d. Assistant Secretary of Defense for Homeland Defense (HD) (FY 2005 $6,309 / FY 2006 $10,031 / FY 2007 $7,315)

The Office of the Assistant Secretary of Defense (OASD) for Homeland Defense (HD) maintains operations as a result of continuing high operational tempo resulting from an increased terrorist threat activity, requested assistance from the White House Homeland Security Council (HSC), and close coordination with U.S. Northern Command, other Combatant Commands, and the Department of Homeland Security (DHS). Funding meets civil support mission requirements, provides incident and consequence management, coordinates national security special events, supplies speciality functions for civil engineering and military operations, and supports continuity of operations and continuity of government. The Secretary established this office with minimal Government staff and instead provided flexibility in managing the changing daily and future affairs of homeland defense with the widest expertise. This range of expertise provides a dynamic organization to meet changing terrorist threats by interchanging levels of individuals proficient in managing such technical areas as biometrics, installation preparedness, mission assurance, force protection, and the mix of military and civilian during a domestic crisis either by an act of nature or through terrorism.

Funding supports initiatives such as the automated biometric identification system and an onsite twenty four hour, seven days a week watchstander operations center at the

I. Description of Operations Financed: (continued)

Department of Homeland Security (DHS). Watchstanders allow centralization of information and data on domestic functions in case of military involvement. Funding resources the Military Services, Defense Agencies, and Combatant Commands with technical data and updated operational information between the Department and DHS to the Secretary during alerts or catastrophic events that warrant DoD involvement (i.e aftermath of hurricanes).

Funding provides surge capability to coordinate military operations for national security special events (4 to 6 per year), crisis incidents, and requests for assistance that allows for a more efficient and cost saving coordination between Military, Federal, State, and Local authorities during crisis or special events. The Office of the Assistant Secretary of Defense (Homeland Defense) provides specific expertise to assist in coordination and supplying Special International Sporting Events and National Special Security Events in conjunction with U.S. Northern Command and U.S Pacific Command.

With this funding, Homeland Defense monitors the military assistance to civil authorities that has enabled the Department to achieve in kind reimbursement to the Department from other Federal departments and States. Homeland Defense assists in performing operational analysis of the Department’s homeland defense emergency preparedness training, operational exercises, and operational requirement validations; and fulfills the statutory responsibilities for technology transfer to first responders.

Funding gives the Department the technical expertise and experience to create and maintain Battle Books for crisis situations that will streamline future actions and coordination between military assets, Federal resources, and State and Local infrastructure. Everyone will know what to do, when to do it, and who is doing what. In addition, Homeland Defense provides the Department with operational analysis of emergency preparedness training, exercises in conjunction with the Joint Chiefs and US Northern Command, and requirement

I. Description of Operations Financed: (continued)

validations for incident management. Allows for continue and updated training and exercises in response to the President and Secretary direction; coordinates antiterrorism force protection initiatives between the National Guard and Reserves, Department of Homeland Security, and State and Local authorities as they relate to homeland defense.

Funding provides scientists and engineers on an as needed basis to assist in managing information technology initiatives and coordinating science and technology efforts as a link between homeland defense, net centric activities, and Department of Homeland Security. Finally, funding will assist in the implementation of the National Response Plan for incident prevention, preparedness, response, and recovery plan for Military response to various types of emergencies.

e. Homeland Defense Critical Infrastructure Protection
(FY 2005 $10,698 / FY 2006 $23,273 / FY 2007 $23,066)

The Defense Critical Infrastructure Program (DCIP) uses a diverse background of engineers, scientists, and specialists as human capital resource to assess the over 2,000 identified key defense infrastructure and supporting commercial assets worldwide. Funding sustains current level of support to the Combatant Commanders, Services, and Defense Agencies.

Funding will provide focused vulnerability assessment teams called Full Spectrum Integrated Vulnerability Assessments (FSIVA) to conduct detailed analysis of Military Service and Defense Agency assets that are critical to Combatant Commander missions. The program funding allows the Military Services to achieve cost avoidance by focusing force protection resources on high priority vulnerabilities rather than using a blanket approach. The warfighter can focus on critical targets to protect. Also, this program funding will be

I. Description of Operations Financed: (continued)

distributed to Combatant Commands to integrate planning staffs and achieve proactive critical infrastructure factors in deliberate and crisis action planning and operational and strategic effectiveness.

The strategic objectives of an integrated and responsive operational support to the Combatant Commanders and their contingency planning will not be attainable without this program funding. As an example, in FY04 the program demonstrated the efficacy and value of evaluating the critical infrastructure proactive approach through a Combatant Commander infrastructure assessment in concert with a Host Nation during support of a critical war plan. The results demonstrated that previously undetected dependencies could be easily exploited by adversaries or terrorists and jeopardized the successful accomplishment of the operational concept as planned. This discovery, early in the planning process, allowed the Commander to factor in necessary mitigation factors, contingencies, and force protection plans.

This funding ensures the protection of fixed installations, facilities, and supporting infrastructure, whether domestically or at overseas locations. The work confronts the threat of terrorism aimed at attacking our personnel and power projection and sustains our key infrastructure. The Defense Critical Infrastructure Program identifies key vulnerabilities, dependencies, and single points of failure that are not static and require continuous vigilance. This proactive approach directly contributes to the US key objectives of facilitating the Global War on Terrorism while simultaneously seeking to posture military forces and operational planning in the most advantageous position possible. Finally, this funding is an integral part in assessing, understanding, and protecting the Defense Industrial Base (DIB).

I. Description of Operations Financed: (continued)

f. Homeland Defense Maritime Domain (FY 2005 $0 / FY 2006 $5,153 / FY 2007 $0)

The December 2004 National Security Presidential Directive 41 and Homeland Security Presidential Directive 13, both on Maritime Security, established U.S. policy, guidelines, and implementation actions to enhance U.S. national security and homeland security by protecting U.S. maritime interests. This funding supports and enhances a maritime domain situational awareness program between the Department of Defense, Department of Homeland Security, and other federal departments and agencies. As part of the ASD(HD) area of responsibilities, the Maritime Domain Awareness (MDA) funding will allow coordination of military resources and international and domestic assets; participation in military exercises; and determination of concepts of operations between the military services, agencies, and state and local governments.

This funding creates a unified maritime defense concept that integrates into a comprehensive air, land and maritime domain situational awareness system in support of U.S. Northern Command and U.S. Pacific Command. This initiative maximizes maritime domain awareness by focusing on the maritime portion of an active, layered defense in such areas as enhancement of wide-area surveillance, coordination of operational activities for forward deployed forces with homeland defense operations, and in conjunction with civilian agencies' homeland security missions.

This funding will improve maritime domain awareness and security by leveraging ongoing programs and technology that use information, academic resources and systems as a foundation. This strategy provides definitive policy guidance for the Department to develop a capability to detect, track and defeat maritime threats to the United States. Funding will establish a maritime domain awareness program focused on the improvement and integration of existing

I. Description of Operations Financed: (continued)

systems by leveraging and fusing intelligence and other data from various sources into a common operational picture. This will increase shared situational awareness at the strategic, operational and tactical level as well as with other agencies such as the U.S. Coast Guard.

Funding will leverage academic resources such as the Maritime Domain Protection Task Force at the Naval Postgraduate School, established in 2004 by Congressional funding, to develop a unified maritime domain concept and identify homeland maritime defense challenges to policymakers and operational commanders. This will lead to a system integration and architecture design for developing a national maritime domain system; integration of national sensors with unclassified data sources to enhance maritime domain awareness; coordination with the Navy and Coast Guard on data structures; vulnerability and threat assessments; and perform critical infrastructure assessments on ports and coastlines.

Finally, funding will combine existing demonstrated technologies and accelerate their integration toward a suite of surveillance, identification, and detection programs to defend the US littorals. This will meet the minimal requirements identified by Combatant Commanders' Integrated Priority List while achieving cohesion between the Navy and Coast Guard programs.

I. Description of Operations Financed: (continued)

8. Director, Program Analysis & Evaluation:

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
25,154	24,441	25,157	25,454

a. Office of the Director Support (FY 2005 $232 / FY 2006 $256 / FY 2007 $262)

This fund is required for Intergovernmental Personnel Act (IPA) assignees costs not centrally funded.

b. Long Range Planning (FY 2005 $20,704 / FY 2006 $21,114 / FY 2007 $21,418)

The Long Range Planning and Analytical Support Program provides critical analyses of DoD programs and independent advice to the Secretary of Defense in support of transformation. More specifically, it develops and analyzes program alternatives, ensures that the Future Year Defense Program is holistically managed, and confirms that programs are properly priced and financed. The program includes:

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

- Mobility Analysis: Evaluations of mobility requirements and modernization decisions for airlift aircraft, sealift vessels, and tankers in support of the new defense strategy. These assessments guide force structure and investment decisions in areas such as pre-positioning ashore and afloat, and the impact of alternative forward presence postures.

I. Description of Operations Financed: (continued)

- Scenario Analysis: Develops a sound analytical basis for medium- and long-term planning scenarios. Evaluates threat databases and forecasts economic, demographic, and technological trends and developments. Includes updated concepts of operations and "road to war" scripts and excursions on possible realignments in blue and red alliance relationships. Evaluates the impact of these scenarios on U.S. force requirements.

- Defense Program Projection (DPP): Leadership tool designed to provide insight into the long-term consequences of current decisions, to include the overall health of the force, emerging fiscal trends, and potential issues requiring near-term action.

- Air Warfare Technical Analysis: Capability analyses of fighter/bomber/munition force structure alternatives by modeling lethality, survivability, and affordability factors. Conducts sensitivity analyses of component contributions (to include ISR support) and supports evaluations of tactical air force structure and deployment alternatives, individual acquisition programs, and future capabilities (UCAVs).

- Strategic and Space Program Analysis: Includes analyses of ballistic missile defense; strategic and theater nuclear forces; command, control and communications; information technology; chemical and biological weapons; and Intelligence Surveillance and Reconnaissance (ISR) programs to support future force structure decisions.

- Weapon System Costing Methods: Costing models used to prepare Cost Analysis Improvement Group (CAIG) independent cost estimates required by Title 10, CFR, Section 2434.

I. Description of Operations Financed: (continued)

- Defense Cost and Resource Center (DCARC): Collects actual costs of weapon systems from contractors and government to support preparation of cost estimates for milestone reviews of major defense acquisition programs. Used by CAIG and military departments.

- Economic Analysis and Infrastructure Costs: Provides forecasts of the economic impact of defense spending by state and industry and estimates the cost of forces and installations.

- Information Management and Analysis Group: Implements and maintains software applications supporting DoD analysis and business processes. Examples include a system to collect programming data from the services, a system to manage the coordination process for program issues, and an automated system to assist in the management of internal PA&E resources.

- Computer Systems & Services: Provides core computing infrastructure support to PA&E. The O&M funds go towards software licenses, hardware maintenance, computer system life-cycle management, system engineering and administration.

c. Defense Resource Management Study Program (DRMS)
(FY 2005 $3,505 / FY 2006 $3,787 / FY 2007 $3,774)

DRMS is a bilateral program co-sponsored by OUSD (Policy) and ODPA&E. The program's goal is to reform the defense resource management process of countries key to U.S. security.

DRMS has four primary objectives:

- Develop direct relationships with senior Ministry of Defense leaders;

I. Description of Operations Financed: (continued)

- Introduce resource-constrained, multi-year defense programming, facilitating the host nation's contribution to global security;
- Foster transparency in the development of defense programs; and
- Strengthen democratic control over the host nation's defense establishment.

9. Assistant Secretary of Defense (Networks and Information Integration)

Dollars in Thousands			
FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
83,343	80,677	67,674	69,251

a. NII Mission and Analysis Fund (FY 2005 $21,304 / FY 2006 $21,617 / FY 2007 $22,221)

The NII Mission and Analysis Fund provides the technical underpinning and key analytical assessments needed to establish policies relative to information technology requirements, priorities, strategies and investments. Funding will enable the formulation, coordination, management and oversight of policies, strategic guidance, and resource management plans for C4, space and information programs which integrates current and future service and agency development efforts as a cohesive and complementary set. For Command and Control (C2) policy, funds will support presidential, national and strategic planning initiatives, as well as integration and architecture development activities for net-centric C2. ASD(NII) provides an integrated and overarching C2 capabilities and planning process that establishes capstone capabilities requirements, integrated architectures, C2 and nuclear roadmap plans, Information Operations (IO) C2 interfaces, continuity C2 and management and oversight strategies for programs across DoD and for specific ground, air, and land mobile platforms. This information will facilitate U.S. objectives in NATO C3 policy development and

I. Description of Operations Financed: (continued)

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

b. Chief Information Officer (FY 2005 $20,150 / FY 2006 $13,175 / FY 2007 $13,496)

The DoD CIO program provides analytic assessments and technical expertise support for a net-centric warfare and business environment – relying to the maximum extent possible on existing initiatives; implementation and the extension of the Net-Centric Data Strategy; overseeing and enforcing compliance with the Global Information Grid (GIG) architecture to ensure interoperability and supportability of IT and NSS across the Department; development of a common set of capabilities that enable users to rapidly and precisely discover information, efficiently task information providers, post information holdings, and dynamically form collaborative groups for decision-making; pursue DoD enterprise software licensing opportunities to include Federal SmartBUY agreements; expand the Enterprise Software Initiative Program to optimize benefits already achieved and develop strategies to foster greater use of commercial-off-the-shelf technologies by participating in the Federal Software Asset Management Governance; develop policies, procedures and governance structures for managing IT investments as portfolios; and continue to develop and implement initiatives to educate and train IT personnel.

I. Description of Operations Financed: (continued)

c. Command Information Superiority Architecture (CISA)
(FY 2005 $4,814 / FY 2006 $4,885 / FY 2007 $5,004)

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

d. Information Superiority Integration Support (ISIS)
(FY 2005 $9,968 / FY 2006 $10,115 / FY 2007 $10,362)

The Information Superiority Integration Support (ISIS) program provides the technical expertise and analytic framework to enable key Transformation initiatives to proceed beyond their initial planning stages through their long-term acquisition phases, and they will provide the data and documentation which support decision makers. Funds provide the studies, analyses, evaluations, architecture development, systems engineering and integration support that the ASD (NII) requires to determine the validity of service acquisition strategies, analyses of alternatives, systems design and economic analyses to fully integrate the

I. Description of Operations Financed: (continued)

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

e. Information Systems Security Program (ISSP)
(FY 2005 $18,532 / FY 2006 $17,882 / FY 2007 $18,168)

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

I. Description of Operations Financed: (continued)

Force Structure Summary: Not applicable

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

III. Financial Summary ($ in Thousands)

(2)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
A. Activity Group:						
1. Core Operating Program						
a. Compensation and Benefits	200,430	210,307	210,307	210,307	217,457	221,742
b. Travel of Persons	13,097	17,286	16,676	16,676	15,062	16,192
c. Transportation	131	122	122	122	117	120
d. Official Representation Funds	1,426	3,091	3,091	3,091	2,134	1,664
e. IPA/Reimb. Details	2,447	3,992	3,992	3,992	3,855	3,919
f. PCS	-	130	130	130	125	127
Subtotal	217,531	234,928	234,318	234,318	238,750	243,764
2. Other DoD Programs and Initiatives						
a. Cap Security Cost Sharing State Dept.	-	27,317	-	-	61,300	91,400
b. BMSI/Business Management Modernization (BMMP)	29,493	27,216	19,575	19,575	23,686	23,652
c. Financial Mgt Mission Area	11,986	16,714	9,225	9,225	13,355	10,810
d. Installation & Env. Mission Area	3,179	4,498	2,483	2,483	3,895	3,964
e. Acquisition Mission Area	8,513	13,250	6,113	6,113	6,788	7,200

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
f. EIE (Tech Infra.) Mission Area	822	1,575	869	869	1,279	1,251
g. OSD Contract & Other Support Services	18,029	92,196	21,333	21,333	9,605	9,929
h. Net Assessment	15,049	21,270	16,327	16,327	20,203	20,433
i. Force Transformation	10,373	12,951	12,244	12,244	12,385	12,576
j. ROK Scholarship Fund	-	527	498	498	500	-
k. Counternarcotics	2,383	-	-	-	-	-
l. MANPADS	6,000	-	-	-	-	-
Subtotal	105,827	217,514	88,667	88,667	152,996	181,215
3. Acquisition and Technology Programs						
1. Congressional Mandate						
a. Legacy Resource Mgmt	7,437	10,054	9,505	9,505	9,133	9,141
b. CFO Act Compliance	2,900	2,025	1,914	1,914	1,978	2,206
c. Artic Military Env. Cooperation (AMEC)	2,480	1,512	1,429	1,429	1,420	1,415
d. Native American Land Remediation (NALP)	9,783	282	10,267	10,267	261	268
e. E Business Center of Excellence (COE)	5,928	13,705	12,956	12,956	12,843	12,874
f. Test Resource Mgmt Center	292	6,149	5,813	5,813	5,874	6,036
g. Capital Asset Mgmt System (CAMS)	-	-	-	-	2,436	3,074

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
2. Improve Acquisition & Logistics Processes						
a. Consolidated Acquistion Reporting System (CARS)	930	930	879	879	391	463
b. Defense Reform Project for Competition/Defense Mgmt Initiative	2,670	2,755	2,605	2,605	2,545	2,614
c. Acquisition Programs Support Systems	4,629	9,441	8,925	8,925	8,603	8,952
d. Logistics Systems Modernization Support	9,923	16,112	11,450	11,450	13,215	16,355
e. Defense Procurement & Acquisition Policy	6,088	15,178	7,259	7,259	13,119	12,833
f. Mission Capabilities/ Systems Engineering	4,930	6,641	6,278	6,278	6,898	6,956
g. Base Installation Visualization Tool System	11,588	15,523	14,676	14,676	13,728	-
h. Unique Item Identification (UID)	-	-	-	-	640	632
i. Facilities Program Requirements	-	-	-	-	284	289
j. Corrosion Prevention Program	-	-	-	-	9,468	9,435

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
3. Regulatory Requirement						
a. Acquisition Workforce Demonstration	2,670	2,846	2,691	2,691	3,156	3,011
b. Environmental Security Cooperation	1,217	1,831	1,731	1,731	1,692	1,737
c. Readiness & Environmental Protection Initiative (REPI)	2,298	20,000	11,817	11,817	20,000	20,000
d. BRAC Support	2,503	2,324	2,197	2,197	733	-
e. Low Observable/Counter Observable Export Control(LO/CLO)	262	266	251	251	249	258
4. Promulgate Policy						
a. Deskbook	3,573	3,321	3,140	3,140	2,946	2,884
b. Transform Procurement Regulations	3,226	3,794	3,587	3,587	2,484	1,729
c. Defense Acquisitin Mgmt Information Retrieval System (DAIMR)	1,795	2,365	2,236	2,236	2,763	2,975
5. OSD Decision Support						
a. OSD Study Program	17,289	18,973	14,155	14,155	17,248	17,387
6. Other						

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
a. Environmental Restoration	3,126	-	-	-	-	-
b. AT&L Magmt Support	3,397	-	-	-	-	-
Subtotal	110,934	156,027	135,761	135,761	154,107	143,524
4. USD Personnel and Readiness (P&R)						
a. Training Transformation (T2)	12,739	18,850	13,094	13,094	9,886	10,418
b. P&R Studies	4,356	-	3,188	3,188	3,400	3,480
c. P&R Base Allowance for Housing	454	-	429	429	481	492
d. Defense Safety Oversight Council (DSOC)	-	-	-	-	9,201	9,143
e. Administrative Spt.	902	-	1,101	1,101	1,214	1,242
f. Lost Work Days System	2,672	-	2,784	2,784	3,724	3,774
g. Defense Readiness Reporting System (DDRS)	1,533	-	2,629	2,629	2,840	2,831
h. Deployment Health Support	13,234	-	-	-	-	-
Subtotal	35,890	18,850	23,225	23,225	30,746	31,380

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
5. USD Comptroller/Chief Financial Officer						
a. Future Year Defense Programs Improvement	2,783	-	2,743	2,743	3,638	3,859
b. Comptroller Initiatives	10,604	13,098	6,238	6,238	12,592	12,886
c. Comptroller Administrative Spt	1,178	-	455	455	502	513
d. Federal Accounting Standards Advisory Board (FASB)	950	-	868	868	-	-
Subtotal	15,515	13,098	10,304	10,304	16,732	17,258
6. USD (Intelligence)						
a. Mission & Analysis Fund	17,352	16,564	15,659	15,659	13,461	9,300
b. Special Access Program (SAP)	7,550	24,192	22,871	22,871	18,936	23,588
c. Counterintelligence & Security	14,673	14,902	14,088	14,088	12,791	11,740
d. Mgmt Support Office	591	-	883	883	844	-
e. Technology Development	35,918	-	-	-	-	-
f. Intelligence Programs	5,288	-	-	-	-	-
Subtotal	81,372	55,658	53,501	53,501	46,032	44,628

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III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
7. USD (Policy)						
a. USD (Policy)Studies	12,008	-	3,555	3,555	4,497	4,642
b. Organization for Security and Cooperation (OSCE)	726	-	411	411	710	708
c. Rewards Program	2,023	-	2,629	2,629	3,000	2,831
d. Homeland Defense (HD) Support	8,957	-	6,309	6,309	10,031	7,315
e. Homeland Defense Critical Infrastructure Protection	25,907	-	10,698	10,698	23,273	23,066
f. Homeland Defense Maritime Domain Awareness	-	-	-	-	5,153	-
g. Information Support to SO/LIC	9,157	-	-	-	-	-
Subtotal	58,778	-	23,602	23,602	46,664	38,562
8. Program Analysis and Evaluation Program						
a. Director & Mgmt Support	212	-	232	232	256	262
b. Long-Range Planning	20,527	21,900	20,704	20,704	21,114	21,418
c. Defense Resources Mgmt Study	4,415	-	3,505	3,505	3,787	3,774
Subtotal	25,154	21,900	24,441	24,441	25,157	25,454

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
9. ASD(NII)						
a. NII Mission & Analysis Fund	19,072	22,535	21,304	21,304	21,617	22,221
b. Command Information Superiority Architecture(CISA)	5,786	5,092	4,814	4,814	4,885	5,004
c. Information Superiority Integration Support	9,095	10,544	9,968	9,968	10,115	10,362
d. Chief Information Officer (CIO)	12,001	23,814	20,150	20,150	13,175	13,496
f. Information Systems Security Program	16,745	19,603	18,532	18,532	17,882	18,168
e. Horizontal Fusion	20,644	6,250	5,909	5,909	-	-
Subtotal	83,343	87,838	80,677	80,677	67,674	69,251
10. Programs Added by Congress (Not Otherwise Listed):						
a. Pacific Command Regional Initiative	14,000	-	13,371	13,371	-	-
b. Intrepid Sea-Air-Space	2,100	-	4,775	4,775	-	-
c. Study on Internet and Wireless Tech.	1,000	-	955	955	-	-
d. Dedicated Fiber Optic Network	1,500	-	955	955	-	-

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
e. Beyond Goldwater-Nichols	1,000	-	955	955	-	-
f. Middle East Regional Security Program	1,400	-	1,194	1,194	-	-
g. D-Day Museum	3,500	-	-	-	-	-
h. Export Control to Foreign Countries	1,400	-	-	-	-	-
i. Fort Benning Infantry Museum	8,500	-	-	-	-	-
j. Red Cross for Armed Forces Emergency Services	5,000	-	-	-	-	-
k. Southern Florida University	6,000	-	-	-	-	-
l. Chicago Park District	3,000	-	-	-	-	-
m. Army Museum of the Southwest	2,000	-	-	-	-	-
n. Tredegar National Civil War Center	1,500	-	-	-	-	-
o. Philadelphia Korean War Memorial	1,000	-	-	-	-	-
p. Young Patriots Program	1,000	-	-	-	-	-
q. CSS Alabama Assoc	250	-	-	-	-	-
r. Women in the Military Service Memorial	500	-	-	-	-	-
s. Country Study Series	2,500	-	-	-	-	-

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
t. Black Americans in Defense of the Nation	250	-	-	-	-	-
u. Bicultural Linguistics	10,000	-	-	-	-	-
v. Command Information Superiority Architecture	-	-	955	955	-	-
w. Center for Foreign Language Study	-	-	955	955	-	-
x. National Strategic Seaport	-	-	1,433	1,433	-	-
y. Military Leadership & Law	-	-	955	955	-	-
z. Center for Foreign Language Study	-	-	955	955	-	-
aa. Clinic for Legal Assistance	-	-	716	716	-	-
aa. Information Technology Organizational Composition Project	-	-	1,300	1,300	-	-
bb. Information Assurance Scholarship Program	-	-	2,149	2,149	-	-
cc. Foreign Disclosure Training	-	-	478	478	-	-
dd. Center for Child Protection	-	-	478	478	-	-
ee. S.8113 Presidio Trust	-	-	1,791	1,791	-	-
ff. S.8113 Ft Ticonderoga Assn	-	-	955	955	-	-
gg. S.8113 Military Aviation Museum of the Pacific	-	-	8,118	8,118	-	-

III. Financial Summary ($ in Thousands) (continued)

	(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
hh.	S.8113 Wings of Liberty	-	-	9,551	9,551	-	-
ii.	S.8113 USO	-	-	2,435	2,435	-	-
jj.	S.8113 Galena IDEA Distance Learning Program	-	-	4,775	4,775	-	-
kk.	S.8113 Wing Luke Asian Museum	-	-	1,433	1,433	-	-
ll.	S.8113 Center for Science & Engineering	-	-	7,640	7,640	-	-
mm.	S.8113 Women in Military Service for America Memorial Foundation	-	-	955	955	-	-
nn.	S.8113 American Red Cross Greater Alleghenies Blood Service	-	-	1,910	1,910	-	-
oo.	S.8113 Clarksville-Montgomery School System	-	-	3,820	3,820	-	-
pp.	S.8113 Natational Museum of Cavalry & Armor at Fort Knox	-	-	955	955	-	-
	Subtotal	67,400	-	76,917	76,917	-	-
Total		**801,744**	**805,813**	**752,893**	**752,893**	**778,858**	**795,036**

III. Financial Summary ($ in Thousands) (continued)

(1)	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Current Approp	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
NOTE: The following Supplemental Appropriation Authority in OSD O&M is included in FY 2004, excluded in FY 2005 (above):						
a. NII - Chief Information Officer	10,247	-	-	-	-	-
b. Special Access Program	4,641	-	-	-	-	-
c. Technology Development	23,199	-	-	-	-	-
d. Special Technology	5,315	-	-	-	-	-
e. Bicultural Linguists	10,000	-	-	-	-	-
f. Critical Infrastructure Protection (CIP)	14,500	-	-	-	-	-
g. MANPADS to State Dept.	6,000	-	6,000	6,000	-	-
h. Coalition Provisional Authority – Inspector General	10	-	-	-	-	-
i. Deployment Health Support System	3,400	-	-	-	-	-
Subtotal	77,312	-	6,000	6,000	-	-

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III. Financial Summary ($ in Thousands)(continued)

B. Reconciliation Summary:	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**805,813**	**752,893**	**778,858**
Congressional Adjustments			
a) Distributed	-76,200	-	-
b) Undistributed	-	-	-
c) General Provisions	27,319	-	-
d) Earmarks	9,553	-	-
Subtotal Appropriated Amt.	**766,485**	-	-
Fact of Life Changes	-	-	-
Subtotal Baseline Funding	**766,485**	-	-
War Supplemental	6,000	-	-
Reprogrammings	-13,592	-	
Price Changes	-	18,545	16,074
Functional Transfers	-	-29,119	-
Program Changes	-	36,539	104
Current Estimate	**758,893**	**778,858**	**795,036**
Less: War Supplemental	-6,000	-	-
Normalized Current Estimate	**752,893**	**778,858**	**795,036**

III. Financial Summary ($ in Thousands)(continued)

C. Reconciliation of Increases & Decreases:

		TOTAL
2005 President's Budget Request		**805,813**
1. Congressional Adjustments		
a. Distributed Adjustments		-76,200
1) Business Management Modernization Program (BMMP)	-7,000	
2) BMMP Domains (now Core Business Mission Areas)	-15,000	
3) Center for Foreign Language Study	1,000	
4) Clinic for Legal Assistance to Service Members	750	
5) Command Information Superiority Architecture (CISA)	1,000	
6) Comptroller Initiatives	-6,500	
7) DoD Chief Information Officer	-2,500	
8) Info. Tech. Organizational Composition Project	1,300	
9) Logistics System Modernization	-4,000	
10) Middle East Regional Security Program	1,250	
11) Military Leadership and Rule of Law Program	1,000	
12) National Dedicated Fiber Optic Network Program	1,000	
13) National Strategic Seaport Model	1,500	
14) Net Assessment	-4,000	
15) Norm Mineta Internship Immersion Program	2,550	
16) OSD Contract & Support	-5,000	
17) OSD Study Program	-4,000	
18) Public Affairs	-11,500	
19) Readiness and Range Initiative	-7,500	
20) Study of Internet and Wireless Technology	1,000	
21) Training Transformation	-5,000	
22) Defense Procurement and Acquisition Technology	-7,500	
23) Asia-Pacific Regional Initiative	14,000	
24) Capital Security Cost Sharing Plan	-27,300	
25) Information Assurance Scholarship Program	2,250	

III. Financial Summary ($ in Thousands) (continued)

26) Beyond Goldwater-Nichols Study	1,000	
27) Foreign Disclosure On0Line Training, Education and Certification	500	
28) DoD Center for Child Protection	500	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		51,425
1. Sec 8113 – Intrepid Sea-Air-Space Foundation	5000	
2. Sec 8113 – Presidio Trust (parade field renovations)	1,875	
3. Sec 8113 – Fort Ticonderoga Association	1,000	
4. Sec 8113 – Military Aviation Museum of the Pacific	8,500	
5. Sec 8113 – Wing of Liberty Military Museum at Fort Campbell	10,000	
6. Sec 8113 – United Services Organization	2,550	
7. Sec 8113 – Galena IDEA Distance Learning Program	5,000	
8. Sec 8113 – Wing Luke Asian Museum	1,500	
9. Sec 8113 – Center for Applied Science and Engineering	8,000	
10. Sec 8113 – Women in Military Service for America Memorial	1,000	
11. Sec 8113 – American Red Cross Greater Alleghenies Blood Center	2,000	
12. Sec 8113 – Clarksville-Montgomery County School System	4,000	
13. Sec 8113 – National Museum of Cavalry and Army at Ft Knox	1,000	
e. General Provisions (Undistributed)		-24,106
14. Sec 8095 - Advisory and Assistance Services	-10,046	
15. Sec 8122 – Management Improvement Savings	-1,287	
16. Sec 8140 – Unobligated Balances	-12,380	
17. Sec 8141 – Excessive Growth in Travel	-393	

III. Financial Summary ($ in Thousands) (continued)

f. Congressional Earmarks, Indian Lands Env Impact		9,553
2005 Appropriated Amount		**766,485**
2. Program Changes		
2005 Baseline Funding		**766,485**
3. Reprogramming/Supplementals		
a. War-Related Supplemental Appropriations		6,000
b. Reprogramming		-13,592
1) Legal Staff to Office of the Inspector General (OIG)	-1,107	
2) Planning & Evaluation Staff to Washington Headquarters Services	-2,892	
3) Acquisition Core Business Mission Area to RDT&E	-2,100	
4) Public Affairs Transformation to American Forces Information Service (AFIS)	-12,222	
5) Mishap Reduction Initiative to OSD from Army, Navy and Air Force	4,729	
Revised FY 2005 Estimate		**758,893**
4. Less: War Supplemental		-6,000
Normalized FY 2005 Estimate		**752,893**
5. Price Change		18,545
6. Transfer		
a. Transfer Out		-29,119

III. Financial Summary ($ in Thousands) (continued)

1)	Public Affairs transformation program transferred to American Forces Information Services (AFIS) resulting in this decrease. (FY 2005 Baseline: $46,573)	-12,207
2)	Training Transformation – Funds for the Joint Knowledge Development and Distribution Capability (JKDDC) are transferred to The Joint Staff. (FY 2005 Baseline: $13,094)	-3,482
3)	Chief Information Officer - The program decrease is due to the transfer of responsibility for the IPv6 transition to the Defense Systems Information Agency (DISA). (FY 2005 Baseline: $20,150)	-7,398
4)	Horizontal Fusion – The program and funding was transferred to the Air Force to support the Horizontal Fusion Special Access Program (SAP). FY 2005 $5,909)	-6,032

7. Program Increases

a. Annualization of New FY 2005 Program

b. One-Time FY 2006 Costs

c.	Program Growth in FY 2006		147,381
1)	Capital Security Cost Sharing – This is a bill for DoD's Share of the State Department facility upgrade to enhance security at overseas embassies. (FY 2005 Baseline: $0)	61,300	
2)	Net Assessment – This program increase provides for additional research in support of requirements outlined by the SECDEF regarding Middle - and Far-East countries. (FY 2005 Baseline: $16,327)	3,534	
3)	OUSD (AT&L) Decision Support Program – This increase will allow for projects that require specialized technical support		

III. Financial Summary ($ in Thousands) (continued)

	be completed to support the Department. (FY 2005 Baseline: $14,155)	2,796
4)	Corrosion Reduction – This new program will enhance the Department's corrosion control strategy and supports congressional direction to establish separate funding for this program. (FY 2005 Baseline: $0)	9,468
5)	Facilities Program Requirements – This new program will integrate multiple models, allowing DoD to generate verifiable sustainment requirements for the Components. (FY 2005 Baseline: $0)	284
6)	Acquisition Workforce Demonstration – This increase will allow AT&L to recruit hard to fill vacancies and to pursue other AT&L initiatives to enhance quality and management of the acquisition workforce.(FY 2005 Baseline: $2,691)	409
7)	Logistics Systems Modernization Support - This increase will fund contractor support required to accelerate the integration of logistics information systems that will support the warfighter. (FY 2005 Baseline: $11,450)	1,525
8)	Defense Procurement and Acquisition Policy – Requirements were deferred in FY 2005 due to funding constraints. This increase will support emergent requirements that include intra-governmental departmental developmental assignments. (FY 2005 Baseline: $7,259)	5,708
9)	Unique Identification - This funding provides for the implementation of new requirement established to uniquely identifying tangible DoD items. This effort will provide improved visibility of assets. (FY 2005 Baseline: $0)	640
10)	Mission Capabilities/Systems Engineering – Program growth will provide for the analysis required to identify related technology gaps and increased use of modeling and simulation. (FY 2005 Baseline: $6,278)	489

III. Financial Summary ($ in Thousands) (continued)

11) Readiness and Environmental Protection Initiative –This effort is increasing from FY 2005 to sustain military readiness while assisting in the protection of valuable habitat by working with interested stakeholders to acquire key conservation easements. (FY 2005 Baseline: $11,817)	7,935
12) Capital Asset Management System / CFO Compliance – This increase supports the effort to bring the Department into compliance with the CFO Act. Implementation will provide reliable and accurate information. (FY 2005 Baseline: $1,914)	2,460
13) Defense Acquisition Mgt. Info. Retrieval System – Program increase will support planned implementation spirals by leveraging existing systems and technology to meet new business challenges. (FY 2005 Baseline $2,236)	481
14) P&R Studies/BAH Administrative Support – This increase will restore the level of effort to prior year levels, allowing deferred projects to be completed. (FY 2005 Baseline: $3,718)	279
15) P&R Defense Safety Oversight Council – This new effort funds safety initiatives to aid DoD commanders with their injury prevention effort and improve processes used in safety management.(FY 2005 Baseline: $0)	9,201
16) P&R Lost Work Day System – Upgrades are required to enhance the system and to maintain capabilities required to track lost work days due to accidents. (FY 2005 Baseline: $2,784)	882
17) Defense Readiness Reporting System – This increase allows for the additional support required to maintain the semantic middleware and databases required to support this system. (FY 2005 Baseline: $2,629)	156
18) Business Management Modernization Program (BMMP) – This program is being accelerated to support the integration and transition plan for the DoD Business Transformation to ensure	

III. Financial Summary ($ in Thousands) (continued)

	effectiveness of the Business Enterprise Architecture's ability to accurately reflect DoD business missions. (FY 2005 Baseline: $19,575)	3,700
19)	Financial Management Core Business Mission Area – These funds will provide increased portfolio and system assessment. (FY 2005 Baseline: $9,225)	3,937
20)	I&E Core Business Mission Area – These funds will provide for work deferred in FY 2005. (FY 2005 $2,483 thousand)	1,360
21)	Acquisition Core Business Mission Area - These funds will provide additional support to the business modernization and transition architecture. (FY 2005 $6,113 thousand)	547
22)	EIE/Technical Infrastructure Core Business Mission Area – This increase will provide for business management requirements deferred from FY 2005. (FY 2005 $869 thousand)	392
23)	FYDP Improvement – This funding will provide for additional analysis support to improve the Future Years Defense Program operation and maintenance to the level needed. (FY 2005 Baseline: $2,473)	838
24)	Comptroller Initiatives – Additional support required to support development of the DoD Financial Management Transformation Planning tool by identifying critical targets of opportunity, support for development of metrics for financial operations and to provide support in consolidating the volumes of raw data into meaningful reports, reimburse employees for professional certifications and licenses approved in the FY 2003 NDAA Act, support the efforts to identify financial management control weaknesses and process areas that are conducive to fraud, and sustain the Contingency Operations Support Tool(COST) database and data factors used for developing	

III. Financial Summary ($ in Thousands) (continued)

accurate cost estimates for contingency operations and humanitarian missions. (FY 2005 Baseline: $6,238)	6,262
25) USD Policy Studies – Funding will contribute expert knowledge to the USD(P) staff when analyzing and recommending options to the President, Secretary, or Congress members in response to international crises such as during Operation Iraqi Freedom and Operation Enduring Freedom.(FY 2005 Baseline: $3,555)	868
26) Support to Organization for Security and Cooperation in in Europe (OSCE) – Increased cost of living for negotiators representing the Secretary of Defense at OSCE in Vienna and Geneva. (FY 2005 Baseline: $411)	291
27) Rewards Program (SO/LIC) – This will allow increased support for information concerning terrorists outside of the US. (FY 2005 Baseline: $2,629)	316
28) ASD Homeland Defense (HD) - Increase will fund a twenty-four hour, seven days a week on-site collaboration watch desk within the Department of Homeland Security (DHS) facilities. This watch desk allows for immediate communication and cooperation with DHS field agencies and headquarters personnel during domestic or international crisis that may impact military assets and resources within the US. Information and data are provided to critical nodes within DoD to include the Secretary of Defense, Commander of US Northern Command, and the intelligence community. (FY 2005 Baseline: $6,309)	3,590
29) HD Critical Infrastructure Program –Increased funding will directly support Combatant Commanders (COCOMs), Military Services, and Defense Agencies in conducting vulnerability and risk assessments of DoD assets. Each assessment provides information and data that identifies critical points of	

III. Financial Summary ($ in Thousands) (continued)

	failure on the installation or asset. Force protection resources can be focused on these critical points rather than performing a blanket or chance approach. This achieves significant savings and cost avoidance in defending military assets worldwide. (FY 2005 Baseline: $10,698)	12,351	
30)	HD Maritime Domain Awareness – This funding supports the December 2004 National and Homeland Security Presidential Directives on Maritime Security. The increase will investigate the integration of existing surveillance technologies in conjunction with new sources of breakwater and barrier technology that will facilitate port security needs without impeding legitimate commerce. Increase will promote a greater involvement of the Federal, State, and local government maritime communities with cooperation from domestic and international industries. (FY 2005 Baseline: $0)	5,153	
31)	Director of PA&E / Defense Resources Management Study Program – This additional support will assist with reforming the defense resource management process and IPA reimbursement. (FY 2005 Baseline: $7,471)	229	
8.	Program Decreases		
a.	One-Time FY 2005 Costs		-90,263
1)	Congressional Adds Not Carried Forward	-80,041	
2)	Earmark Not Carried Forward	-10,222	
b.	Annualization of FY 2005 Program Decreases		

III. Financial Summary ($ in Thousands) (continued)

c. Program Decreases in FY 2006		-20,579
1) Core Operating Programs - (travel, transportation, and Intergovernmental Personnel Act assignees). This decrease is due reduced planned travel and IPA reimbursements. (FY 2005 Baseline: $23,901)	-3,218	
2) Force Transformation Office and ROK Scholarship Fund – Decreased requirement as efforts begin to trend downwards with completion of initial studies. (FY 2005 Baseline:$12,742 thousand)	-124	
3) Legacy Resource Management / Deskbook – Reduces sustainment costs contribute to the decrease. (FY 2005 Baseline: $12,645)	-832	
4) Consolidated Acquisition Reporting System (CARS) – This program is being scaled back and will be replaced in FY 2008 by the Defense Acquisition Management Information Retrieval (DAMIR) system. (FY 2005 Baseline: $879)	-506	
5) Arctic Military Environmental Impact (AMEC)/ Defense Reform Projects for Competition – Supporting requirements associated with these two programs are decreased due sharing costs with other countries and other minor reductions. (FY 2005 Baseline: $4,097)	-153	
6) Acquisition Programs Support Systems / Test Resource Management Center - This decrease is due decrease in level of sustainment costs and contractors support. (FY 2005 Baseline: $14,738)	-570	
7) Environmental Security Cooperation/Low Observable-CLO - This decrease is due reduced contractor support. (FY 2005 Baseline: $1,982)	-82	
8) Transform Procurement Regulations – Implementation of the tools to move the publication and communication of policies and laws		

III. Financial Summary ($ in Thousands) (continued)

	allows for a decrease in efforts with this program. (FY 2005 Baseline: $3,587)	-1,178
9)	E-Business COE – This decrease is part of the reduced efforts identified with implementing the DoD's Business Enterprise Architecture (BEA). (FY 2005 Baseline: 12,956)	-409
10)	BRAC Support – The Base Realignment and Closure Support program is reduced in FY 2006 with completion of program. (FY 2005 Baseline: $2,197)	-1,510
11)	Base Installation Visualization Tool System (BIVT) – This program decrease is due to planned deployment of the BIS Installation Visualization Tool. (FY 2005 Baseline: $14,676)	-1,256
12)	Federal Accounting Standards Advisory Board –No funding required in FY 2006 due to completion of this program in FY 2005. (FY 2005 Baseline: $868)	-886
13)	OUSD(I) Mission & Analysis Fund – This program decreases technical and analytic contractor support to C4. (FY 2005 Baseline: $15,659)	-2,526
14)	OUSD(I) Special Access Program – This decrease can be addressed separately due to classification. (FY 2005 Baseline: $22,871)	-4,415
15)	Counterintelligence and Security - The decrease is the results of rescoping existing contracts. (FY 2005 Baseline: $14,088)	-1,649
16)	NII Mission and Analysis Fund – The program decrease will reduce analytic support to planning guidance developed for C4 and information programs. (FY 2005 Baseline: $21,304)	-134
17)	Command Information Superiority Architecture (CISA)/ Information Superiority Integration Support (ISIS) The decrease is in part due to reduced efforts associated with implementation of the Net-Centric Transformation and Portfolio Management.(FY 2005 Baseline: $14,782)	-92

III. Financial Summary ($ in Thousands) (continued)

18) Information Systems Security Program (ISSP) – The program decrease reflects adjustments to completion of selected Human Resource/Education, Training and Awareness (HR/ETA) activities now funded by other programs. (FY 2005 Baseline: $18,532)	-1,039	
FY 2006 Budget Request		**778,858**
9. Price Change		16,074
10. Transfers		
a. Transfers-In		
b. Transfers-Out		
11. Program Increases		
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		39,195
1) Travel & Transportation – Increased travel and associated costs with international travel in support of the Department's mission. (FY 2006 Baseline: $15,062)	821	
2) Capital Security Cost Sharing – This is a bill for DoD's Share of the State Department facility upgrade to enhance security at overseas embassies. (FY 2006 Baseline: $61,300)	28,815	
3) Defense Reform Project for Competition / Support Services OSD (Policy) – This increase supports requirements requested by senior leadership and completion of deferred efforts. (FY 2006 Baseline: $11,325)	201	
4) Consolidated Acquisition Reporting System CARS –This increase provide for software updates and maintenance of the system until it is replaced. (FY 2006 Baseline: $391)	64	

III. Financial Summary ($ in Thousands) (continued)

5) CFO Act Compliance – This change will help provide reliable management information and improvements to the management of the Department's funds and assets. (FY 2006 Baseline: $1,978)	186
6) Acquisition Program Support Systems - This increase sustainment costs for continued operation of this system. (FY 2006 Baseline: $8,603)	168
7) Logistics Systems Modernization Support - This increase will fund anticipated bills as the Business Modernization Management Program approves the architecture implementation within the Department. (FY 2006 Baseline: $13,215)	3,135
8) Capital Asset Management System – This increase supports continued efforts for final development of this system in FY 2007. (FY 2006 Baseline: $2,436)	587
9) Test Resource Management Center / Defense Acquisition Management Information Retrieval – Increased oversight of testing and evaluation to include improved reporting with be achieved with this increase. (FY 2006 Baseline: $15,079)	223
10) Training Transformation – This increase will increase the ability to strengthen joint warfighting capabilities through Training Transformation (T2). (FY 2006 Baseline: $9,886)	337
11) Future Years Defense Program (FYDP) Improvement / Comptroller Initiatives – This funding will provide for additional analysis support to improve the Future Years Defense Program operation and maintenance to the level needed. (FY 2006 Baseline: $16,230)	175
12) USD (I) Special Access Program – Details of this increase can be addressed separately due to classification. (FY 2006 Baseline:$18,936)	4,254
13) NII Mission & Analysis Fund / Command Information	

III. Financial Summary ($ in Thousands) (continued)

Superiority Architecture (CISA) / Information Superiority Integration Support (ISIS)– Additional support required to help support the continued operation of the RF Net-Centric Architecture Office as well as the C2 enterprise and GIG framework definitions.(FY 2006 Baseline: $36,617)	185	
14) Chief Information Officer – The program increase will help support transforming the DoD from a platform-centric information technology environment to one that is network-centric. (FY 2006 Baseline: $13,175)	44	
12. Program Decreases		
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		-39,091
1) Core Operating Program – Reduced requirements due to ongoing efforts to improve efficiencies within the Department. (FY 2006 Baseline: $238,750)	-926	
2) Other DoD Programs and Initiatives – Reevaluation of existing efforts, transformation and implementation of BMMP decisions contribute to this decrease.(FY 2006 Baseline: $152,996)	-8,069	
3) Homeland Defense / Critical Infrastructure Protection / Maritime Domain Awareness – This reduction is to allow for evaluation of these programs in FY 2006 to ensure level of effort meets the Department's goal. (FY 2006 Baseline: $38,457)	-8,882	
4) OUSD(I) Mission & Analysis Fund / Counterintelligence and Security - This adjustment is the result of reduced fiscal		

III. Financial Summary ($ in Thousands) (continued)

	guidance and will require reassessment of these programs. (FY 2006 Baseline: $46,032)	-6,715
5)	Legacy / Deskbook – This decrease is a reflection of the Department's effort to maintain costs due to funding constraints. (FY 2006 Baseline: $29,327)	-531
6)	Corrosion / Facilities Program Requirements / Acquisition Workforce Demonstration - The adjustments to these programs are due to implementation of the new personnel system and with the effort to integrate multiple models and requirements generations into a single DoD structure. (FY 2006 Baseline: $12,908)	-444
7)	Defense Procurement and Acquisition Policy / Transform Procurement Regulations – Improved efforts toward acquisition excellence; and workforce management and career development improvement to include DoD procurement regulatory process allows for this decrease. (FY 2006 Baseline: $17,018)	-1,403
8)	E-Business COE / Unique Identification / BRAC Support – Reduced requirements and termination of the BRAC program allows for reductions to be identified. (FY 2006 Baseline: $14,216)	-1,777
9)	Mission Capabilities/Systems Engineering / Readiness & Environmental Protection – Reduced sustainment efforts that includes training is the major contributor to this decrease. (FY 2006 Baseline: $20,000)	-87
10)	Base Installation Visualization Tool System – Completion of BRAC in FY 2006 eliminates funding requirements for this program. (FY 2006 Baseline: $13,728)	-10,257
FY 2007 Budget Request		**795,036**

III. Performance Criteria and Evaluation Summary:

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

Other programs under the staff offices' purview, are assigned to OSD for execution as are congressional increases where appropriate. The performance of these is normally evaluated using accounting records. Obligations are expected to closely approach 100%.

Department of Defense (DoD) goals are set at the Departmental level. Each year the Secretary of Defense submits an unclassified Annual Report to the President and Congress containing the DoD goals. These reports are available on the Internet at http://www.defenselink.mil/execsec.

The Planning, Programming, Budgeting and Execution (PPBE) system allocates resources to meet the Department's goals. One of the OSD offices, the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), is responsible for the PPBE. Equivalent staff offices are responsible for the proper execution of programs Department-wide. Quantifiable performance criteria and evaluation criteria are not applied to the OSD policy oversight function.

An OSD/Management Headquarters staff reduction goal was established under the Defense Reform Initiative and apportioned among the OSD components by the OSD Office of Management and Planning.

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V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)						
Officer	416	403	405	405	2	0
Enlisted	81	77	77	77	0	0
Reserve Drill Strength (E/S) (Total)						
Reservists on Full Time Active Duty (E/S)						
Civilian End Strength (Total)	1,429	1,476	1,476	1,476	0	0
U.S. Direct Hire	1,429	1,476	1,476	1,476	0	0
Memo: Military Technician Included Above						
Memo: Reimbursable Civilians Included						
Memo: Additional Military Technicians Assigned to USSOCOM						
Active Military Average Strength (A/S) (Total)						
Officer	416	403	405	405	2	0
Enlisted	81	77	77	77	0	0
Reserve Drill Strength (A/S) (Total)						
Reservists on Full Time Active Duty (A/S)						
Civilian FTEs (Total)						
U.S. Direct Hire	1,429	1,476	1,476	1,476	0	0
Memo: Military Technician Included						
Memo: Reimbursable Civilians Included						
Average Annual Civilian GS/SES Salary ($000)	140	146	148	150	2	2
Average Annual Civilian WG Salary ($000)	91	94	96	99	2	2

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VI. OP 32 Line Items as Applicable: ($ in Thousands)

		Change from FY 2004 to FY 2005			Change from FY 2005 to FY 2006			Change from FY 2006 to FY 2007		
	FY 2004 Actuals	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
Executive, Gen. & Spec. Schedules	199,198	11,109	-	210,307	7,150	-	217,457	4,285	-	221,742
Wage Board	-		-	-	-	-	-	-	-	-
Benefit to Former Pers.	1,232	-1,232	-	-	-	-	-	-	-	-
Disability Comp.			-	565	-	-	-	-	-	-
Travel of Persons	13,097	262	4,156	17,515	368	-2,821	15,062	316	814	16,192
Transportation	131	3	-106	28	1	-1	28	1	-	29
Rent, GSA	16	0	-	16	0	-	16	0	-	16
Printing & Repro	251	5	-5	251	5	-	256	5	-	261
Equip. Maintenance	2,000	40	-40	2,000	42	-	2,042	43	-	2,085
Equipment Purchases	6,000	120	-120	6,000	126	-	6,126	129	-	6,255
Contract Consultants	2,000	40	-840	1,200	25	-	1,225	26	-	1,251
Mgmt/Prof Support Svcs	74,592	1,492	-42,484	33,600	706	-	34,306	720	-	35,026
Studies, Anal. & Eval.	169,938	3,399	20,513	193,850	4,071	22,861	220,782	4,636	-1,280	224,138
Eng. & Tech. Svcs.	140,207	2,804	31,735	174,746	3,670	16,584	195,000	4,095	-95	199,000
Other Intra-Gov't Pur	76,642	1,533	-53,175	25,000	525	10,033	35,558	747	-	36,305
Grants	27,850	557	15,931	44,338	931	-45,269	-	-	-	-
Other Contracts	22,762	455	20,825	44,042	925	6,033	51,000	1,071	665	52,736
Other Costs	65,828	1,317	-67,145	-	-	-	-	-	-	-
Total	801,744	21,904	-70,755	752,893	18,545	7,420	778,858	16,074	104	795,036

Notes:

FY 2004 includes $77,312 thousand from Supplemental funds.
FY 2005 excludes $6,000 thousand from Title IX funds.

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UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

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UNITED STATES SPECIAL OPERATIONS COMMAND
Operation and Maintenance, Defense-Wide
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Operation and Maintenance, Defense-Wide Summary ($ in thousands)
Budget Activity (BA) 1: Operating Forces

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
USSOCOM	2,869,350	-81,894	-667,103	2,120,353	50,857	34,483	2,205,693	38,986	98,689	2,343,368

* The FY 2004 Actuals column includes $881,532 thousand of FY 2004 Supplemental funds.

* The FY 2005 Estimate column excludes $15,248 thousand of Iraq Freedom Fund transfers and $199,000 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

A. Flight Operations – Supports two active Special Operations Wings (SOW--16 SOW, Hurlburt Field, FL and 58 SOW, Kirtland AFB, NM) and two Special Operations Groups (SOG--352 SOG, RAF Mildenhall UK and 353 SOG, Kadena AB JA) and their associated squadrons. Includes the 919th Special Operations Reserve Wing located at Duke Field, FL and the 193rd Special Operations Air National Guard Wing, Harrisburg, PA. Includes the 160th Special Operations Aviation Regiment at Ft Campbell, KY. Funding supports Special Operations Forces (SOF) Army and Air Force civilian manpower authorizations, flying hours, Special Operations (SO) peculiar and support equipment, necessary facilities, initial qualification, and recurring training of aircrews in SOF aircraft operations and tactics. Costs specifically identified and measurable to SOF active tactical aviation operational units, organizations and special operation wings and squadrons are also included in this sub activity.

I. Description of Operations Financed: (continued)

B. Ship/Boat Operations – Supports Naval Special Warfare Groups 3 and 4, Special Boat Units, and SEAL Teams. Includes Active and Reserve Navy manpower authorizations, SO-peculiar and support equipment, necessary facilities, and associated costsspecifically identified and measurable to boats assigned to Naval Special Warfare Command (NSWC).

C. Combat Development Activities – Includes Joint and Component manpower authorizations, SO-peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the development of combat doctrine, organizational concepts, material requirements, and other developmental activities related to SOF. Also includes activities to support experimentation, tests, project evaluations necessary to develop and/or validate new doctrine material, and organizations for special operations.

D. Other Operations – Includes manpower authorizations, SO-peculiar and support equipment, necessary SO-unique facilities and other operational costs specifically associated with SOF Active Army Rangers; Active and National Guard Army Special Forces activities; Active and Reserve Army Psychological Operations; Active and Reserve Army Civil Affairs Units; Naval Special Warfare groups, units, teams, and detachments; Active and Reserve SOF units and detachments, Air Force 720th Special Tactics Group, Special Tactics Squadrons, Combat Control Squadrons, and SOF Para Rescue Forces.

E. Force Related Training – Provides for the conduct of, or participation in, strategic mobility, Commander-In-Chief directed, and Joint Chiefs of Staff exercises. Force related training includes Joint Combined Exchange Training sponsored by Commander, Special Operations Command in support of regional Theater Commanders and the Services. Includes all Headquarters USSOCOM and/or component manpower authorizations, SO-peculiar

I. Description of Operations Financed: (continued)

and support equipment, necessary facilities, and the associated costs specifically identified and measurable to the conduct of SO force-related training.

F. Operational Support – Includes manpower authorizations, SO-peculiar and support equipment, necessary facilities and associated costs specifically identified and measurable to SOF Active Army Special Operations Support Command (SOSCOM), and the Special Operations Forces Support Agency (SOFSA). SOSCOM is comprised of the 528th Support Brigade and the Active and Reserve Army Tactical Communications (112th Signal Brigade) and other SOF operational support units (Special Operations Theater Support Elements).

G. Intelligence and Communications – Includes Headquarters USSOCOM and/or component manpower authorizations, SO-peculiar and support equipment, necessary facilities and associated resources directly associated with ADP support costs for SOF worldwide Command and Control Systems, non-tactical telecommunications networks, services, leases, facility controls and associated equipment. This includes Command Center operations; deployable command, control and communications assets; and automation support required to maintain SOF command and control. To support USSOCOM's role as supported Combatant Commander, the Special Operations Joint Interagency Collaboration Center (SOJICC) and the Special Operations Joint Operations Center (JOC) were established to provide 24/7 operational oversight of ongoing worldwide missions along with an intelligence fusion cell to support Special Operations.

H. Management Operational Headquarters – Includes manpower authorizations, SO-peculiar and support equipment, necessary facilities and associated costs specifically identified and measurable to the U.S. Army, Air Force and Naval USSOCOM Component Command Headquarters, as well as the USSOCOM Headquarters and its management support activities. Also includes costs associated with the expenditure of funds in support of officially

I. Description of Operations Financed: (continued)

sanctioned activities used to maintain the standing and prestige of the United States by extending official courtesies to guests who promote the goals of the Commander, Special Operations Command and the Department of Defense. Additionally, includes support for the Theater Special Operations Commands (TSOCs) and the newly established Center for Special Operations (CSO).

I. Depot Maintenance – Supports maintenance (to include installation of modification and conversion kits) of weapons support systems and commodity groups associated with Special Operations Command (SOC) activities. This also includes Headquarters USSOCOM and/or components' MFP-11 funds for reimbursement of Service industrial funds for depot maintenance of SOF-unique aircrafts, maritime crafts, and equipment. Includes reimbursement for maintenance activities at industrially funded naval shipyards and costs associated with non-industrial funded maintenance activities at Navy repair facilities.

J. Base Support – Costs specifically identified and measurable as tenant Base Support costs incurred by Naval Special Warfare Command (NSWC). In addition, provides for all SO-unique minor construction costing less than the statutory limit for Minor Military Construction projects as established by Section 205 of Title 10, U.S.C. Also includes costs for Pre-Design of SOF construction projects.

K. Specialized Skill Training and Recruiting – Provides for the United States Army John F. Kennedy Special Warfare Center (USAJFKSWC), the Special Operations Medical Training Center (SOMTC), and the Naval Special Warfare Center (NSWCEN). These schools provide training in both basic and advanced special operations skills and operations, and educate American and Allied personnel in geo-political, psychological and military aspects of joint special operations. Funding also provides Special Operations Forces (SOF) Language Training which produces language proficient personnel and supports the Naval Small Craft Instruction and Technical Training School.

I. Description of Operations Financed: (continued)

L. Professional Development Education – Includes the United States Air Force Special Operations School (USAFSOS) at Hurlburt Field, Florida and the Joint Special Operations University (JSOU). The USAFSOS primary mission is to provide specialized SOF education for USSOCOM air component personnel and other USSOCOM members. Since FY 1994, the school has provided the Command's Professional Development program. This is a progressive education program qualifying Air Force Special Operations Forces personnel to serve in Joint Special Operations Task Forces and joint staffs. JSOU is an institution of higher learning consisting of teaching and research facilities focused on producing and promoting Joint Special Operations strategic and operational analysis and education. It is the Joint Special Operations center of excellence dedicated to building and maintaining a consortium of JSOU education activities focused on the education of SOF leaders as well as non-SOF decision makers at the intermediate and senior levels.

M. Logistics Operations, Acquisition and Program Management – Provides resources for Operation and Maintenance costs supporting Special Operation Forces (SOF)-peculiar acquisition program management, and engineering and logistical support for SOF acquisition programs. Support includes funding for travel, operational testing and evaluation support, and related supplies and equipment. Funds civilian program management and general contractor support for the Special Operations Acquisition and Logistics Center (SOAL) to include support equipment, necessary facilities, SOAL civilians and associated management costs.

II. Force Structure Summary: Not Applicable

UNITED STATES SPECIAL OPERATIONS COMMAND
Operation and Maintenance, Defense-Wide
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III. Financial Summary ($ in Thousands):

A. Sub Activities:	FY 2004	FY 2005 Budget	FY 2005 Current	FY 2006	FY2007
BA-1 OPERATING FORCES					
1. Operational Forces	**2,001,787**	**1,464,890**	**1,389,025**	**1,389,025**	**1,406,475**	**1,499,615**
Flight Operations	696,679	745,029	714,261	714,261	692,094	768,009
Ship/Boat Operations	87,002	56,167	54,594	54,594	56,114	59,141
Combat Development Activities	674,741	403,947	395,534	395,534	415,389	423,195
Other Operations	543,365	259,747	224,636	224,636	242,878	249,270
2. Operational Support	**683,084**	**515,723**	**494,796**	**494,796**	**524,498**	**565,346**
Force Related Training	37,504	48,048	40,802	40,802	35,153	37,115
Operational Support	87,824	44,876	40,320	40,320	41,907	44,120
Intelligence & Communication	209,232	167,633	164,973	164,973	171,917	174,400
Management/Operational Hqtrs	167,149	106,412	105,167	105,167	117,334	123,209
Depot Maintenance	153,135	133,002	129,821	129,821	142,156	168,936
Base Support	28,240	15,753	13,713	13,713	16,031	17,566
3. Skill & Advanced Training	**121,717**	**96,244**	**98,601**	**98,601**	**124,181**	**125,684**
Specialized Skill Training	109,085	89,258	91,767	91,767	115,826	116,802
Professional Development Education	10,840	5,222	5,070	5,070	6,528	6,843
Base Support	1,792	1,764	1,764	1,764	1,827	2,039
4. Logistics Operations	**62,762**	**65,620**	**61,926**	**61,926**	**64,115**	**62,967**
Acquisition/Program Mgmt	62,762	65,620	61,926	61,926	64,115	62,967
5. MFP-3 Intelligence	**-**	**88,837**	**76,005**	**76,005**	**86,424**	**89,756**
TOTAL BA-1	**2,869,350**	**2,231,314**	**2,120,353**	**2,120,353**	**2,205,693**	**2,343,368**

* The FY 2004 Actuals column includes $881,532 thousand of FY 2004 Supplemental funds.

* The FY 2005 Estimate column excludes $15,248 thousand of Iraq Freedom Fund transfers and $199,000 thousand of FY 2004/FY 2005 Title IX obligations.

III. Financial Summary: ($ in Thousands) (continued)

B. Reconciliation Summary:	Change FY 2005 PB To FY 2005 Current Estimate	Change FY 2005 Current To FY 2006 Estimate	Change FY 2006 To FY 2007 Estimate
Baseline Funding	2,231,314	2,120,353	2,205,693
Congressional Adjustments (Distributed)	-26,300	-	-
Congressional Adjustments (Undistributed)	-11,300	-	-
Congressional Adjustments (General Provisions)	-72,107	-	-
Congressional Earmarks	-1,254	-	-
Subtotal Appropriated Amount	2,120,353	-	-
Fact-of-Life Changes	-	-	-
Subtotal Baseline Funding	2,120,353	2,120,353	2,205,693
Enacted Supplemental Title IX	214,248		
Price Changes	-	50,857	38,986
Functional Transfers	-	-	-
Program Changes	-	34,483	98,689
Current Estimate	2,334,601	2,205,693	2,343,368
Less: Wartime Supplemental	-214,248		
Normalized Current Estimate	2,120,353		

C. Reconciliation of Increases and Decreases:	($ in Thousands) Amount	Totals
FY 2005 President's Budget Request		2,231,314
1. Congressional Adjustments		-110,961
a. Congressional Specified Adjustments	-26,300	
NATO Mission Support Costs	-2,300	
Unjustified Growth	-15,000	
Decreased Airlift Requirements	-10,000	
Completion of Knowledge Superiority for Transitional Warfighter	1,000	
b. Undistributed Congressional Adjustments	-11,300	
Other Programs	-11,300	

III. Financial Summary: ($ in Thousands) (continued)

c. Congressional Adjustments (General Provisions)		-72,107	
Section 8095 – Advisory and Assistance Services	-28,210		
Section 8122 – Management Improvement Savings	-3,613		
Section 8140 – Unobligated Balances	-34,767		
Section 8141 – Excessive Growth in Travel and Trans	-5,517		
d. Congressional Earmarks		-1,254	
Section 8044 – Mitigations of Indian Lands Environmental Impact	-1,254		
FY 2005 Appropriated Amount			2,120,353
2. War-related and Disaster Supplemental Appropriations			214,248
a. Title IX, Department of Defense Appropriations Act 2004	214,248		
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations			
3. Fact-of-Life-Changes			-
a) Functional Transfers	-		
b) Technical Adjustments	-		
1) Increases: Realigned to Budget Activity (BA)-1 from BA-3 ($85,023) and BA-4 ($62,762) within the Defense-wide appropriation.	147,785		
2) Decreases: Realigned from BA-3 ($-85,023) and BA-4 ($-62,762) to BA 1 within the Defense-wide appropriation.	-147,785		
c) Emergent Requirements	-		
FY 2005 Baseline Funding			2,334,601
4. Reprogrammings	-		-
Revised FY 2005 Estimate			2,334,601
5. Less: War-related and Disaster Supplemental Appropriations			-214,248
FY 2005 Normalized Current Estimate			2,120,353
6. Price Change			50,857
7. Functional Transfers	-		
8. Program Increases			104,989
a) Annualization of New FY 2005 Program	-		
b) One-Time FY 2006 Costs		4,312	
1) Assignment of additional basic and advanced training courses resulted in additional facility requirements at the Silver Strand Training Complex (SSTC), Coronado, California. Naval Special Warfare Center (NSWCEN) was designated by the United States Navy as the primary tenant			

III. Financial Summary: ($ in Thousands) (continued)

of the SSTC and is responsible for facility support and training at the site. Funding supports major repairs to its mechanical, plumbing, electrical, and communications systems as identified on the Annual Inspection Summary. Multiple minor construction projects are required to adapt the facility for NSWCEN use for advanced courses and improved quality of life for both students and staff. (FY 2005 baseline: $12,779)	900
2) Funding supports training additional students at both Basic Underwater Demolition/SEAL (BUD/S) and Advanced Naval Special Warfare (NSW) SEAL training in order to provide additional NSW personnel to adequately support increasing Global War on Terrorism (GWOT) commitments. This will increase the student output. Additional SEALs will also require enhanced training in NSW specialty skills, which will result in an increase in number of students attending these courses at NSWCEN. These increases in student load for both BUD/S and Advanced NSW SEAL training courses will require initial equipment outfitting, one-time purchases to meet training objectives, and design/minor construction for facility improvements to train additional students. These costs are associated with initial equipment outfitting, organizational clothing/gear, travel/tuition, office furniture, equipment, and supplies. Funding also supports one-time costs associated with increased manpower growth at the NSWCEN for increases in the training pipeline output which supports the Global War on Terrorism (GWOT). (FY 2005 baseline: $12,779)	2,043
3) In order to meet the continuing Global War on Terrorism (GWOT) requirements, an increase in the total number of Special Forces (SF) is necessary. The Special Forces Qualification Course through-put increase must result in the graduation of 750 Active Duty Enlisted (ADE) per course in order to fill the Army Special Operations Forces (ARSOF) Band II requirements. Funding supports additional commercial and Army stock fund equipment and material required for the Institutional Training Expansion. Funding also includes one-time costs (initial equipment purchases, furniture, and supplies) associated with the final phase in the establishment of the Advanced Special Operations Techniques (ASOT)	

III. Financial Summary: ($ in Thousands) (continued)

West Coast training detachment. This detachment is required to resolve critical shortfalls in the number of qualified personnel. (FY 2005 baseline: $14,222)	1,369	
c) Program Growth in FY 2006		100,677
1) MFP 3 Intelligence (Classified details provided through separate submission)	9,025	
2) Combat Development Activities (See Classified Submission)	13,898	
3) Funding was increased to properly maintain additional individual load bearing systems for Special Forces operators. These soldier systems include Body Armor Load Carrying System (BALCS), Light Weight Protective Combat Uniform (LEPCU), and Modular Integrated Communications Helmet (MICH). These systems provide superior integrated protection, communications, mobility, and comfort on the battlefield. (FY 2005 baseline: $3,929)	2,872	
4) Maintenance funding was increased to fully sustain USSOCOM's inventory of Unmanned Vehicles (UV). Included in this inventory are a diverse family of platforms that can be tailored to increase operational standoff, tactical force protection, and SOF mission effectiveness by extending access to otherwise denied areas. They include man-portable unmanned aerial vehicles and an array of small robotic vehicles for use on both land and water. (FY 2005 baseline: $1,929).	2,338	
5) Funding was increased to provide sufficient maintenance and repair of Special Operations Vehicles. This was done to ensure the readiness and dependability of USSOCOM's Family of Special Operations Vehicles (FSOV). SOF operators are using these tactical vehicles on a worldwide basis. Sufficient maintenance is critical to providing mobility and protection for SOF operators. (FY 2005 baseline: $11,129)	3,378	
6) Maintenance and repair funding was increased for USSOCOM's increasing		

III. Financial Summary: ($ in Thousands) (continued)

inventory of Night vision and optical Devices (NVD). (FY 2005 baseline: $954)	1,815
7) Programmatic increase of $1.9 million supports increased equipment replacement (CERP) for the Command, Control, Communications and Intelligence Automation System (C4IAS) at a 5 year replacement cycle, in line with minimally acceptable industry levels. The basis of issue plan (BOIP) for workstations has significantly increased, parallel to manning requirements. A portion of contract labor support has previously been executed within Combat Development Activities (classified). In addition, to ensure a centrally managed program with full accountability, these funds totaling $4.7 million, were realigned in FY 2006 to the Intelligence and Communications sub activity. (FY 2005 baseline: $11,311)	6,579
8) Programmatic increase supports depot/refurbishment, logistics and consumable support associated with fielded systems and the upgrade of radios to the Joint Tactical Radio System (JTRS) enhanced configuration. Approximately 1,340 radios require refurbishment before upgrade and re-fielding. (FY 2005 baseline: $5,767)	2,793
9) Special Operations Mission Planning Environment (SOMPE) program reflects hardware technical refreshment costs for equipment initially procured with FY 2002 Defense Emergency Response funds. The life of this hardware is approximately three years with planned upgrades scheduled again in FY 2009. This program supports automated and integrated mission planning and execution tools required for time-critical command and control of globally distributed Special Operations Forces, and as required, coalition forces. (FY 2005 baseline: $5,166)	2,111
10) Joint Threat Warning System (JTWS) provides threat warning, force protection, enhanced situational awareness and target acquisition information to SOF operators. Systems encompass four variants to include, ground, team transportable, air and maritime; all utilizing common core software. Growth supports sustainment of the increased basis	

III. Financial Summary: ($ in Thousands) (continued)

of issue for the Ground Signal Intelligence Kit (GSK) and component consumables for eighty two additional systems. (FY 2005 baseline: $3,458) 1,695

11) Special Operations Forces Tactical Assured Connectivity System (SOFTACS) reflects increased sustainment for six additional Transit Case Variant systems procured in FY 2005 and 18 tri-band Antenna Signal Combiners. (FY 2005 baseline: $6,116) 1,353

12) Civilian FTEs will increase by 72 across the following USSOCOM organizations:

Headquarters, US Special Operations Command (USSOCOM) added 15 civilian work years necessary to support Special Access Programs (SAP), Commander's Audit Cell, Joint Psychological Support Element (JPSE), and additive workload associated with the Global War on Terrorism (GWOT).

Headquarters, Air Force Special Operations Command (AFSOC) will civilianize 36 military billets by FY 2007. The first phase will begin in FY 2006 and will result in reduced overall stress on military personnel requirements and increased continuity in the work place.

Headquarters, US Army Special Operations Command (USASOC) will civilianize 42 military billets by FY 2007. The first phase will begin in FY 2006 that will result in reduced overall stress on military personnel requirements and increased continuity in the work place. Headquarters, USASOC will also add 10 civilian work years necessary to support Special Access Programs (SAP).

Theater Special Operations Commands; Special Operations Command Europe (SOCEUR), Special Operations Command Pacific (SOCPAC), Special Operations Command Central (SOCCENT), and Special Operations Command Korea (SOCKOR), each civilianized 2 military billets that will result in reduced overall stress on military personnel requirements and increased continuity in the work place.
(FY 2005 baseline: $ 59,556) 6,978

III. Financial Summary: ($ in Thousands) (continued)

13) Programmatic increase supports centralized logistical readiness capabilities at United States Special Forces Command, Ft Bragg, NC. Also provides additional supplies, materials, maintenance and equipment to the Special Forces Groups. (FY 2005 baseline FY 2005: $18,917)	2,468
14) A significant increase in funding was provided to the Naval Special Warfare Operational Groups to support additional military personnel equivalent to an additional SEAL Team scheduled in FY 2006. This funding will support an increase in Military personnel, supplies, equipment, and operations. (FY 2005 baseline: $ 80,355)	10,518
15) Funding increase in FY 2006 provides the proper level of support and maintenance for additional Psychological Operations Broadcast Systems (POBS). (FY 2005 baseline: $4,184)	4,451
16) Minor programmatic increase to support additional military personnel and increased operational support and maintenance for Naval Special Warfare surface and underwater maritime platforms including the MK V, Rigid Hull Inflatable Boat (RHIB), Riverine Craft, and SEAL Delivery Vehicles (SDVs). (FY 2005 baseline: $46,892)	216
17) Programmatic increase associated with initial O&M facility costs associated with Naval Special Warfare MILCON projects. (FY 2005 baseline: $8,832)	1,966
18) Funding supports an increase of 40 civilian instructor positions and nine military-to-civilian conversions for United States Army John F. Kennedy Special Warfare Center and School (USAJFKSWC) to meet the training goal of 750 SF soldiers each year in order to fulfill the requirements of the GWOT. (FY 2005 baseline: $19,073)	2,872

III. Financial Summary: ($ in Thousands) (continued)

19) Funding supports sustainment (day-to-day supplies, equipment, materials, travel) of personnel and students to meet current operational needs directly supporting the Army Special Operation Forces (ARSOF) Transformation, which includes growing SF combat force structure to support America's effort in combating the GWOT. (FY 2005 baseline: $14,222)	3,325
20) Funding supports the USAJFKSWCS Advanced Regional Studies Course (ARSC). The purpose of this course is to instruct select Army personnel in the employment of special skills across the operational continuum. Funding is required for six contract instructors, six exercise support personnel, equipment, supplies, offsite training, and travel. (FY 2005 baseline: $14,222)	2,208
21) Funding supports the Advanced Special Operations Techniques (ASOT) Course. Special Forces (SF) identified critical shortfalls in the number of personnel qualified to conduct ASO techniques, tactics, and procedures. This program provides select SF soldiers the critical skills that directly support the Global War on Terrorism (GWOT). (FY 2005 baseline: $14,222)	3,759
22) Funding supports the Special Forces Advanced Reconnaissance, Target Analysis & Exploitation Techniques Course (SFARTAETC). SFARTAETC is high-risk, live-fire assault training, emphasizing advanced pistol and carbine marksmanship, precision discriminate fire application, breaching and high-risk Close Quarter Battle (CQB) in urban and rural environments. This includes, but is not limited to, dealing with urban movement techniques, building climbing, multi-story building rappelling, assault techniques, post assault, vehicle assault, and CQB. Funding provides additional contract instructors, contract maintenance support personnel, equipment, supplies, offsite training, and per diem costs. (FY 2005 baseline: $14,222)	2,664
23) Funding supports an increase of 26 civilian instructor positions at	

III. Financial Summary: ($ in Thousands) (continued)

the Naval Special Warfare Center (NSWCEN) to increase the training pipeline output. This will result in two additional sea, air, and land (SEAL) team equivalents to support the Global War on Terrorism (GWOT). (FY 2005 baseline: $2,956)	2,055
24) Funding supports the day-to-day operating costs associated with an increased number of students at both Basic Underwater Demolition/SEAL (BUD/S) and Advanced Naval Special Warfare (NSW) SEAL training in order to provide additional NSW personnel to adequately support increasing GWOT commitments. These increases in student load for both BUD/S and Advanced NSW SEAL training courses will require additional supplies, services, and boat operations. Funding also supports the maintenance of eight Rigid Inflatable Boats (RIBs) at NSWCEN Special Warfare Combat Crewman course of instruction. (FY 2005 baseline: $12,779)	1,218
25) Funding supports two military-to-civilian conversions at the Air Force Special Operations School. This will result in reduced overall stress on military personnel requirements and increased continuity in the work place. (FY 2005 baseline: $324)	105
26) Joint Special Operations University (JSOU) uses the Joint Professional Military Education Instructional Systems Development model to design and revise all Joint Special Operations Forces (SOF) lessons and courses ensuring academic excellence in SOF-related residence, non-residence, formal, and tailored courses. Funding provides faculty, course development, effective metrics management, and maintenance of up to 19 intermediate/senior-level joint SOF resident and non-resident courses, and multi-level curriculum evaluation of all courses. (FY 2005 baseline: $596)	900
27) Vertical Lift Terrain Following/Terrain Avoidance Radar Program (VLTFA) is restructured into a SOF Joint Radar Program to develop and field a SOF common, low-probability of intercept/low probability of detection (LPI/LPD) system. Improvements will increase combat	

III. Financial Summary: ($ in Thousands) (continued)

survivability and commonality will reduce costs and increase availability of deployed spares. Programmed growth supports the Joint Acquisition Program Management effort for this portion of the Common Avionics Architecture for Penetration (CAAP) program and funds independent analysis of preliminary design, risk reduction flight testing, modeling and simulation activities. (FY 2005 baseline: $3,568)	4,388
28) SOF Simulator Training Systems (STS) program reflects an increase to support required software upgrades for all Air Force Special Operations Command simulators supporting mission rehearsal. In addition, contractor logistics support provides for new MH-47G simulator and MH-60 simulators to be delivered in FY 2006. (FY 2005 baseline: $ 4,847)	1,784
29) Fully funds the increased joint training mission at Special Operations Command Joint Forces Command (SOCJFCOM). Emerging GWOT missions have increased requirements and costs. Additional funding will expand joint training, exercises, and provide robust insights and lessons learned with direct impact on the GWOT. (FY 2005 baseline: $1,010)	945

9. Program Decreases			-70,506
a) Annualization of New FY 2005 Program Decreases			
b) One-Time FY 2005 Costs		-7,683	
Completion of Knowledge Superiority for transitional warfighter. This program received congressional support with $1.7 million in FY 2004 and $1.0 million in FY 2005. (FY 2005 baseline: $1,000)	-1,000		
2) Multi-Mission Advanced Tactical Terminal (MATT) program concludes. Sustainment of these systems will be provided by the host platform program and life-cycle and configuration management is centralized and funded within the Joint Threat Warning System (JTWS) program. (FY 2005 baseline: $1,076)	-1,076		
3) One-time funding was provided in FY 2005 to support development of a capabilities decision document for the Mark V Special Operations Craft replacement craft (MK VI). This included a specific task to address measurable and testable shock mitigation and signature reduction. (FY 2005 baseline: $2,500)	-2,500		
4) SCAMPI (not an acronym) decrease reflects the realignment of funding to procurement for scheduled block upgrade/system replacements based on threshold guidance. (FY 2005 baseline: $8,541)	-3,107		
c) Program Decreases in FY 2006		-62,823	
1) FY 2006 funding decrease results from 12,466 less flying hours. This reflects historically high OPTEMPO on USSOCOM's low density/high demand aircraft coupled with dramatic changes in spare usage and prices and frequent fluctuations in cost-per-flying-hour rates. (FY 2005 baseline: $409,666)	-45,924		
2) Planned relocation of two Army aviation units to Ft Campbell, KY will allow for synergistic savings in flight operations and contractor logistics support (CLS) maintenance.			

III. Financial Summary: ($ in Thousands) (continued)

(FY 2005 baseline: $8,240)	-2,274	
3) Funding was decreased in Force Related Training for Joint Combined Exchange Training (JCET) and Joint Exercises (JCSX) to reflect recent historical trends. Higher Operational tempo associated with the GWOT has temporarily reduced the ability to participate at normal levels. (FY 2005 baseline: $40,802)	-6,081	
4) Special Operations Forces Command, Control, Communications, Computers, and Information Systems Infrastructure (SOFC4IIN) provides leased commercial long haul and wideband communications circuits in support of requirements both in garrison and in deployment. Beginning in FY 2006, DISA billings associated with the Global Information Grid Bandwidth Expansion and Defense Information Systems Network (DISN) will cease and be centrally funded by DISA. (FY 2005 baseline: $24,028)	-6,000	
5) Program decrease reflects change in contract task orders as the preparation of additional MC130-H platforms nears completion. Also, as the Gunship program finishes critical modernization requirements, the acquisition management costs phase downward as the program shifts to operational fielding support. (FY 2005 baseline: $10,253)	-2,544	
FY 2006 Budget Request		2,205,693
10. Price Change		38,986
11. Functional Transfers	-	-
12. Program Increases		110,582
a) Annualization of New FY 2006 Program	-	
b) One-Time FY 2007 Costs	-	
c) Program Growth in FY 2007		
1) MFP 3 Intelligence (See Classified Submission)	1,433	
2) Combat Development Activities (See Classified Submission)	1,224	

3) In FY 2007, the 160th Special Operations Aviation Regiment (160th SOAR) assumes CENTCOM Forward Presence rotary wing responsibility from AFSOC. In addition to the rotary wing force structure provided by AFSOC, USASOC is tasked to provide additional capabilities and greater presence than provided by AFSOC (more aircraft, personnel, and equipment). A significant portion of this increase is due to deployment requirements to preposition this Low Density/High Demand capability as well as redeploying AFSOC assets to home station. (FY 2006 baseline: $38,000)	30,196
4) The Directional Infrared Countermeasures System (DIRCM) transitions to O&M support in FY 2007. The system is designed to protect SOF aircraft against Generation I and II infrared missile threats by employing existing lamp-based jamming technology. This funding increase provides operational support, sustainment, and logistics. (FY 2006 baseline: $0)	9,107
5) USSOCOM Flying Hour increase results from Flying Hour funding associated with the fielding of five additional MH-47Gs and four additional CV-22s over the FY06 level. (FY 2006 baseline: $383,582)	22,071
6) Funding increase provides for Aviation Training and Rehearsal System (ATARS) contractor logistics support courseware maintenance and instruction for Commando Solo Special Mission Equipment operators and maintainers at Harrisburg Air National Guard (ANG), PA. Increased OPTEMPO of the unit resulted in unavailability of ANG personnel to provide operator or maintainer instruction or adequate courseware development. This effort funds courseware updates. (FY 2006 baseline FY 2006, $36,298)	1,661
7) Programmatic increase to civilianize 20 military billets associated with Flight Operations at Air Force Special Operations Command (AFSOC). The addition of these FTEs will increase work place continuity while reducing the strain for military personnel needed for operational requirements. Another 13 FTEs will be added by FY 2007 to support maintenance activities related to the MH-130H and	

III. Financial Summary: ($ in Thousands) (continued)

CV-22 aircraft (FY 2006 baseline: $ 55,683)	2,516
8) Funding was increased to fully maintain individual load bearing systems for Special Forces operators. These soldier systems include Body Armor Load Carrying System (BALCS), Light Weight Protective Combat Uniform (LEPCU), and Modular Integrated Communications Helmets (MICH). These systems provide superior integrated protection, communications, mobility, and comfort on the battlefield critical to the protection of USSOCOM personnel. (FY 2006 baseline: $7,955)	6,950
9) Maintenance funding was increased to properly sustain USSOCOM's inventory of Unmanned Vehicles (UV). Included in this inventory are a diverse family of platforms that can be tailored to increase operational standoff, tactical force protection, and SOF mission effectiveness by extending access to otherwise denied areas. They include man-portable unmanned aerial vehicles and an array of small robotic vehicles for use in both land and water. (FY 2006 baseline: $4,233)	4,265
10) Funding was increased to provide proper maintenance and repair of Special Operations Vehicles. This was done to ensure the readiness and dependability of USSOCOM's Family of Special Operations Vehicles (FSOV). SOF operators are using these tactical vehicles on a worldwide basis. Sufficient maintenance is critical to providing mobility and protection for SOF operators. (FY 2006 baseline: $14,956)	3,634
11) Maintenance and repair funding was increased for USSOCOM's increasing inventory of optical and night vision devices (NVD). (FY 2006 baseline: $2,769)	1,552
12) Programmatic increase to maintain, repair, and replace additional Naval Special Warfare diving and underwater communications systems associated with SEAL Delivery Vehicle (SDV) and Combat Swimmer operations. (FY 2006 baseline: $47,108)	3,159

III. Financial Summary: ($ in Thousands) (continued)

13) Command, Control, Communications and Intelligence Automation System (C4IAS) program reflects incremental increase to support the Capital Equipment Replacement Plan (CERP). (FY 2006 baseline: $18,116)	1,252
14) Special Operations Forces Tactical Assured Connectivity System (SOFTACS) sustainment requirements increased to support six additional Transit Case Variant (TCV) systems procured in FY 2006 and two Ka-band upgrades, Troop Support Satellite Radios (TSSR) and Tactical Message Systems. (FY 2006 baseline: $7,591)	772
15) Intelligence programs to include Joint Threat Warning System (JTWS), Special Operations Command Research, Analysis and Threat Evaluation System (SOCRATES), Tactical Local Area Network (TACLAN) and the Special Operations Joint Interagency Collaboration Center (SOJICC) reflect increased requirements for component consumable support, life-cycle sustainment and equipment replacements commensurate with fielding of assets. (FY 2006 baseline: $37,099)	1,857
16) Funding increases provide proper level of support and maintenance for additional Psychological Operations Broadcast Systems (POBS). (FY 2006 baseline: $8,635)	2,886
17) Moderate programmatic increase to support additional military personnel to provide increased operational support and maintenance for Naval Special Warfare surface and underwater maritime platforms such as the MK V Special Operations Craft, Rigid Hull Inflatable Boat (RHIB), Riverine Craft, and SEAL Delivery Vehicles (SDVs). (FY 2006 baseline: $48,041)	1,363
18) Funding was increased to operate and maintain additional surface support craft used for recovery and safety requirements associated with Naval Special Warfare maritime und underwater mobility platforms. (FY 2006 baseline: $2,702)	832

III. Financial Summary: ($ in Thousands) (continued)

19) Increased funding represents an in-depth depot maintenance phase for the Advanced SEAL Delivery Vehicle scheduled in FY 2007. (FY 2006 baseline: $ 24,465)	4,954
20) Programmatic increase associated with initial O&M facility costs associated with Naval Special Warfare MILCON projects. (FY 2006 baseline: $ 11,285)	1,147
21) Civilian FTEs will increase by 37 across the following USSOCOM organizations:	
Headquarters, US Special Operations Command (USSOCOM) added 15 civilian work years necessary to support Special Access Programs (SAP), Commander's Audit Cell, Joint Psychological Support Element (JPSE), and additive workload associated with the Global War on Terrorism (GWOT).	
Headquarters, Air Force Special Operations Command (AFSOC) will civilianize 36 military billets by FY 2007. The first phase will begin in FY 2006 and will result in reduced overall stress on military personnel requirements and increased continuity in the work place.	
Headquarters, US Army Special Operations Command (USASOC) will civilianize 42 military billets by FY 2007. The first phase will begin in FY 2006 that will result in reduced overall stress on military personnel requirements and increased continuity in the work place. Headquarters, USASOC will also add 10 civilian work years necessary to support Special Access Programs (SAP).	
Theater Special Operations Commands SOCEUR, SOCPAC, SOCCENT, and SOCKOR each civilianized 2 military billets that will result in reduced overall stress on military personnel requirements and increased continuity in the work place. (FY 2006 baseline: $66,674)	2,128
22) Programmatic increase to support United States Special Forces Command, Ft Bragg, NC. To provide centralized logistical readiness	

III. Financial Summary: ($ in Thousands) (continued)

support to the Special Forces Groups. (FY 2006 baseline: $ 21,385)	1,023		
23) Increase in Force Related Training represents an increase in the number of scheduled exercises. (FY 2006 baseline: $ 35,153)	1,409		
24) Funding supports the second phase of civilian manpower increases (40 instructor positions) and 10 military-to-civilian conversions for United States Army John F. Kennedy Special Warfare Center (USAJFKSWC) required to meet the training goal of 750 Special Forces Soldiers each year in order to fulfill the requirements of the Global War on Terrorism (GWOT). (FY 2006 baseline: $22,445)	3,078		
25) Funding supports two military-to-civilian conversions in the Air Force Special Operations School. This will result in reduced overall stress on military personnel requirements and increased continuity in the work place. (FY 2006 baseline: $441)	113		
13. Program Decreases			-11,893
a) Annualization of New FY 2006 Program Decreases			
b) One-Time FY 2006 Costs		-7,198	
1) Decrease reflects the one-time technology refreshment ($2.1 million) for Special Operations Mission Planning Environment (SOMPE) that occurred in FY 2006 and the stabilization of Multi-Band Inter/Intra Team Radios (MBITR)joint enhancement costs by (-$0.8 million) to be used in FY 2006 for loaner spares in the maintenance pool. (FY 2006 baseline: $16,055)	-2,886		
2) Costs associated with the Silver Strand Training Complex (SSTC), Coronado, California, for multiple minor construction projects. (FY 2006 baseline: $16,908)	-900		
3) Decreases associated with one-time FY 2006 costs associated with the increase in student load for both Basic Underwater Demolition/SEAL and Advanced Naval Special Warfare (NSW) SEAL training courses for initial			

III. Financial Summary: ($ in Thousands) (continued)

equipment outfitting, one-time purchases to meet training objectives, and design/minor construction for facility improvements to train additional students. FY 2006 funding also supports one-time costs associated with increased manpower growth at the Naval Special Warfare Center (NSWCEN). These costs are associated with initial equipment outfitting, organizational clothing/gear, travel, tuition, office furniture, equipment, and supplies. (FY 2006 baseline: $16,908)	-2,043	
4) Costs associated with the United States Army John F. Kennedy Special Warfare Center and School (USAJFKSWCS) for additional commercial and Army stock funded equipment and material required for the Institutional Training Expansion and establishment of the final phase of the Advanced Special Operations Techniques (ASOT) West Coast training detachment. (FY 2006 baseline: $27,698)	-1,369	
c) Program Decreases in FY 2007		-4,695
1) Special Operations Forces Command, Control, Communications, Computers and Information Systems Infrastructure (SOFC4IIN) decrease reflects the restructure of DISA billing in support of the Global Information Grid and USSOCOM divestiture. (FY 2006 baseline: $18,509)	-2,143	
2) The SOF Joint TF/TA Radar Program reflects program decrease associated with task orders to be completed in FY 2006. Initial modeling and simulation activities are not a requirement in FY 2007. (FY 2006 baseline: $8,027)	-1,640	
3) The AC-130 gunship program reflects the continued shift from acquisition program management to operational sustainment. Reduction of contracted Advisory and Assistance technical support for the Towed Decoy and Low Band Jammer programs results in a minor funding decrease. (FY 2006 baseline: $6,015)	-912	
FY 2007 Budget Estimate		2,343,368

IV. Performance Criteria and Evaluation:

Training:

	FY 2004			FY 2005			FY 2006			FY 2007		
	Input	Output	Work Load	Input	Output	Work Load	Input	Output	Work Load	Input	Output	Work Load
Specialized Skill Training:												
Initial Skill												
Active	15,226	12,829	1,905	18,978	14,955	2,158	23,424	18,654	2,788	23,462	18,550	3,616
Guard	965	780	150	1,223	924	175	1,399	1,074	211	1,403	1,078	213
Reserve	455	440	71	363	349	75	309	300	46	309	300	64
Other	147	133	25	171	155	29	171	154	29	171	154	29
Subtotal	16,793	14,182	2,151	20,735	16,383	2,437	25,303	20,182	3,074	25,345	20,082	3,922
Skill Progression												
Active	4,294	3,976	406	4,445	4,098	408	4,439	4,093	423	4,553	4,208	452
Guard	206	187	17	170	149	10	223	201	18	223	201	18
Reserve	359	354	17	444	439	17	467	461	18	467	461	18
Other	149	139	16	144	137	13	163	154	18	163	154	16
Subtotal	5,008	4,656	456	5,203	4,823	448	5,292	4,909	477	5,406	5,024	504
Professional Military Education: (United States Air Force Special Operations School)												
Active	4,179	4,179	240	3,417	3,417	268	3,417	3,417	268	3,417	3,417	268
Guard	417	417	24	267	267	24	267	267	24	267	267	24
Reserve	807	807	46	614	614	50	614	614	50	614	614	50
Other	1,055	1,055	61	908	908	66	908	908	66	908	908	66
Subtotal	6,458	6,458	371	5,206	5,206	408	5,206	5,206	408	5,206	5,206	408
Professional Military Education: (Joint Special Operations University)												
Active	600	600	8	629	629	9	1,200	1,200	17	1,200	1,200	17
Guard	149	149	3	263	263	4	1,500	1,500	21	1,500	1,500	21
Reserve	291	291	4	166	166	2	200	200	3	200	200	3
Other	50	50	1	47	47	1	100	100	1	100	100	1
Subtotal	1,090	1,090	16	1,105	1,105	16	3,000	3,000	42	3,000	3,000	42

IV. Performance Criteria and Evaluation: (continued)

Flying Hours:

End of FY	FY 2004		FY 2005		FY 2006	FY 2007
Program Data	Budgeted	Actual	Budgeted	Estimate	Estimate	Estimate
AC-130H/U						
TAI	21	21	22	21	25	25
PAA	19	19	20	19	23	23
BAI	2	2	2	2	2	2
Flying Hours	7,552	11,827	9,052	8,689	7,464	8,000
% Executed		157%				
A/M/TH-6J/M						
TAI	46	45	45	45	45	45
PAA	46	45	45	45	40	40
BAI	-	-	-	-	5	5
Flying Hours	12,033	10,307	10,151	10,826	9,906	10,053
% Executed		86%				
C-12*						
TAI	-	1	-	1	1	1
PAA	-	1	-	1	1	1
BAI	-	-	-	-	-	-
Flying Hours	-	-	-	-	-	-
% Executed		N/A				
C-130E/J						
TAI	8	8	7	7	7	5
PAA	-	3	2	3	3	1
BAI	8	5	5	4	4	4
Flying Hours	-	591	723	989	1,301	400
% Executed		N/A				

IV. Performance Criteria and Evaluation: (continued)

End of FY	FY 2004		FY 2005		FY 2006	FY 2007
Program Data	Budgeted	Actual	Budgeted	Estimate	Estimate	Estimate
C-130H						
TAI	-	-	-	-	2	3
PAA	-	-	-	-	-	-
BAI	-	-	-	-	2	3
Flying Hours	-	-	-	-	-	-
% Executed		N/A				
C-32B*						
TAI	2	2	2	2	2	2
PAA	2	2	2	2	2	2
BAI	-	-	-	-	-	-
Flying Hours	-	-	-	-	-	-
% Executed		N/A				
CASA-212*						
TAI	5	5	5	5	5	5
PAA	5	5	5	5	5	5
BAI	-	-	-	-	-	-
Flying Hours	-	-	-	-	-	-
% Executed		N/A				
CV-22						
TAI	-	-	1	-	3	7
PAA	-	-	1	-	3	7
BAI	-	-	-	-	-	-
Flying Hours	-	-	42	-	1,062	2,391
% Executed		N/A				
EC-130E/J						
TAI	6	4	5	5	3	5
PAA	5	4	5	5	3	5
BAI	1	-	-	-	-	-
Flying Hours	1,907	1,780	1,809	1,680	1,197	2,204
% Executed		93%				

IV. Performance Criteria and Evaluation: (continued)

End of FY	FY 2004		FY 2005		FY 2006	FY 2007
Program Data	Budgeted	Actual	Budgeted	Estimate	Estimate	Estimate
MC-130E/H						
TAI	36	36	36	35	35	35
PAA	33	33	33	33	33	33
BAI	3	3	3	2	2	2
Flying Hours	13,041	13,529	15,764	15,711	12,752	13,433
% Executed		104%				
MC-130P						
TAI	23	23	23	23	23	23
PAA	20	20	20	20	20	20
BAI	3	3	3	3	3	3
Flying Hours	8,032	9,496	9,351	9,644	8,024	8,376
% Executed		118%				
MH-47D/E/G						
TAI	35	34	43	49	61	61
PAA	35	34	43	48	58	57
BAI	-	-	-	1	3	4
Flying Hours	11,647	9,044	12,010	11,488	11,140	12,139
% Executed		78%				
MH-53J/M						
TAI	36	32	34	32	31	29
PAA	32	29	32	29	26	24
BAI	4	3	2	3	5	5
Flying Hours	9,624	9,390	11,483	11,454	8,627	8,670
% Executed		98%				
MH-60K/L						
TAI	60	60	60	60	60	60
PAA	59	56	56	56	56	56
BAI	1	4	4	4	4	4
Flying Hours	13,559	12,993	15,041	16,307	13,004	13,802
% Executed		96%				

IV. Performance Criteria and Evaluation: (continued)

End of FY	FY 2004		FY 2005		FY 2006	FY 2007
Program Data	Budgeted	Actual	Budgeted	Estimate	Estimate	Estimate
UH-1N						
TAI	2	2	2	2	2	2
PAA	2	2	2	2	2	2
BAI	-	-	-	-	-	-
Flying Hours	546	561	673	702	547	586
% Executed		103%				
UV-20A*						
TAI	-	1	-	1	1	1
PAA	-	1	-	1	1	1
BAI	-	-	-	-	-	-
Flying Hours	-	-	-	-	-	-
% Executed		N/A				
USSOCOM Total						
TAI	280	274	285	288	306	309
PAA	258	254	266	269	276	277
BAI	22	20	19	19	30	32
Flying Hours	77,941	79,518	86,099	87,490	75,024	80,054
% Executed		102%				

* Note: Flying Hours for these aircraft are not tracked and reported to this level of detail.

Crew Ratio						
AFSOC	1.7	1.7	1.7	1.7	1.7	1.7
USASOC	1.4	1.4	1.4	1.4	1.4	1.4
Average	1.6	1.6	1.6	1.6	1.6	1.6

IV. Performance Criteria and Evaluation: (continued)

End of FY Program Data	FY 2004 Budgeted	FY 2004 Actual	FY 2005 Budgeted	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate
OPTEMPO (Hrs/Crew/Mo)						
AFSOC	17.4	21.9	20.9	21.2	16.3	15.1
USASOC	13.9	14.6	14.3	15.0	12.2	13.1
Average	15.7	18.3	17.6	18.1	14.0	14.1

Explanation of Performance Variances

Prior Year: The decrease in Total Aircraft Inventory (TAI) is primarily related to combat losses. Higher OPTEMPO requirements in support of the Global War on Terrorism (GWOT) caused an increase in flying hours.

Current Year: The increase in Total Aircraft Inventory (TAI) is primarily related to a revised MH-47G fielding schedule. The increase in flying hours is the result of internal re-alignments to fund program shortfalls.

IV. Performance Criteria and Evaluation: (continued)

DEPOT MAINTENANCE: Activity Group - Aircraft

	FY 2004						FY 2005					FY 2006		FY 2007	
	Budget		Actual Inductions		Completions Prior Yr	Completions Current Yr	Budget		Estimated New Inductions		Carry-In	Budget		Budget	
Type of Maintenance	Qty	($ in M)	Qty	($ in M)			Qty	($ in M)	Qty	($ in M)	Qty	Qty	($ in M)	Qty	($ in M)
Airframe	n/a	27.1	497	83.2	n/a	n/a	n/a	99.7	480	81.3	n/a	501	83.0	524	82.7
Engine	n/a	45.3	85	13.4	n/a	n/a	n/a	16.2	81	13.6	n/a	101	15.1	107	17.7
Software	n/a	10.3	452	11.6	n/a	n/a	n/a	10.0	451	12.9	n/a	491	13.7	487	13.4
Other	n/a	23.6	1,433	29.9	n/a	n/a	n/a	19.5	1,432	27.7	n/a	1,487	28.7	1,653	41.4
AIRCRAFT DEPOT MAINTENANCE TOTAL	n/a	106.3	2,467	138.1	n/a	n/a	n/a	145.4	2,444	135.6	n/a	2,580	140.5	2,771	155.3

DEPOT MAINTENANCE: Activity Group - Other

Other End Item	n/a	n/a	1,637	25.4	n/a	n/a	n/a	n/a	1,320	30.3	n/a	1,051	36.1	1,929	32.9
Ordnance	n/a	n/a	94	1.3	n/a	n/a	n/a	n/a	133	1.3	n/a	133	1.3	133	1.3
Other	n/a	84.3	7,831	59.7	n/a	n/a	n/a	98.7	8,363	62.4	n/a	8,397	81.7	8,936	86.6
OTHER DEPOT MAINTENANCE TOTAL	n/a	84.3	9,562	86.3	n/a	n/a	n/a	98.7	9,816	94.0	n/a	9,581	119.1	10,998	120.8
DEPOT MAINTENANCE TOTAL	n/a	190.6	12,029	224.4	n/a	n/a	n/a	244.1	12,260	229.6	n/a	12,161	259.5	13,769	276.0

V. Personnel Summary:

	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Forces (E/S)						
Army	15,648	18,047	18,642	18,643	595	1
Navy	5,077	5,253	5,647	5,647	394	-
Air Force	8,833	9,721	9,901	10,242	180	341
Marine Corps	81	82	82	82	-	-
Subtotal Active	29,639	33,103	34,272	34,614	1,169	342
Reserve (E/S)						
Army	8,511	9,733	9,754	9,754	21	-
Navy	1,004	1,013	1,013	1,013	-	-
Air Force	915	996	996	996	-	-
Subtotal Reserve	10,430	11,742	11,763	11,763	21	-
Guard (E/S)						
Army	3,389	2,904	2,904	2,904	-	-
Air Force	719	825	825	825	-	-
Subtotal Guard	4,108	3,729	3,729	3,729	-	-
Total Military	44,177	48,574	49,764	50,106	1,190	342
Civilian End Strength)						
Army	1,551	1,493	1,644	1,733	151	89
Air Force	1,470	1,518	1,575	1,609	57	34
Navy	371	453	481	481	28	
Total Civilian	3,392	3,464	3,700	3,823	236	123

The cost for civilian FTEs is included in the SOCOM budget and reimbursed to the Military Departments.

IV. Performance Criteria and Evaluation: (continued)
VI. OP-32 Summary of Price and Program Changes:

Line Item	FY 2004 Program	Foreign Adjust	Price Growth	Program Growth	FY 2005 Program	Foreign Adjust	Price Growth	Program Growth	FY 2006 Program	Foreign Adjust	Price Growth	Program Growth	FY 2007 Program
TRAVEL													
0308-TRAVEL OF PERSONS	214,342	0	4,287	-8,288	210,341	0	4,207	1,546	216,094	0	4,538	-3,658	216,974
SUPPLIES AND MATERIAL													
0401-DFSC FUEL	41,222	0	19,498	-13,546	47,174	0	4,576	16,487	68,237	0	-3,275	1,482	66,444
0402-SERVICE FUND FUEL	1,538	0	727	837	3,102	0	301	195	3,598	0	-173	143	3,568
0411-ARMY MNGD SUP&MAT	59,296	0	-2,668	12,832	69,460	0	1,737	-3,256	67,941	0	2,174	8,866	78,981
0412-NAVY MNGD SUP&MAT	13,940	0	335	2,073	16,348	0	1,259	502	18,109	0	54	131	18,294
0414-AF MANAGED SUP/MAT	260,559	0	9,901	-9,562	260,898	0	13,567	115	274,580	0	4,668	3,562	282,810
0415-DLA MNGD SUP&MAT	49,690	0	447	-6,582	43,555	0	523	-3,517	40,561	0	487	3,581	44,629
0416-GSA MNGD SUP&MAT	13,920	0	278	-1,752	12,446	0	249	-58	12,637	0	265	-1,405	11,497
0417-LOCAL PROCURE DBOF	3,763	0	75	47,572	51,410	0	1,028	-3,531	48,907	0	1,027	-4,321	45,613
SERVICE FUND EQUIPMENT PURCHASES													
0502-ARMY FUND EQUIP	7,695	0	-346	10,059	17,408	0	435	-5,260	12,583	0	403	445	13,431
0503-NAVY FUND EQUIP	3,175	0	76	-185	3,066	0	236	913	4,215	0	13	-554	3,674
0505-AF FUND EQUIP	3,879	0	147	-3,115	911	0	52	764	1,727	0	92	-1,263	556
0506-DLA FUND EQUIP	3,388	0	30	469	3,887	0	47	-136	3,798	0	46	-372	3,472
0507-GSA MNGD EQUIP	8,859	0	177	-5,530	3,506	0	70	-149	3,427	0	72	-49	3,450
OTHER FUND PURCHASES													
0601-ARMY ARMAMENT COMMAND	217	0	57	-274	0	0	0	0	0	0	0	0	0
0602-ARMY DEPOT SYS COMM	143	0	2	-144	1	0	0	0	1	0	0	0	1
0610-NAVAL AWC	18,975	0	455	-14,482	4,948	0	69	685	5,702	0	171	-444	5,429
0611-NAVAL SWC	17,999	0	198	4,316	22,513	0	608	-8,222	14,899	0	432	2,857	18,188
0612-NAVAL UWC	117	0	3	4	124	0	2	-2	124	0	4	-4	124
0614-NAVAL CC&OCEAN SURV	243	0	3	-76	170	0	4	5	179	0	5	-7	177
0615-NAVY INFO SRVCS	1,689	0	0	-648	1,041	0	0	-5	1,036	0	0	-2	1,034
0631-NAVAL CIVIL ENG CTR	2,401	0	125	-2,247	279	0	4	-4	279	0	7	-7	279
0632-NAVAL ORD FAC	0	0	0	839	839	0	0	0	839	0	0	0	839
0633-DEF PUB&PR INT SER	1,269	0	4	308	1,581	0	-16	-22	1,543	0	34	-33	1,544
0634-NAVAL PWC UTIL	4,090	0	-94	4,949	8,945	0	340	-3,978	5,307	0	223	2,179	7,709
0635-NAVAL P WC PUBLIC	12,655	0	215	-2,071	10,799	0	194	4,265	15,258	0	214	-910	14,562
0637-NAVAL SHIPYARDS	5,893	0	748	144	6,785	0	387	-697	6,475	0	447	903	7,825
0647-DISA - INFO SERVICES	159	0	1	-63	97	0	-1	10	106	0	0	-2	104
0648-ARMY - INFO SERVICES	0	0	0	494	494	0	0	26	520	0	0	2	522
0649-AF - INFO SERVICES	0	0	0	3	3	0	0	0	3	0	0	0	3
0653-OTHER AMC PURCHASES	0	0	0	0	0	0	0	149	149	0	-2	1	148
0661-AF DEPOT ORGANIC	426	0	29	112	567	0	9	-108	468	0	19	-19	468
0662-AF DEPOT CONTRACT	16,067	0	723	-5,879	10,911	0	0	2,366	13,277	0	0	1,214	14,491
0671-COMM SERVICES DISA	23,106	0	-231	-21,743	1,132	0	19	25	1,176	0	26	-24	1,178
0678-DEFENSE SECURITY SERVICE	0	0	0	200	200	0	0	0	200	0	0	0	200
0680-BUILDINGS MAINTENANCE FUND	23	0	2	-25	0	0	0	0	0	0	0	0	0
TRANSPORTATION													

UNITED STATES SPECIAL OPERATIONS COMMAND
Operation and Maintenance, Defense-Wide
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IV. Performance Criteria and Evaluation: (continued)

Line Item	FY 2004 Program	Foreign Adjust	Price Growth	Program Growth	FY 2005 Program	Foreign Adjust	Price Growth	Program Growth	FY 2006 Program	Foreign Adjust	Price Growth	Program Growth	FY 2007 Program
0701-AMC CARGO	2,210	0	40	3,433	5,683	0	114	-510	5,287	0	111	-39	5,359
0702-AMC SAAM	243,918	0	-152,205	-2,147	94,239	0	-4,900	7,131	96,470	0	-3,184	10.910	104,196
0705-AMC CHANNEL CARGO	300	0	5	-305	0	0	0	0	0	0	0	0	0
0711-MSC CARGO DBOF	438	0	-17	-211	210	0	-2	-2	206	0	19	-20	205
0721-MTMC PORT HAND DBOF	0	0	0	553	553	0	25	-31	547	0	-25	17	539
0725-MTMC OTHER NON -DBOF	347	0	0	831	1,178	0	0	0	1,178	0	0	0	1,178
0771-COMM TRANS	8,912	0	160	-7,049	2,023	0	40	-46	2,017	0	42	-38	2,021
OTHER PURCHASES													
0913-PUR UTIL NON -DBOF	13,401	0	268	-11,263	2,406	0	48	1969	4,423	0	93	-2,056	2,460
0914-PUR COMM NON -DBOF	26,204	0	524	5,318	32,046	0	641	4,883	37,570	0	789	-1,554	36,805
0915-RENTS NON -GSA	7,220	0	144	143	7,507	0	150	-338	7,319	0	154	-240	7,233
0917-U.S.P.S.	154	0	0	-95	59	0	0	4	63	0	0	-4	59
0920-SUP/MAT NON -DBOF	399,255	0	7,985	-285,595	121,645	0	2,433	-19,980	104,098	0	2,186	13,691	119,975
0921-PRINT/REPRO	116	0	2	271	389	0	8	-35	362	0	8	13	383
0922-EQUIP MAINT CONTRACT	162,140	0	3,243	80,523	245,906	0	4,918	47,718	298,542	0	6,269	13,077	317,888
0923-FAC MAINT CONTRACT	14,843	0	297	-253	14,887	0	298	-1,872	13,313	0	280	-221	13,372
0924-MEDICAL SUPPLIES	0	0	0	231	231	0	23	-23	231	0	23	-23	231
0925-EQUIP PUR NON-DBOF	303,586	0	6,072	-252,186	57,472	0	1,149	1,501	60,122	0	1,263	3,457	64,842
0926-OTHER OVERSEAS PUR	1,352	0	27	-983	396	0	8	-8	396	0	8	-8	396
0928-SHIP MAINT CONTRACT	17,763	0	355	12,265	30,383	0	608	-3,050	27,941	0	587	5,730	34,258
0929-AIRCRAFT REWORKS CON	0	0	0	626	626	0	13	-13	626	0	13	-639	0
0930-OTHER DEPOT NON-DBOF	140,824	0	2,816	-11,790	131,850	0	2,637	-27,405	107,082	0	2,249	20,069	129,400
0932-MNGT&PROF SUP SERV	31,641	0	633	-13,954	18,320	0	366	-408	18,278	0	384	-121	18,541
0933-STUDIES, ANAL, EVAL	8,757	0	175	855	9,787	0	196	-141	9,842	0	207	-90	9,959
0934-ENG&TECH SERVICES	14,417	0	288	-2,656	12,049	0	241	412	12,702	0	267	-152	12,817
0937-LOCAL PUR FUEL	1,079	0	510	-849	740	0	72	-27	785	0	-38	-13	734
0987-OTHER INTRA GOV PUR	122,743	0	2,455	-103,771	21,427	0	429	8,798	30,654	0	644	9,737	41,035
0989-OTHER CONTRACTS	305,079	0	6,102	-79,470	231,711	0	4,634	-292	236,053	0	4,957	6,261	247,271
0998-OTHER COSTS (Cost to reimburse the Mil Deps for Civilian FTEs)	251,913	0	3,023	6,753	261,689	0	6,804	17,138	285,631	0	9,711	8,651	303,993
SPECIAL OPERATIONS COMMAND Total	**2,869,350**	**0**	**-81,894**	**-667,103**	**2,120,353**	**0**	**50,857**	**34,483**	**2,205,693**	**0**			**2,343,368**

* The FY 2004 Actuals column includes $881,532 thousand of FY 2004 Supplemental funds.

* The FY 2005 Estimate column excludes $15,248 thousand of Iraq Freedom Fund transfers and $199,000 thousand of FY 2004/FY 2005 Title IX obligations.

Fiscal Year (FY) 2006/FY 2007 Budget Estimates

THE JOINT STAFF (TJS)

February 2005

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THE JOINT STAFF
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Operation and Maintenance, Defense-Wide
Budget Activity (BA) 1, Operating Forces

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
TJS	$559.3	$-28.8	$-41.8	$488.7	$-20.7	$112.9	$ 580.9	$30.4	$-1.9	$609.4

* The FY 2004 Actuals column includes $0.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Actuals column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed: The Chairman of the Joint Chiefs of Staff (CJCS) presides over and serves as a member of the Joint Chiefs of Staff (JCS). He is the principal military adviser to the President, the National Security Council, and the Secretary of Defense (SecDef). Additionally, he is responsible for the management and direction of the Joint Staff (TJS), which is comprised of directorates that provide support and analysis in the fields of manpower and personnel (J-1); intelligence (J-2), operations (J-3); logistics (J-4); strategic plans and policy (J-5); command, control, communications, and computer systems (J-6); operational plans and joint force development (J-7); force structure, resources, and assessment (J-8); and the Directorate of Management, which includes resource management, professional process management services, office automation, and facility support. Intelligence (J-2) activities, however, are not financed within TJS budget.

TJS funding provides for the essential joint readiness, training, and support required to maintain U.S. capability to employ joint combat forces effectively to meet contingencies worldwide. It provides tangible demonstrations of U.S. resolve and joint readiness capability to project a military presence anywhere in the world, in support of national interests and commitments to U.S. allies. Joint training with allies provides the necessary interaction to test and evaluate combined systems, lines of communication, and technical agreements. The CJCS Exercise Program (CEP), Combating Terrorism Readiness

I. Description of Operations Financed: (continued)

Fund (CbT RIF), the Combatant Commander (CoCOM) Initiatives Fund (CCIF), and the CoCOM Command and Control Initiatives Program (C2IP) support emergent requirements of the CoCOMs. This budget also includes the Command, Control, Communications, Computers, and Intelligence for the Warrior (C4IFTW) program, consisting of the Joint/Coalition Warrior Interoperability Demonstration. Over 50% of TJS funds are subsequently provided to Operating Forces.

This budget also funds the day-to-day operations of TJS primarily through four divisions in the Directorate of Management (DOM). Support includes lease, rents and utilities, purchased equipment maintenance, printing, facility maintenance, supplies, equipment (Supply Support Office); communications and office automation (Chief Information Office); contract studies, professional management services (Secretary of the General Staff), resource management (Comptroller), and other services. TJS directly supports the Chairman and other members of the JCS. TJS programs include: Combating Terrorism, Homeland Security, Planning and Decision Aid System (PDAS), Joint Analytical Model Improvement Program (JAMIP), the Warfighter Mission Area Information Technology Portfolio Management, and Pentagon Reservation Maintenance Revolving Fund (PRMRF).

The J-1 Directorate of Manpower and Personnel is comprised of three Divisions: personnel readiness; joint manpower management; and personnel services. There are five deputy directors for Operations within J-3 responsible for current regional operations, national systems operations, global operations, antiterrorism/homeland defense, and information operations. The J-4 Directorate of Logistics has four deputy directorates: strategic logistics; power projection and sustainment; logistics operations; and health service support. There are seven J-5 deputy directorates for Strategic Plans and Policy: four responsible for Politico-Military Affairs for Europe/NATO/Russia/Africa, Asia, Middle East, and the Western Hemisphere; one for International Negotiations and Multi-lateral Affairs; one for Strategy and Policy; and one for the Global War on Terrorism. The J-6

I. Description of Operations Financed: (continued)

Command, Control, Communications, and Computer (C4) Systems Director develops policy and plans, monitors programs for joint C4 systems, and ensures adequate C4 support to the National Communications System (NCS), CoCOMs, and warfighters for joint and combined military operations. J-6 leads the C4 community, conceptualizing future C4 system architectures and providing direction to improve joint C4 systems. J-6 also oversees C4 support for the National Military Command System (NMCS). The J-7 Operational Plans and Joint Force Development Director is the implementing agent for Joint Vision (JV) 2020 and is also responsible for joint doctrine, joint training, joint military education, execution and evaluation of the Chairman's Exercise Program, and evaluation of operational plans. Three deputy directors support the J-8 Director for Force Structure, Resources, and Assessment: Resources and Requirements; Functional Capabilities Board (FCB) (formerly Joint Warfighting Capabilities Assessment (JWCA)); and Wargaming, Simulation, and Analysis. The J-8 Director serves as the secretary and coordinates the processes of the Joint Requirements Oversight Council (JROC) and Functional Capabilities Board (FCB)(formerly Joint Warfighting Capabilities Assessment (JWCA)). Other Joint Staff activities include the Joint Secretariat, the Directorate of Management, representatives for various international negotiations, and the U.S. delegation supporting the United Nations Military Staff Committee.

Narrative Explanation of Changes:
FY 2005 to FY 2006:

- CJCS Exercise Program (CEP) growth in FY 2006-FY 2007 represents marginal increases toward the baseline annual CEP validated requirements. Due to continuing force deployment requirements in support of the Global War on Terrorism (GWOT), the Department reduced the CEP between FY 2005-FY 2007 to be aligned with the FY 2004 obligations and realigned the resources to fund emergent fact-of-life requirements, and reflect the CoCOMs increased participation in the GWOT efforts. In FY 2005, the Department will submit a prior approval reprogramming action that moves funding from the

I. Description of Operations Financed: (continued)

Services to increase the funding to an executable level.

- The Joint Knowledge Development and Distribution Capability (JKKDC), which is part of the Department's Transformational Training (T2) program efforts, transferred from OSD to TJS.
- CoCOM Initiative Fund (CCIF) increased $5 million to support the increasing demands.
- The Combating Terrorism Readiness Initiatives Fund (CbT RIF) increased $4.8 million in FY 2006, which reflects the Department of Defense's (DoD) enhanced efforts to respond to and protect against acts, or threatened acts, of terrorism against the U.S.
- The Pentagon Reservation Maintenance Revolving Fund (PRMRF) decreased $20 million due to the rate adjustments based on a square-footage methodology, Washington Headquarters Services transformation decisions realigning 15 funding and manpower resources, and tenant rent increases for Raven Rock Renovation Master Plan repair projects.

II. Force Structure Summary:

1. The **CJCS Exercise Program** (CEP) is the Chairman's principal vehicle for achieving joint and multinational training. The CEP funds only the transportation of personnel and equipment to these worldwide exercises. The program provides the primary means for CoCOMs to train battle staffs and forces in joint and combined operations, evaluate war plans, and execute engagement strategies. It provides an opportunity to stress strategic transportation and C4I systems and evaluate their readiness and supportability across the full range of military operations. This vital program also provides a vehicle for DoD to assess the military's ability to satisfy joint national security requirements and to enhance and evaluate interoperability between the Services, as well as exercise crucial Service-unique deployment and redeployment skills.

II. Force Structure Summary: (continued)

2. The **Combating Terrorism Readiness Initiatives Fund (CbT RIF)** provides a flexible response to meet CoCOMs' worldwide emergency or unforeseen Anti-terrorism/Force Protection (AT/FP) requirements that require immediate attention. The program was established in FY 1996 and first funded in FY 1997. The primary focus of the fund is on physical security equipment and site improvement.

3. Other CoCOM support includes:

   a. The **CoCOM Initiative Fund (CCIF)** supports unforeseen contingency requirements critical to CoCOMs' joint warfighting readiness and national security interests. The strongest candidates for approval are initiatives that support CoCOM activities and functions, enhance interoperability, and yield high benefit at a low-cost. Initiatives support the following authorized activities: force training, contingencies, selected operations, joint exercises, humanitarian and civil assistance, military education and training of foreign personnel, personal expenses for bilateral or regional cooperation programs, force protection, and joint warfighting capabilities.

   b. The **CoCOM Command and Control Initiatives Program (C2IP)** provides the CoCOMs the capability to implement timely, low-cost, near-term improvements to their command and control systems. These funds are used to adapt and evolve existing command and control systems to meet unique requirements that arise due to unforeseen situations.

   c. **Coalition Warrior Interoperability Demonstrations (CWID)**, a component of the C4ISR program, are joint/coalition demonstrations of existing commercial off-the-shelf (COTS), new, and evolving technologies that, through Joint Staff screening, can satisfy warfighting requirements. CWIDs are the only opportunities where these

II. Force Structure Summary: (continued)

technologies can be inserted into a joint/coalition C4ISR network and stressed under the scrutiny of warfighters, without impacting training or real world missions. CWIDs enable CoCOMs to review and use technologies immediately, rather than go through costly and time-consuming, full-scale development efforts.

4. **Planning and Decision Aid System (PDAS)** is an automated information system protected under a SecDef-directed special access program. PDAS supports the planning and execution of Integrated Joint Special Technical Operations (IJSTO).

5. **Joint Analytical Model Improvement Program (JAMIP)**. TJS/J-8 and the Office of the Secretary of Defense's Director of Program Analysis & Evaluation (OSD (PA&E)) share the lead in improving the state of analytic modeling throughout the DoD via JAMIP. JAMIP provides for the development and modernization of the specialized analytic software tools and data required to support the assessment requirements of the Chairman of the JCS. These tools and data assist in conducting studies and evaluations of military forces' programs and strategies. Key functions provided by this program are delineated below.

   a. JAMIP includes the Joint Tools Field Support, which provides for the fielding of joint analytical tools, decision aids, and analytic methods to Joint Staff, CoCOMs and joint activities to address analytic and analysis requirements (e.g., SPG directed studies, Operational Availability, FCB assessments) in support of CJCS, CoCOMs, Services, and the joint analytic community. Analytical support requirements drive improvements in data availability and visibility, greater amounts of data, faster processing speeds, expansion of knowledge-based software tools, exploration and incorporation of new modeling methodologies, and greater interoperability among distributed analysis networks and existing and emerging joint modeling and simulations tools.

II. Force Structure Summary: (continued)

b. JAMIP historically included the Joint Warfare System (JWARS) to address the significant limitations of existing theater-level simulations to provide analytic support to senior officials. Existing systems are grounded in Cold War theory in terms of the use and deployment of forces and the nature of combat operations. They have limited capability to address the emerging concepts of joint operations warfighting. DoD terminated JWARS (Research & Development and Operation & Maintenance) funding within JAMIP for FY 2006 and beyond. OSD (PA&E) will transition existing JWARS capability to a new organization for analytic use and/or archive JWARS.

c. The JAMIP also includes funding for Joint Data Support (JDS). JDS is a central and authoritative source of verified and validated data for use by the Services, Joint Staff, CoCOMs, and OSD in studies and analyses using models and simulations (e.g., Operational Availability Study) and other Department-level studies that do not require computer modeling and simulation (e.g., Dynamic Commitment). JDS develops and fields the Current and Future Forces Database (CFDB and FFDB) and Current Non-U.S. Forces Database (CNFDB), databases containing U.S. and Non-U.S. forces, units, and equipment data. Per the Strategic Planning Guidance FY 2006-2011, and the Department's Analytic Agenda, JDS provides comprehensive data support to Department-level collaborative study teams led by the OSD PA&E and TJS.

6. **Pentagon Reservation Maintenance Revolving Fund (PRMRF)** supports the operations, maintenance, protection, and renovation of the Pentagon. PRMRF includes TJS rent and furniture bills, above-standard facilities maintenance, and utilities. Starting in FY 2004, TJS's annual PRMRF funding requirements included the costs of real property operations of Site R, which were previously funded by the U.S. Army. The executive agency of Site R was transferred to the Washington Headquarters Service (WHS) and financing of operations is now shared by tenants via the Defense Working

II. Force Structure Summary: (continued)

Capital Fund. TJS's share of construction of the Unified Command Center (UCC) and Resource Situational Awareness Center (RSAC) is also included in the PRMRF line.

7. **Management Support** provides the day-to-day financial resources necessary to fulfill the Chairman's responsibilities and to support operations of TJS. This includes developing and maintaining **joint doctrine** for the employment of the Armed Forces. Joint doctrine is the foundation of all military operations training, educating, organizing, equipping, structuring, and fighting. It focuses the Services' efforts into a synergistic joint campaign. Because joint doctrine is the distilled wisdom of collective warfighting experience, it becomes a formula for success in both war and other operations. Management headquarters resources are used to provide functional oversight to the **Global Combat Support System (GCSS)** to ensure information interoperability across combat support functions and between combat support and command and control functions in support of the joint warfighter. Coordinates the overall policy and guidance to implement the GCSS strategy, representing a new paradigm in the way automated information systems of the future will be developed in accordance with the Clinger-Cohen Act. In addition, Management Headquarters' resources support the following efforts:

   a. Operate and provide ongoing upgrades to **TJS Information Network** (JSIN). JSIN is the network infrastructure (for both classified and unclassified information) that provides crucial business-related, decision-making affecting military operations in support of the JCS. JSIN improves actions processing for faster coordination of critical issues with CoCOMs, Services, agencies, as well as within TJS. Additionally, JSIN satisfies office automation requirements such as collaborative planning tools, actions package preparation and tracking, automated message handling, local area networking, word processing, and electronic mail with attachments through integrated suites of hardware and software.

II. Force Structure Summary: (continued)

b. Implement SecDef-directed **Training Transformation** (T2). The dramatic transformation of America's strategic environment continues its significant impact on our military forces, and its demand for an equally dramatic transformation in how we prepare the forces for combat and noncombat operations. Training prepares forces to learn, improvise, and adapt to constantly changing threats, and execute doctrine to standards. The T2 initiative provides dynamic, capabilities-based training for the DoD in support of national security requirements across active and Reserve components of the Services, Federal agencies, international coalitions, international organizations, and state, local, and nongovernmental organizations. It includes development and maintenance of the **Joint Training System (JTS)**. JTS, which builds upon joint doctrine, is a four-phased, systematic process designed to implement a high-quality joint training program that maximizes the readiness of the Armed Forces. The four phases are: Phase I, Requirements, Phase II, Plans, Phase III, Execution, and Phase IV, Assessments. Overall, T2 will accomplish the following objectives:

- Strengthen joint operations by preparing forces for new warfighting concepts;
- Continuously improve joint force readiness by aligning joint education and training capabilities and resources with CoCOM needs;
- Develop individuals and organizations that intuitively think "joint";
- Develop individuals and organizations that improvise and adapt to emerging crises; and
- Achieve unity of effort from a diversity of means.

II. Force Structure Summary: (continued)

Three capabilities form the foundation for T2. These capabilities are designed to prepare individuals, units, and staffs for the new strategic environment, and to provide enabling tools and processes to carry out missions.

- Joint Knowledge Development and Distribution Capability prepares future decision-makers and leaders to employ joint operational art, understand the common relevant operating picture, and respond innovatively to adversaries. It develops and distributes joint knowledge via a dynamic, global-knowledge network that provides immediate access to joint education and training resources.
- Joint National Training Capability prepares forces by providing command staffs and units with an integrated live, virtual, and constructive training environment that includes appropriate joint context and allows global training and mission rehearsal in support of specific operational needs.
- Joint Assessment and Enabling Capability assists leaders in assessing the value of transformational initiatives on individuals, organizations, and processes by assessing training value, training environment integration, and the overall T2 vector to meet validated CoCOM readiness requirements. It also provides essential support tools and processes to enable and enhance the Joint Knowledge Development and Distribution Capability and the Joint National Training Capability.

c. Funds the **civilian personnel costs** of TJS.

d. **Joint Modeling and Simulation** - Provides the CJCS with the analytical capabilities need to support decision making associated with force structure assessment, joint course of action development, and joint and coalition analysis that directly

II. Force Structure Summary: (continued)

contribute to the accomplishment of the combatant command and Joint Staff missions. Enhances the ability of the Joint Staff and combatant commands to interface and support through collaborative analyses and provides that means to accomplish joint, multi-combatant command collaborative analysis on major and emerging issues directed by the Strategic Planning and Joint Programming Guidance.

e. Perform the **Joint Warfighting Capabilities Assessments (JWCA)**. The JWCA assists the Joint Requirements Oversight Council (JROC) in providing recommendations to the Chairman to provide advice to the SecDef on military requirements and priorities. JWCA teams support the Chairman by assessing the extent to which the program recommendations and budget proposals of the Services and other DoD components conform to the priorities established in strategic plans and the priorities of the CoCOMs.

f. **Focused Logistics** Provide mobility modeling studies and analysis for the CJCS and the SecDef to assess the logistics impacts of a dynamic range of strategic policies that address the "fort-to-foxhole" mobility program.

g. **Combating Terrorism Directorate** – Organization assigned responsibility for establishing, coordinating and overseeing force protection throughout the Department of Defense. Resources are intended to provide for manning and equiping the antiterrorism and force protection organization for the Joint Staff.

h. **Strategic Studies**: Conduct studies and assessments of existing and proposed force structures; JWCA teams issues; international negotiations; Joint Strategic Planning System; and Planning, Programming, Budgeting and Execution (PPBE) System proposals; and Congressionally or department-mandated studies such as the Quadrennial Defense Review. Assess the impact of international and domestic

II. Force Structure Summary: (continued)

politico-military, economic, demographic, environmental, and psychosocial events and issues on national security policy and military strategy. Conduct politico-military crisis simulations for the JCS with Service, OSD, CoCOMs, and when appropriate, interagency and multi-lateral participation.

i. Provide a computing environment tailored for scientific analysis. The **Analytical Suite**, now in Phase IV (Operations & Support), was developed as an integrated computing environment configured to support large-scale analyses and assessments, and an ad hoc research and analyses for one-time taskings and scenario excursions.

j. **Warfighter Mission Area** – The CJCS established WMA Information Technology (IT) domains, domain portfolios, and governance processes, and designated the Military Communications Electronics Board (MCEB) as the governance body. As the capabilities integrator, TJS ensures synchronization of systems to network capabilities, validates the Net-Ready Key Performance Parameter, and certifies interoperability and supportability. The MCEB formulates and maintains policy for the WMA IT domains, adjudicates issues among the IT domains, and represents the warfighting domains at the DoD CIO-level governance boards. The domain owners manage all IT and National Security System (NSS) resources within their domain as a portfolio.

k. **Business Process Review** – Top CJCS priorities are Joint Warfighting and Transformation toward Net Centric Warfighter Operations. Revamping the Joint Staff Enterprise to a more Net Centric environment will significantly benefit (qualitatively and financially) operations and the overall business environment. The business environment that defines the Joint Staff response to taskings has evolved to a short suspense environment with higher expectations and increased complexity. Additionally, the environment requires greater collaboration across

II.Force Structure Summary: (continued)

organizational boundaries and the increasing need for flexible tools to meet the demand for embedded context sensitive assistance and support.

THE JOINT STAFF
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary ($ in Thousands)

		FY 2005				
A. Budget Activity (BA) 1	FY 2004 Actuals	Budget Request	Appropriation	Current Estimate	FY 2006 Estimate	FY 2007 Estimate
1. CJCS Exercise Program	$198,512	$176,953	$136,953	$173,953	$195,700	$199,232
2. Combating Terrorism Readiness Initiatives Fund	30,502	39,383	36,739	29,239	41,527	42,769
3. a. CoCOM Initiative Fund	40,362	25,000	25,000	25,000	30,000	35,000
b. CoCOM Command and Control Initiative Program	1,052	1,042	892	892	9,765	9,937
c. Coalition Warrior Interoperability Demonstrations	715	684	684	684	727	756
4. Planning and Decision Aids System	32,090	38,228	38,228	38,228	35,185	35,726
5. Joint Analytical Model Improvement Program	25,678	24,804	24,217	24,217	23,056	23,347
6. Pentagon Reservation Maintenance Revolving Fund	50,824	82,382	81,558	81,993	61,928	73,683
7. Management HQ	73,132	48,236	50,201	50,513	68,050	69,485
a. Joint Staff Information Network	32,476	18,736	7,011	7,011	30,928	31,080
b. Training Transformation	21,849	16,300	16,300	7,900	24,419	26,886
c. CivPay	19,940	19,459	19,459	19,459	23,051	23,220
d. Joint Modeling and Simulation	17,968	15,577	15,290	15,290	13,535	13,695
e. JWCA	6,446	6,242	6,242	6,242	6,301	8,393
f. Focused Logistics	3,283	4,168	4,168	4,168	4,404	4,401
g. Combating Terrorism Directorate	2,127	2,986	2,162	2,162	2,243	2,293

THE JOINT STAFF
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

A. Budget Activity (BA) 1	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appropriation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
h. Strategic Studies	1,527	1,766	1,766	1,766	2,236	2,279
i. Analytical Suite	791	0	0	0	104	123
j. WMA	0	0	0	0	4,024	4,144
k. Business Process Review	0	0	0	0	3,700	3,000
Total	$559,274	$521,946	$466,870	$488,717	$580,883	$609,449

III. Financial Summary ($ in Thousands) (continued)

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**$521,946**	**$488,717**	**$580,883**
Congressional Adjustments (Distributed)	-40,000		
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent	-275		
Congressional Adjustments (General Provisions)	-14,801		
Subtotal Appropriated Amount	**466,870**		
Fact-of-Life Changes (2005 to 2005 Only)	-489		
Subtotal Baseline Funding	**466,381**		
Anticipated Supplemental			
Reprogrammings	22,000		
Price Changes		-20,698	30,365
Functional Transfers	336	17,494	0
Program Changes		108,043	-1,799
Current Estimate	**$488,717**	**$580,883**	**$609,449**

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**$521,946**
1. Congressional Adjustments		-55,076
a. Distributed Adjustments: Chairman's Exercise Program	**-40,000**	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions	**-14,801**	
1) Sec 8095 – Advisory and Assistance Services	-6,197	
2) Sec 8122 – Management Improvement Savings	-794	
3) Sec 8140 – Unobligated Balances	-7,638	
4) Sec 8141 – Excessive Growth in Travel and Transportation	-172	
e. Congressional Earmarks – Indian Lands Environmental Impact	**-275**	
FY 2005 Appropriated Amount		**$466,870**
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		-153
a. Functional Transfers: Joint Requirements Chemical, Biological, Radiological, and Nuclear Defense Office--Funding for 3 civilian FTEs transferred from RDT&E (PE 0605384BP)	**336**	
b. Technical Adjustments	0	
1) Increases: Realigned from BA-4 for consolidation of Budget Activities within the Defense-Wide appropriation.	278,884	
2) Decreases: Realigned to BA-1 for consolidation of Budget Activities within the Defense-Wide appropriation.	-278,884	
c. Emergent Requirements	**-489**	
1) Program Increases		
2) Program Reductions		
a) One-Time Costs		
b) Program Decreases	**-489**	
i) Below Threshold Reprogramming to WHS to direct fund services previously provided by the Pentagon Reservation Maintenance Revolving Fund and the Buildings Maintenance Fund.	-389	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
ii)Below Threshold Reprogramming to Defense Logistics Agency for the Mid Range Financial Systems audit program.	-100	
FY 2005 Baseline Funding		**$466,717**
4. Reprogrammings: A prior approval reprogramming action will be submitted to increase the Chairman's Exercise Program (CEP) to fund use of commercial airlift in FY 2005. The CEP funds airlift, sealift, inland transport of equipment and personnel, and port handling expenses for joint and multi-national training exercises. During normal OPTEMPO, the CEP uses TRANSCOM airlift but in FY 2005, TRANSCOM assets are not available due to contingency operations. The CEP will use a disproportionate share of commercial airlift at an estimated 2.3 times the TRANSCOM rate. Funds will transfer from the Services to TJS to support commercial airlift in FY 2005.	22,000	22,000
Revised FY 2005 Estimate		**$488,717**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2005 Normalized Current Estimate		**$488,717**
6. Price Change		-20,698
7. Functional Transfers		17,494
a. Transfers In	**17,494**	
1) Joint Knowledge Development and Distribution Capability (JKDDC), part of the **Training Transformation** initiative, transferred from OSD. JKDDC develops and distributes distance learning joint training to the individual through integration with the Joint Training System, Service Personnel Systems, and other distributed learning systems.	6,900	
2) Command and Control Initiative Program (C2IP) funding was realigned from Procurement. Using the C2IP, CoCOMs can make timely, low-cost, near-term, unforeseen improvements to their C2 systems. The refinements added under this program result in discernible improvements in the CoCOMs readiness and combat capability.	8,873	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
3) Management Headquarters Functional Capabilities Board (FCB) funding was realigned from RDT&E. The FCBs support the CJCS with approved assessments of joint military capabilities in: force application, focused logistics, force protection, C2, battlespace awareness, net centricity, training and force management. FCBs provide CoCOMs the analytical capabilities to support decision making associated with force structure assessment, joint course of action development, and joint and coalition analysis that directly contribute to the accomplishment of CoCOM missions.	1,721	
b. Transfers Out		
8. Program Increases		107,856
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006	**107,856**	
1) **CJCS Exercise Program**: Increase to support validated requirements. The CEP underexecuted funding in FY 2002-FY 2004 due to the high demands on the force from combat operations. Beginning in FY 2005, CEP funding is based upon CoCOMs Strategy-Based exercise requirements and the ability of the Services to support these exercises. To counter the potential threat of terrorist activities, planned exercises emphasize Homeland Defense, Air Defense, and Consequence Management, which drive the increased complexity of the exercises and increased costs of transportation and other incremental support costs. (FY 2005 base: $173,953K reflects $-40,000K specific Congressional cut plus $22,000K prior approval reprogramming action plus $15,000K internal realignment to cover increased transportation costs.)	35,030	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
2) Increase **Combating Terrorism Readiness Initiatives Fund** to continue support to the Global War on Terrorism, reflecting DoD's enhanced efforts to respond to and protect against acts, or threatened acts, of terrorism against the US. Funding mitigates current known threats and vulnerabilities to U.S. personnel and provides resources to respond to emergent and/or emergency contingencies. (FY 2005 base: $29,239K includes $-7,500K internal realignment to the CEP.)	10,473	
3) a. Increase **CoCOM Initiative Fund** $5 million to support increasing demands. CCIF gives the CJCS the ability to provide structured support during execution year for emergent contingency requirements. Since September 11, CCIF has focused on getting capabilities to the warfighter faster and more efficiently. The Global War on Terrorism, OPERATION IRAQI FREEDOM, and OPERATION ENDURING FREEDOM account for over 66% of the expenditures within the program. (FY 2005 base: $25,000K)	4,895	
4) Management Headquarters Electronic Joint Manpower and Personnel System: Increase provides for a central database for analysis and knowledge sharing in a secure web-based operating environment. Provides a 24-hour help desk and real-time information on manpower transactions. Joint Manpower and Personnel System (JMAPS) manages and documents all Joint Staff military and civilian manpower billets, as well as NATO commands, the CoCOMs and some small organizations under the CJCS. (FY 2005 baseline: $50,513K Management HQ)	2,465	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
5) Management Headquarters Information Operations: TJS conducts comprehensive program management and training for Military Deception (MILDEC) and a sensitive IO capability, using compartmented training development and execution by a qualified and experienced MILDEC planner. CoCOMs benefit directly from operational and training support from this compartmented community. Capability enhances Operational Plan execution and impacts DoD's ability minimize casualties while waging war successfully. Funded by OSD for FY 2004 and FY 2005. (FY 2005 baseline: $50,513K Management HQ))	2,150	
6) Management Headquarters Security: To develop an Integrated Joint Staff Security Module to encompass security processes, access to TJS, and transfer of security information between facilities. Provides for National Military Command Center badge transition and visitor control; transition from legacy badge system to the Pentagon master system, and dedicated support to develop and maintain access profiles for the NMCC, transitioning over 3000 NMCC badge holders and adding 1500 more. Provides security training for TJS personnel, technicians and equipment for the NMCC, and implementation of security initiatives to meet DoD mandates. (FY 2005 baseline: $50,513K Management HQ)	1,535	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
7) Management Headquarters Joint Operational Planning: For Munitions Export Licensing, NATO Defense Planning, Nuclear Non-Proliferation, Homeland Security, Coalition database and GWOT metrics. Strategic Studies respond to SecDef and CJCS priorities in GWOT and coalition-building. Funds a database on current and potential coalition partners accessible by TJS, DoD and DOS to enable strategic management of coalitions and garner more foreign support to alleviate the increasing burden on US troops. GWOT metrics study current and historic data to measure progress in the GWOT, reinforce success, reprioritize resources and change direction or means as necessary. Funds also facilitate a military strategic plan for combating weapons of mass destruction, with the development of country-specific proliferation strategies and an interdiction strategy in support of NSPD-17. (FY 2005 baseline: $50,513K Management HQ)	1,243	
8) Management Headquarters Missile Defense Exercises: Provide professional management services and manpower to support the maintenance of systems software for Missile Defense exercises. (FY 2005 base: $50,513K Management HQ)	1,243	
9) Management Headquarters for training, travel and miscellaneous services to support the Joint Staff, CoCOM Official Representation and CoCOM Counterterrorism and Counter proliferation. (FY 2005 base: $50,513K Management HQ includes $-7,500K internal realignment to CEP.)	2,098	
10) Management Headquarters Functional Capabilities Board to increase assessments of joint military capabilities (FY 2005 base: $1,721K transferred from RDT&E)	940	
11) Management Headquarters Joint Doctrine Masterplan and Education Support: Increase supports the development of joint doctrine and tactics, techniques, and procedure publications. It also provides the CoCOMs with world-wide electronic access to joint publication guidance for deliberate and crisis-action planning for joint doctrine research and initiatives. (FY 2005 base: $50,513K Management HQ)	1,006	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
12) Management Headquarters Global Force Management Data Initiative: Increase for the development of standardized force structure data, a joint hierarchical way to organize force structure data for integration across Services that will provide on-demand information in a net-centric environment. (FY 2005 base: $50,513K Management HQ)	979	
13) Management Headquarters **Training Transformation** Joint Training Systems: CJCS formulates policies for the Armed Forces' joint training. JTS, an integrated, capabilities-based methodology for aligning training programs with assigned missions within command priorities and available resources, emphasizes the direct linkage among the National Military Strategy, CoCOM mission requirements and Training Transformation. The JTS is supported in the Strategic Planning Guidance and DoD Training Transformation I-Plan. (FY 2005 base: $7,900K plus $6,900K transfer-in JKDDC for revised base $14,800K.)	9,738	
14) Management Headquarters **Joint Staff Information Network**: Expand from localized 8x5 assistance to a 24x7 resource. The CLAS and UNCLAS network supports business-related and decision-making operations for military operations. JSIN facilitates coordination with CoCOMs, Services, Agencies, and TJS. National military strategy, the capstone joint warfighting strategic plan, recognizes information superiority as the foundation for joint doctrine and concepts. The heart of information superiority is TJS' ability to interact internally, with the field, and with interagency and multinational partners to provide the most accurate and timely advice to the National Command Authorities and to transmit command decisions rapidly and accurately. JSIN provides: the information technology and information management services to achieve decision superiority; the basic infrastructure for Joint Staff collaboration and business applications; support personnel to operate and maintain the hardware, software, and applications; Help Desk, Network Operations, Disaster Recovery, Joint Staff Messaging	23,415	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
Systems, Web Infrastructure, and network security supporting 2,000 users and 4,300 workstations on two networks. JSIN is the primary means of communicating tasks and coordinating responses for TJS. JSIN also provides the infrastructure for the Defense Messaging System, which must maintain a 24-hour capability. (FY 2005 base: $7,011K)		
15) Management Headquarters **Civilian Pay**: To correct an error that caused systematic underfunding of civilian pay. (FY 2005 base: $19,509K)	3,084	
16) Management Headquarters **Warfighter Management Analysis** Information Technology: The CJCS manages information services and capabilities across the Warfighter Mission Area (WMA) as portfolios of investments to achieve net-centric operations and warfare goals within the Global Information Grid (GIG) vision. CoCOMs and Services receive net-ready IT capabilities and realize significant cost savings through IT portfolio management efforts. DoD CIO satisfies the Clinger-Cohen Act requirements for managing IT investments. (FY 2005 base: $0.0K)	3,940	
17) Management Headquarters **Business Process Review:** To establish tools, processes, and the culture required for TJS leadership in transformation of net-centric business processes. Funds support the deployment of a robust, scalable, and flexible enterprise business system supporting the full range of TJS actions, aligning enterprise to knowledge repository, and providing required tools to improve operations and respond to new demands. TJS, OSD, agencies, CoCOMs, and Services will benefit from: enhanced visibility of tasks to enable leadership, reduced work, increased quality; and enterprise capture of knowledge, relevant meta data identified to enable future searches to develop CJCS responses. (FY 2005 base: $0.0K)	3,622	
9. Program Decreases		-12,486
a. One-Time FY 2005 Costs		
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006	**-12,486**	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
1) **Planning and Decision Aids System**: Special access program; justification is provided under separate cover. (FY 2005 base: $38,228K)	-2,980	
2) **Pentagon Reservation Maintenance Revolving Fund**: Rate based on a square-footage methodology, and tenant rent increases for Raven Rock Renovation Master Plan repair projects. (FY 2005 base: $81,993K)	-3,748	
3) Management Headquarters Joint Warfare Simulation: Program terminated. DoD refocused spending from its vision of a transformed fighting force to the more immediate needs of ground troops. (FY 2005 base: $50,513K Management HQ)	-2,447	
4) Management Headquarters Quadrennial Defense Review: Completed QDR. Returns program to baseline funding level. (FY 2005 base: $50,513K Management HQ)	-1,593	
5) Management Headquarters **Joint Modeling and Simulation**: Fewer studies supporting the Tactical Warfare program and field support requirements related to JWARS program support. (FY 2005 base: $15,290K)	-1,718	
FY 2006 Budget Request		**$580,883**
10. Price Change		30,365
11. Transfers		
a. Transfers In		
b. Transfers Out		
12. Program Increases		8,295
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007	**8,295**	
1) **Combating Terrorism Readiness Initiative Fund**: Enhanced efforts to respond to and protect against acts or threatened acts, of terrorism against the US. Funds will mitigate current known threats and vulnerabilities to US personnel, and provide resources to respond to emergent and/or emergency contingencies resulting from unforeseen threats. (FY 2006 base: $41,527K)	1,175	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
3) **CoCOM Initiative Fund**: Increase to support increasing demands. Provides structured support during execution year for emergent contingency requirements. Since September 11, CCIF has gotten capabilities to the warfighter faster and more efficiently. The Global War on Terrorism, OPERATION IRAQI FREEDOM, and OPERATION ENDURING FREEDOM account for over 66% of the expenditures within the program. (FY 2006 base: $ 30,000K)	4,895	
4) Management Headquarters **Training Transformation** Joint Training System: To implement the Future Joint Training System (FJTS) through continued application and refinement of the JTS, and transition to the FJTS that will bridge the gap to Joint Vision and Training Transformation requirements that emphasize the integration of Interagency, Multinational, and Reserve component training. As part of the JTS, the Enhanced JTS Specialist Program develops and coordinates host command, Joint Training and Joint Lessons Learned Program policies and procedures. The CJCS assesses the effect of and reports to the SecDef on critical deficiencies in force capabilities. The JTS Specialist is also responsible for performing net assessments to determine Services' capabilities, and assist the CoCOMs with integrating the US armed forces. (FY 2006 base: $24,419K)	2,225	
13. Program Decreases		-10,094
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007	**-10,094**	

III. Financial Summary ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
1) **CJCS Exercise Program**: Reduced for more realistic executability. The CEP supports the SecDef priority of "Strengthening Combined/Joint Warfare Capabilities" through joint exercises. The CEP executes at a lower level during periods of active contingency operations. The Joint Staff based the FY 2007 request on validated Combatant Commander's requirements to improve the reliability of CEP budget requests. (FY 2006 base: $195,700)	-8,235	
7) Management Headquarters: Decrease training and various support costs. (FY 2006 base: $68,050K)	-1,859	
FY 2007 Budget Estimate		**$609,449**

IV. Performance Criteria and Evaluation Summary: (continued)

IV. Performance Criteria and Evaluation Summary

a. **The CJCS Exercise Program**, a key component of the Joint Training System (JTS), is the Chairman's principal vehicle for joint and multinational training. DoD uses this crucial program to assess the military's ability to satisfy joint national security requirements, enhance and evaluate interoperability between the Services, and exercise critical Service-unique deployment/redeployment skills. The program provides political and diplomatic returns. Exercises demonstrate U.S. resolve and capability to project military power anywhere in the world in support of U.S. national interests and allies. The CJCS Exercise Program also provides an opportunity to stress strategic transportation and C4I systems and evaluate their readiness and supportability across the full spectrum of military operations.

b. **Combating Terrorism Readiness Initiatives Fund (CbT RIF)** Program provides a flexible response to meet CoCOMs' worldwide emergent and emergency highest priority antiterrorism (AT) requirements due to changes in threat, mission, policy or doctrine. The primary focus of the fund is on physical security equipment and site improvement. In FY 2004, the CoCOMs submitted 480 CbT RIF requests valued at $125 million; the CbT RIF funded 110 projects at a value of $55 million.

c. **The CoCOM Initiative Fund (CCIF)** supports critical, emergent CoCOM contingency and interoperability requirements that are high-benefit/low-cost in the areas of force training, contingencies, selected operations, joint exercises, humanitarian and civil assistance, military education and training of foreign personnel, personal expenses for bilateral or regional cooperation programs, force protection, and joint warfighting capabilities. Priority is given to CoCOM requests that enhance warfighting capability, readiness, and sustainability of CoCOM forces.

IV. Performance Criteria and Evaluation Summary: (continued)

In FY 2004, CoCOMs nominated 30 projects totaling $55.7 million. The FY 2004 National Defense Appropriation Act increased CCIF authorization to $30 million and the emergency supplemental legislation increased CCIF by $15 million. The Chairman approved 24 projects totaling $45.0 million; direct support of the Global Global War on Terrorism totaled $24.3 million, and most of the remaining projects indirectly supported ongoing operations, transformation, and joint warfighting capability.

d. **CoCOM Command and Control Initiative Program (C2IP)** supports implementing timely, low-cost, near-term improvements to C2 systems by adapting existing C2 systems to meet unique, unforeseen requirements. In FY 2004, the C2IP program provided $1.052M to fund 13 initiatives that resulted in discernible improvements in the readiness, combat capability, and interoperability of the CoCOMs due to enhanced command and control of their forces.

e. **Coalition Warrior Interoperability Demonstrations (CWID)** of the Command, Control, Communications, Computers, and Intelligence (C4I) program are demonstrations of evolving Command, Control, Communications, Computing Intelligence, Surveillance, and Reconnaissance (C4ISR) technologies aimed at achieving joint/combined interoperability solutions. CWID provides focus and visibility into resolving C4 interoperability issues and provides organizing principles, techniques, and procedures for achieving information superiority as envisioned by JV 2020. The Global Information Grid (GIG) stresses interoperability, and CWID leverages the rapid pace of C4I technology advancements. CWID is the only CJCS-sponsored demonstration of new and emerging, low-cost, low-risk C4ISR technologies and interoperability solutions, impartially presented to the CoCOMs and Services in an operational environment. CWID provides a structured process whereby new C4ISR capabilities are rigorously vetted, evaluated, and assessed by the warfighter. The CWID 2004 network was comprised of 29 connection sites supporting 19 countries, 14 DoD

IV. Performance Criteria and Evaluation Summary: (continued)

agencies and seven other U.S. Government agencies, as well as nine primary network sites located within the continental United States.

f. **Warfighter Mission Area Information Technology Portfolio.** The CJCS manages information services and capabilities across the Warfighter Mission Area (WMA) as portfolios of investments to achieve net-centric operations and warfare goals in the Global Information Grid (GIG) vision. The CJCS established WMA Information Technology (IT) domains, domain portfolios, and governance processes, and designated the Military Communications Electronics Board (MCEB) as the governance body. As the capabilities integrator, TJS ensures synchronization of systems to network capabilities, validates the Net-Ready Key Performance Parameter, and certifies interoperability and supportability. The MCEB formulates and maintains policy for the WMA IT domains, adjudicates issues among the IT domains, and represents the warfighting domains at the DoD CIO-level governance boards. The domain owners manage all IT and National Security System (NSS) resources within their domain as a portfolio. They review IT and NSS programs, projects, and systems for performance against capability requirements and schedules, net-centric criteria, and compliance with DoD Net-centric Data Sharing goals and architectures. Domain owners recommend development, sustainment, transformation, or termination for individual IT and NSS capabilities, and funding changes in accordance with domain portfolio priorities. Joint Staff matters include:

1. providing analysis and technical support to TJS while interfacing with OSD, CoCOMs, Services, and DoD Agencies with a role in WMA IT domain integration and implementation;
2. articulating established Joint Staff position on mission area implementation matters in discussion and assessments with CoCOMs, Services, Defense Agencies, and Communities of Interest (COIs);
3. assessing DoD architecture and IT policies with the Office of the SecDef, CoCOMs, Services, and COIs;

IV. Performance Criteria and Evaluation Summary: (continued)

4. translating technical study results into concrete recommendations to support development of DoD and Joint policy positions for national and international forums;
5. supporting the CJCS in developing WMA roles and responsibilities, synchronizing systems to network capabilities throughout the domains, and certifying interoperability;
6. providing support to TJS to review Federal, DoD, Joint and industry publications for content applicability and currency with regard to DoD architecture policies and procedures; and
7. supporting DoD interdepartmental or interagency working groups that develop or formulate WMA IT policy.

g. **Management Headquarters** oversees development, enrichment, and deployment of joint policy, procedures, doctrine, and training methodologies, with emphasis on military engagement throughout the world on humanitarian law in armed conflict, maritime affairs, treaty compliance activities, security assistance matters, and international negotiations associated with these activities. Analysis through modeling, simulations, war games, and analytical studies for Department assessments such as the Quadrennial Defense Review (QDR) and FCB must be accomplished to ensure efficient organizations and effective use of scarce resources. Improvements in Department operations depend on development and evaluation of war plans and preparation of strategy, planning guidance, and policy for operations, logistics, C4, organizational issues, politico-military affairs, and international negotiations. Examples of TJS's accomplishments in these areas include:

1. Completed a series of **modifications to TJS Information Network (JSIN)** to improve performance, security, reliability, and survivability. As a part of an overarching Pentagon Common IT infrastructure program, TJS transitioned the JSIN infrastructure to consolidated facilities, improving survivability and reducing network infrastructure costs. Additionally, TJS completed a migration of critical information systems data to a

IV. Performance Criteria and Evaluation Summary: (continued)

Pentagon storage area network to ensure continuity of operations in the event of catastrophic network outages within the Pentagon. As part of an improving network configuration management program, TJS designed and deployed an Active Directory architecture to enhance management of local services and enforce security policies, and instituted other management applications to ensure rapid deployment of critical security patches to servers and workstations. TJS implemented upgrades to the Secret network infrastructure to facilitate collaboration with CoCOMs, Services, and Agencies and laid the groundwork for enhanced Knowledge Management and Decision Support tools planned for the next fiscal year. Under an Enterprise Data Architecture initiative, TJS completed standardization of database designs and successfully migrated the remaining database applications to a standard suite of enterprise database and application servers to improve data interoperability and reduce maintenance and administration costs. Seat management accomplishments include updating the operating systems and standard office automation suites of all client workstations. TJS also secured a new Enterprise Licensing agreement to reduce overall software application licensing costs.

2. The **joint doctrine education, and training, electronic information system** is under development and will be a database of all doctrine that will be hyperlinked to all related material (e.g., universal joint task list, lessons learned, war plans, history). The system will include electronic staffing of, and establish a reference library for doctrine available 24 hours a day.

3. Developed and maintained a **doctrine-networked education and training system** (DOCNET) that will be an internet-based education system designed to teach doctrine to the entire military community: formal schools, quick-reaction joint task forces, and Reserve Components. This initiative saves travel and classroom time, improves the knowledge level of the total force, and yields better-prepared joint forces.

IV. Performance Criteria and Evaluation Summary: (continued)

4. Designed and obtained approval for Chairman's **Joint Interagency Training Specialist** program to integrate the interagency process more fully into joint training and exercises.

5. Initiated the build of deliberate **training plans** at the Defense Intelligence Agency (DIA) and DTRA. Program included a review and revision of Agency Mission Essential Task Lists and Training Plans.

6. Conducted the fourth iteration of the **Focused Logistics Wargame** (FLOW), which is a mechanism for applying and assessing technological breakthroughs, joint logistics doctrine, and the desired operational capabilities required to implement the JV tenet of Focused Logistics and guide logistics transformation efforts. FLOW is played as a single-sided, seminar-style game where the given scenario was examined in a sequence of two moves.

7. Managed and validated the requirements for the **Force Protection Response Group**, which provides a sophisticated counter-surveillance detection capability in support of worldwide DoD force protection requirements.

8. **Anti Terrorism/Homeland Defense, Anti Terrorism/Force Protection** (AT/FP) used the Higher Headquarters Assessment Tool to conduct three CoCOM Higher Headquarter Assessments (CENTCOM, STRATCOM, and SOCOM) and nine Defense Agency assessments (DFAS, DIA, DoDEA, DSCA, DTRA, NGA, TRICARE, MDA, and PFPA). These staff assistance visits provided an independent assessment of CoCOMs' AT policies and program using DoD standards to facilitate AT program improvement. In support of the Chairman's role as principal advisor to the SecDef for all AT/FP issues, DDAT/FP reviewed the adequacy of resources proposed by the Services to meet DoD AT/FP objectives, and supported the JROC in addressing the CoCOMs' AT/FP requirements.

IV. Performance Criteria and Evaluation Summary: (continued)

9. Improved the DoD four-tiered **AT/FP Training Program** consisting of: a web-based basic level training curriculum for all DoD personnel and families; an advanced curriculum to train AT officers, commander "pre-command" AT training; and an executive-level seminar for senior officers and DoD civilian leadership. DDAT/HD, AT/FP conducted three Joint Staff AT/FP executive seminars in FY 2004, with CoCOM, Service and agency general officer, flag officer, and other senior level representatives in attendance. The seminar exposed senior leadership to the increasing emphasis on AT to help institutionalize DoD commitment to develop a premier force protection capability. Released the Joint Antiterrorism Program Manager's Guide (JAT Guide) during the summer of FY 2004. The JAT Guide is a decision aid tool that provides the AT planning staff with ready access to the requirements, planning process, tools and decision aids to build an effective AT Program.

10. Overhauled procedures and resources to improve the management and analytical rigor of **Joint Staff studies**. Designed, tested, and implemented new processes for TJS Resource Management Council to assess study requirements and allocate limited study resources. Designed and published guidebooks to assist Joint Staff action officers in building a study effort and writing well-structured statements of work (SOW). Designed and implemented a prototype management information system to help plan, resource, and track the status of Joint Staff studies.

11. Established worldwide user connectivity to a **Joint Staff studies bibliographic information** database that identifies joint subject matter experts, and describes selected joint analytical tools and methodologies. Study planners and directors use the information base to quickly research past efforts or find additional sources of help (people and tools).

IV. Performance Criteria and Evaluation Summary: (continued)

12. Developed and deployed a World Wide Web-based collaborative tool to assist the joint warfighting community with conducting a major Departmental study on **mobility requirements**. The tool facilitates near-real-time collaboration among geographically separated authors, editors, and reviewers and allows them to more quickly develop and validate analytical findings and recommendations.

13. **Integrated Global Posture Basing Strategy** (IGPBS): The U.S. Defense Strategy as outlined in the September 2001 Quadrennial Defense Review identified the need to reorient U.S. global defense posture given the very different security environment we now face. IGPBS seeks to strengthen U.S. defense relationships with key allies and partners; improve flexibility to contend with uncertainty; enable action both regionally and globally; enable rapid power projection; and focus on overall capabilities instead of numbers. At the outset of IGPBS, DoD initiated a comprehensive, strategy-based review of U.S. global defense posture – the size, location, types, and roles of forward military forces and capabilities. With the President's approval, IGPBS is now transitioning from the consultation phase to the negotiation phase as a result of efforts by the DoD, its interagency partners, U.S. allies and friends, and Congress.

14. Continued pilot programs to support TJS's **Knowledge Management** effort. The initial Joint Staff Enterprise Portal (JSEP) was deployed on TJS Information Network (JSIN) (unclassified and classified networks) and the SIPRNET. Major upgrades to the JSEP are being developed and new portal-specific applications, known as "portlets," continue to be fielded. The Office of the Chief Information Officer (OCIO) continues its Knowledge Management outreach initiative program aimed at identifying both enterprise and directorate-specific needs for the JSEP environment. This outreach program supports the Director of the Joint Staff (DJS) Effective Business Working Group initiative that addresses horizontal enterprise-level electronic capabilities and develops those vertical, directorate-specific business process improvements. Each requirement is

IV. Performance Criteria and Evaluation Summary: (continued)

individually evaluated to determine its utility and practicality from a business perspective.

15. **Iraq**: Developed essential strategic tasks furthering the development of an emerging democracy in Iraq and US strategic interests in the region. Assisted the interagency providing strategic guidance to our Coalition partners and the CoCOMs effecting post regime change in Iraq. Function as the primary coordinating office for the development of numerous policy issues critical to OPERATION IRAQI FREEDOM including the stand up and transition to a US Embassy from the Coalition Provision Authority, the training and equipping of Iraqi Security Forces capable of defeating an active insurgency, the reconstruction and economic development of Iraq, Coalition building, and the security and election support required to ensure successful elections in a democratic environment. Provided focused and succinct reporting information, analysis, and policy recommendations to the interagency concerning the transition from an Interim Iraqi Government (IIG) to an Interim Transitional Government (ITG) and the training and mentoring of leadership within these emerging government institutions.

16. **Homeland Defense and Western Hemisphere Policy**: Coordinated CoCOM and Service positions and provide military advice on policy and regional security issues for the Western Hemisphere; including Haiti Intervention, support to Colombia, strategic relationship with Mexico and support for NSC Regional Counter Terrorism Plans. Prepared DoD leadership for over 300 Homeland Security Council and National Security Council discussions: including homeland defense operations, homeland security, military support to civil authorities, counter narcotics, counter terrorism, and Critical Infrastructure Protection. Led DoD efforts during dozens of bi-lateral meetings; discussing hemispheric cooperation on missile defense, information operations, and discussions on scope of renewal of the NORAD agreement with Canada; as well as and homeland defense, defense cooperation and counter narcotics with Mexico.

IV. Performance Criteria and Evaluation Summary: (continued)

17. **Coalition Building**: Functioned as the primary action agency building the coalition in Iraq, for both combat operations and post-war stability operations. Refined procedures for training, equipping, deploying, and employing a 31-nation coalition into Iraq, helping the U.S. to achieve strategic political and military goals. Initiated a series of top-level, multinational planning conferences to foster improved information sharing in current operations and build confidence in future coalition opportunities across the spectrum of operations. Developed a prototype contingency planners' database to fuse information and assessments from across the interagency, facilitating future coalition development, deployment, and prioritization.

18. **Conventional Arms Control**: Developed and advocated Joint Staff positions concerning implementation of the Conventional Armed Forces in Europe (CFE) Treaty, Vienna Document 1999, Open Skies Treaty, UN Register for Transparency in Arms, the Wassenaar Arrangement, the Convention on Certain Conventional Weapons, and Dayton Accords; assisted in formulating and advancing USG positions on small arms, and light weapons including MANPADS and naval Confidence and Security Building Measures. Assisted in the development of a small arm, light weapons and munitions destruction document under the auspices of the Forum for Security Cooperation (FSC) of the Organization for Security Cooperation in Europe (OSCE). Developed and advocated Joint Staff positions on transfer and control of major defense equipment and sensitive dual-use technologies to foreign governments and organizations. JS Foreign Disclosure Official: member of interagency National Disclosure Policy Committee. Lead for security assistance issues, including foreign military funding, international military education and training fund programs, foreign military sales and export licenses. Generates / coordinates JCS input into annual State Department foreign operations budget.

IV. Performance Criteria and Evaluation Summary: (continued)

19. **Nuclear Arms Control**: Developed, advocated, and protected Joint Staff and Service positions concerning implementation of START and the INF Treaty, entry into force of the Moscow Treaty, and engagement with the Russian Federation under the auspices of the Offensive Transparency Working Group (WG-1) as part of the Consultative Group for Strategic Security.

20. **Joint Interagency Coordination Group** (JIACG): Counter-terrorism (CT) JIACGs are established at five regional and three global CoCOMs to assist commanders in waging the global war on terror. Representatives for Department of State (CT), FBI, and Treasury (Office of Foreign Assets Control) coupled with DoD expertise (DTRA, DISA, NGA, NSA, NRO, and DIA) have contributed to DoD plans and initiatives to stifle worldwide terrorist efforts and activities. JIACGs support ongoing operations in Afghanistan, Iraq, and the Horn of Africa as well as CT efforts in the Pacific and European regions of the globe. As JIACGs evolve to handle various transnational issues, their value to DoD can only increase.

21. **Global War on Terrorism** (GWOT): Incorporated Countering Ideological Support to Terrorism (CIST) into the professional military education system; facilitated an OSD/Joint Staff Strategic Review to allow DoD senior leaders a forum to discuss the nature of the threat and future GWOT strategy; developed metrics to better measure progress in the GWOT and finalized the revision of the National Military Strategic Plan for the GWOT to provide U.S. Armed Forces strategic guidance for the execution of the GWOT.

22. Refined and improved the **Joint Staff Integrated Vulnerability Assessment** (JSIVA) Information System (JIS). JIS provides TJS-sponsored Defense Threat Reduction Agency (DTRA) JSIVA Teams a tool to enter information that updates the primary database with

IV. Performance Criteria and Evaluation Summary: (continued)

observations and findings. The database is used to extract trends, best practices, and other analytical information.

23. Began **consolidations to reduce joint publications** from 115 to 71 over a five-year period to integrate joint mission areas and reduce associated workload. The Joint Electronic Library CD-ROM (JEL-CD ROM) version was expanded to include the Joint Force Employment Game (JFE), which educates joint and service staff in the practical application of joint doctrine. The user plays the role of the Joint Force Commander and is required to apply doctrine in 14 different scenarios. The interaction provides immediate feedback to the user and enhances learning of joint force employment concepts thru practical experience. Upgrades to enable multi-user, online access are planned. The two CD set, which contains updated doctrine, CJCSIs, selected Service and multi-Service doctrine, and joint force briefings, all accessible via electronic-search, replaces over 200 publications at a fraction of the cost. Demand has grown to 20,000 copies every six months.

24. Developed an **information assurance (IA) and computer network defense (CND) manual** that outlines joint responsibilities and procedures in support of Defense-in-Depth approach for protecting and defending DoD information systems and computer networks. Development encompassed thorough analysis and assessment of current information assurance and computer network defense policy, responsibilities, and procedures. It further describes essential elements of Defense-in-Depth and provides new guidance on individual responsibilities and training requirements, IA vulnerability management program, red teaming, incident reporting and requirements for defending the DoD information environment.

25. Developed **DoD IA and Computer Network Defense policy and responsibilities instruction** that outlines joint policy, integrates current DoD policy, organization, responsibilities

IV. Performance Criteria and Evaluation Summary: (continued)

and concepts for information assurance and computer network defense, and specific responsibilities for TJS, CoCOMs, Services and Defense Agencies. This instruction also provides collective responsibilities of all DoD organizations for defending information systems and networks.

26. Developed **Defense Information System Network (DISN) instruction** that outlines policy, responsibilities, procedures and connection approval process for sub networks of the DISN. This instruction focuses on DISN policy and responsibilities with new emphasis on processes for assured connection of unclassified and classified information systems. The instruction provides guidance on cross-domain connections between security domains and cross-functional connections with non-DoD organizations.

27. Continued **functional oversight responsibilities for the Global Combat Support System** (GCSS), prioritizing and defining CoCOMs' requirements for logistics command and control requirements. Coordinated with Services and Agencies to identify appropriate data sources to satisfy these requirements. Collaborated with DISA to develop and field version 3.2, 3.3 and 4.0 of the GCSS CoCOM/joint task force (CC/JTF) tool providing CoCOMs with a global, joint-actionable asset-visibility capability at the operational level.

28. Provided **technical support to the joint warfighting community** to quantify the benefits, scope the resource requirements, and define operational concepts for implementing an open-source analytical capability to support CoCOM and joint task force staffs during real-world operations.

29. **Joint Data Support** is the primary office tasked with improving the quality and consistency of data supporting Department-level analyses. JDS is the central and authoritative source of verified and validated data for use by the Services, Joint Staff,

IV. Performance Criteria and Evaluation Summary: (continued)

CoCOMs, and OSD in studies and analyses using models and simulations (e.g., Operational Availability Study) and other Department-level studies not specifically requiring computer modeling and simulation (e.g., Dynamic Commitment). JDS develops and fields the Current Forces Database (CFDB) and Current Non-US Forces Database (CNFDB), databases containing US and Non-US forces, units, and equipment data. JDS provides comprehensive data support to Department-level collaborative study teams led by OSD and TJS. JDS developed DoD Directive 8260.1, "Data Collection, Development, and Management in Support of Strategic Analysis," and DoD Instruction 8260.2, "Implementation of Data Collection, Development, and Management for Strategic Analysis," to improve the visibility and accessibility of data supporting strategic analysis. JDS supports the Joint Analytic Data Management Steering Committee. JDS provided support to Operational Availability (OA) Studies 2003 and 2004, provided data support to JWARS development and testing, and assisted in the development and execution of the Department's Analytic Agenda.

30. TJS Special Access Program (SAP) Central Office provides for the management, administration, and oversight of **Joint Staff Special Access Programs**. The JS SAPCO assists the CJCS execute his responsibilities of providing planning information to the operational aspects of SAPs for the Military Departments and CoCOMs; conducting annual review and reporting of JS SAPs; providing coordination with the OSD and Service Central Offices; and coordinating all access requests for SAPs. Obtained co-use storage agreement, initiated database requirements evaluation, developed access request process, and initiated action-processing review. Will develop a database for maintenance of JS personnel accesses and populate with initial data load; consolidate satellite offices under a single authority and expand support options; establish an electronic archiving and document tracking capability for action officers; develop and implement an architecture for a SAP area network; develop and implement a life-cycle management plan

IV. Performance Criteria and Evaluation Summary: (continued)

for database and SAP area network maintenance; and interconnect with Service and OSD SAP Offices.

31. To fulfill guidance from the SecDef and the CJCS, US Joint Forces Command (USJFCOM) develops **annual joint experimentation campaign plans** that set the path for innovative concept development, experimentation, and assessment. The assessment of innovative concepts and leap-ahead technologies can generate significant improvements to joint doctrine, organizations, training, materiel, leadership and education, personnel, and facilities. The Joint Experimentation Program is designed to sustain and widen the qualitative superiority of U.S. forces over potential 21st century rivals and to prevent any adversary from exploiting advanced technologies faster than the United States. Additionally, TJS will make future revisions to the Joint Vision document when necessary.

32. **Declassification of Records**: The Project continues review of the seven million (estimated) pages of referrals from other agencies. The Project is conducting simultaneous reviews of maturing, organic Joint Staff records (those records reaching 25 years of age IAW the Executive Order) and referred Joint Staff records from other agencies.

33. Initiated **Global Force Management (GFM) Data Initiative** for developing data structures and methodology for documenting force structure. Funding within Joint Tools Field Support is being reprogrammed to resource the GFM Data Initiative per Joint Planning Guidance to meet Strategic Planning Guidance task for a joint hierarchal way to organize force structure data for integration across Service lines.

IV. Performance Criteria and Evaluation Summary: (continued)

34. **Revised and published**:

a. JV 2020, which extends the conceptual template established by JV 2010; worked with the CoCOMs, Services, Defense agencies, and Joint Staff directorates to develop the Joint Vision Implementation Master Plan (JIMP), which focuses and integrates efforts to assess JV 2020 concepts and desired operational capabilities; and established the groundwork for building the JVIC, which is an integrated electronic database that will become the focal point for tracking and fusion of Service-specific, joint (USJFCOM), and multinational experimentation efforts.
b. CJCS CONPLAN 0400 (Counterproliferation (CP)) and began review and coordination of interim changes to CONPLAN 0300 and the charter of the counterterrorism (CT) joint task force. Reviewed for CJCS approval CoCOMs' CONPLANs 0300 and 0400 when completed by the CoCOMs.
c. The Joint Operations Concepts (JOpsC). Also drafted the Joint Concepts Development and Revision Plan (JDCRP), established the DOTMLPF Integration Group, brought the Joint Transformation Integration System (JTIS) online, integrated into the new Joint Capability Integration and Development System (JCIDS) process to begin implementation of four DOTMLPF change recommendations (DCR), four Joint Operating Concepts (JOC), thirty OIF Lessons Learned packages, and hundreds of capability requirements documents within the Knowledge Management/Decision Support (KM/DS) system.
d. CJCSI 3270.01 Personnel Recovery (PR) in DoD.
e. CJCSI 3207.01 Military Support to Humanitarian De-mining (HD). Conducted Policy Assessment visits as part of the Policy Coordinating Committee's Policy Assessment Team to countries seeking USG HD assistance. Reviewed CoCOMs' Homeland Defense (HD), Counter Terrorism (CT), Counter Proliferation (CP), and Public Relations (PR) programs and plans. Coordinated CoCOMs' annual HD plans. Planned and

IV. Performance Criteria and Evaluation Summary: (continued)

coordinated support at TJS level for CTF FERVENT ARCHER, SOF interagency support requests, SOF-specific Title 10 and Title 50 intelligence and reconnaissance requirements, which included the Integrated Survey Program. Provided support to Operation ENDURING FREEDOM. Prepared and staffed HD and other DEPORDs, as required.

f. JP 2-01.1 Joint Doctrine, Tactics, Techniques and Procedure for Counter Intelligence Support to Operations;
g. JP 3-05 Doctrine for Joint Special Operations;
h. JP 3-05.2 Joint Special Operations Targeting and Mission Planning;
i. JP 3-09.3 Joint Tactics, Techniques, and Procedures for Close Air Support;
j. JP 3-30 Command and Control for Joint Air Operations;
k. JP 3-53 Doctrine for Joint Psychological Operations;
l. JP 3-57.1 Doctrine for Joint Civil Affairs;
m. JP 4-01 Joint Doctrine for the Defense Transportation System;
n. JP 4-03 Joint Bulk Petroleum Doctrine.
o. JTIMS Business Plan, Strategic Plan, Program/Configuration Management Plan, Training Plan, and Implementation Plan. Completed, tested, and installed JTIMS Versions 4.0 and 4.1, greatly enhancing JTIMS and hence the Joint Training System by incorporating warfighters designated requirements, validated during the JTIMS requirements process. Enhanced CoCOM joint readiness by more directly linking mission requirements and operations to joint training and exercises. The Joint Training System brought an improved business process to forming joint mission essential tasks lists and joint training plans.
p. Joint Training Manual, Universal Joint Task List, and Classified Supplement to the Universal Joint Task List. Reviewed and drafted revised Chairman’s Joint Training Master Plan.

35. **Other evaluations, studies, analyses, and assessments:**

IV. Performance Criteria and Evaluation Summary: (continued)

a. Assessed Joint Staff analytical capabilities and processes for supporting the Quadrennial Defense Review (QDR). Examined alternative analysis data structures, force structures, and technical capabilities required to support the senior decision-makers during the next QDR.
b. Initiated a study of Joint Training System Interagency Education and Training. The objectives of this study are to conduct an analysis of current training programs and their relationship, current or potential, to the Universal Joint Task List, analyze the appropriated methodologies to integrate the agencies, and construct a way-ahead road map with metrics to achieve the recommended road map.
c. Initiated an assessment of the Joint Nuclear Biological and Chemical (JNBC) Defense POM to assess the current and future materie1 development and RDT&E of the Joint NBC Defense Program to ensure that CoCOM Warfighting Requirements are adequately addressed. This assessment will recommend actions to address CoCOMs' CP priorities.
d. Supported OSD and Joint Staff studies with mobility and logistics modeling, and analytical assessments. Studies examine mobility and logistics requirements in a post-September 11 environment.
e. Conducted a comparative analysis of various aircraft fleet composition and staging options to meet transportation requirements of the CoCOMs. This analysis was instrumental in validating requirements and costing-out alternatives in response to a congressional inquiry.
f. Evaluated state-of-the-art analytical technologies to determine their potential to improve the accuracy and responsiveness of joint warfighting capability assessments, joint resource allocation, and force structure analyses. Developed prototype visualization tools to generate new insights and permit greater interactivity with decision makers in the areas of joint air-to-ground combat identification and strike operations. Developed a large-scale resource allocation

IV. Performance Criteria and Evaluation Summary: (continued)

model to assess the impact of information flows on operational outcomes and force structure costs.

g. Initiated research to gather and organize information concerning the details of smaller-scale contingencies to determine the commonalities and differences among them. Follow-on efforts will use the resulting data and database to analyze these operations and their impacts on the structure of the supporting forces.

h. Accomplished in-depth interoperability assessments of key C4 system requirements documents, issues, and mission area architectures to ensure compatibility with the Global Information Grid (GIG) Communications and Computing Systems Architecture, and support for capabilities required in Joint Operational Architecture. The goal of this assessment was to ensure that interoperability is addressed early in the requirements analysis and design phases. This assessment helps DoD avoid the prohibitive costs of reengineering to correct interoperability issues discovered late in program life cycles.

i. The National Military Strategy (NMS) contains the Chairman's vision for how the Armed Forces of the U.S. will transform in order to create a tightly integrated joint force that is dominant across the full range of military operations. The Chairman’s vision is built on the premise there will be a steady infusion of new technology and modernization and replacement of equipment. However, materiel superiority alone is not sufficient and must be matched with advances in doctrine, organization, training, leadership and education, recruitment and retention of quality people, and the shared use of joint facilities. Additionally, the effectiveness of joint operations will be enhanced through the integration of U.S. military efforts with interagency, non-government, and multinational forces. The Chairman’s vision requires the development and assessment of future warfighting concepts and leads to fielding joint operational capabilities. The Joint Concept Development and Revision Plan (JCDRP) governs development and revision of each member of the family of joint concepts. The J-7 Directorate has principal

IV. Performance Criteria and Evaluation Summary: (continued)

responsibility for this process and the overarching Joint Operations Concepts document. The JCDRP terms of reference will be incorporated into the next update of the existing Joint Vision Implementation Master Plan, which governs the process of translating joint concepts into joint capabilities, including experimentation, assessment, integration and implementation and the linkage to the Joint Capabilities Integration and Development System (JCIDS). The Joint Transformation Integration System (JTIS) has been developed by J-7 to track integration and implementation of new capabilities across joint doctrine, organization, training, materiel, leadership & education, personnel, and facilities (DOTMLPF). The JTIS reached Initial Operating Capability in FY 2003 and will continue toward Full Operating Capability in 2005. It serves as the primary decision aid for the Director, Joint Staff in his role as chairman of the DOTMLPF Integration Team.

j. Joint Operations Transformation. These funds are requested to support activities to continue development of the overarching Joint Operations Capability (JopsC) and the subordinate Joint Operating Concepts (JOC), Joint Functional Concepts (JFC), and Joint Integrating Concepts (JIC). Continuing evolutionary development of this family of concepts is a key foundational element of the capabilities-based process for transforming the joint force. These concepts provide the context and detail required for a number of analytic efforts such as capabilities-based assessment and analysis for JCIDS, Operational Assessments, risk analyses, joint experimentation, prototype development, and science & technology exploration.

k. Joint Transformation Integration System (JTIS). JTIS is a web-enabled database and decision tool that directly supports TJS, USJFCOM, and the Services in implementing non-materiel focused capability improvements to DOTMLPF. Further development will focus on integration with internal tracking databases at JFCOM (Knowledge Today), and TJS (Knowledge Management/Decision Support). As the transformation process evolves, the scope of JTIS will expand to include additional transformation initiatives within DoD agencies.

IV. Performance Criteria and Evaluation Summary: (continued)

l. TJS Knowledge Management Program (JSKMP) provides overarching business process analysis, integrates information and knowledge requirements into these processes, and where applicable, creates knowledge-enabled Information Technology (IT) solutions to support the Chairman and TJS. Through the knowledge management program, the Chairman, his senior leaders, and Joint Staff action officers more effectively capture, store, share, use, and reuse information and knowledge. TJS Enterprise Portal (JSEP) is the common access point for knowledge-enabling TJS.

m. 2004 Joint Strategy Review: The JSR focused on refining the Chairman's Joint Risk Assessment System. This continuous assessment examined the implications of ongoing operations in Iraq and Afghanistan, the Global War on Terrorism, and lessons learned from Operations IRAQI FREEDOM and ENDURING FREEDOM on the ability of the Armed Forces to execute the missions and accomplish the objectives defined in the 2004 National Military Strategy. Conducted in consultation with the Services and CoCOMs, the risk assessment process provides a global joint view on the nature and magnitude of strategic and military risk. This assessment provides the foundation for CJCS advice to the SecDef on ways to mitigate significant risk over time. The risk assessment process culminates each year in a risk report to Congress, fulfilling the CJCS statutory responsibility for this document. The Joint Strategy Review also provided the basis for CJCS recommendations for the conduct of the 2005 Quadrennial Defense Review (QDR). CJCS provides assistance, as directed, to the Secretary on the conduct of the review while conducting three statutorily required, independent assessments. The JSR supports the development of a CJCS assessment of the QDR process; an assessment of risks associated with executing the QDR Defense Strategy; and an assessment of the impact of the QDR on the roles and missions for the Armed Forces and recommendations for changes or adjustments. The JSR recommended significant issues that the QDR should address based on an analysis of the current and future security environment and the Chairman's assessment of risk.

IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

AIRLIFT		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
USJFCOM	Ellipse Alpha	85	0	0	0	79	79
	Eloquent Nugget	99	99	0	99	-33	66
	JTFEX Series	252	204	20	224	-54	170
	Millennium Challenge	0	0	0	0	0	0
	Northern Viking	203	0	0	0	203	203
	Northern Light	0	0	0	0	0	0
	Roving Sands	0	675	-675	0	675	675
	Sorbet Royale	0	0	0	0	0	0
	Strong Resolve	220	0	220	220	-220	0
	UE Series	0	199	-199	0	0	0
	Total Hours (C-17)	859	1,177	-634	543	650	1,193
	Total Dollars	$5,462	$7,485	$-4,581	$3,924	$4,777	$8,767
USSOUTHCOM	Blue Advance	26	23	35	58	-46	12
	Ellipse Echo	0	269	-265	4	108	112
	Fuerzas Aliadas HUM	53	56	0	56	0	56
	Fuerzas Aliadas PKO	114	116	-5	111	-111	0
	Fuerzas de Defensas	75	97	15	102	25	127
	NewHorizon Series	400	707	0	707	618	1,325
	Tradewinds	211	155	13	168	40	208
	Unitas	783	330	0	330	357	687
	United Counterdrug	0	0	0	0	0	0
	Total Hours (C-17)	1,662	1,753	-207	1,536	991	2,527
	Total Dollars	$10,569	$11,147	$-1,496	$11,099	$7,283	$18,571
USCENTCOM	Balance Series	0	25	0	18	0	18

THE JOINT STAFF
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IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
AIRLIFT	Bright Star	0	1,510	40	1,550	-507	1,043
	Region Coop/CENTRASBAT	173	176	34	210	-28	182
	Eager Tiger	78	154	-154	0	0	0
	Eagle Resolve	204	225	-32	193	-3	190
	Early Victor	469	472	0	472	0	472
	Earnest Leader	0	0	0	0	0	0
	Eastern Action	0	40	-17	23	0	23
	Eastern Castle	9	40	67	127	0	127
	Eastern Eagle	157	170	3	173	15	188
	Eastern Valor	0	50	-4	46	-2	44
	Eastern Viper	0	165	-165	0	0	0
	Ellipse Foxtrot	0	345	-21	324	-2	322
	Falcon Talon	55	250	-250	0	0	0
	Inferno Creek	0	0	0	0	0	0
	Inherent Fury	0	80	-17	63	0	63
	Initial Link	246	300	-300	0	0	0
	Iron Cobra	0	0	0	0	0	0
	Iron Falcon	299	299	-64	235	0	235
	Luck Sentinel	0	0	431	431	0	431
	Native Fury	0	0	0	0	0	0
	Native Atlas	28	30	0	30	0	30
	Natural Fire	0	0	0	0	0	0
	Neon Falcon	0	153	0	153	0	153
	Nectar Bend	220	221	0	221	0	221
	Noble Piper	225	225	-53	172	0	172
	Rugged Series	0	0	4	417	0	417
	Zardem	0	26	-8	18	0	6
	Total Hours (C-17)	2,163	4,956	-506	4,876	-539	4,337
	Total Dollars	$13,755	$31,515	$-3,656	$35,234	$-3,961	$31,873
USEUCOM	Able Series	0	11	8	19	0	19
	Adriatic Phiblex	327	87	252	339	0	339

IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

AIRLIFT

	FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
Affirmative Alert	68	0	71	71	0	71
African Eagle	0	0	0	0	0	0
African Lion	188	195	-43	152	-41	111
Agile Leader	93	0	0	0	0	0
Agile Response	0	0	0	0	0	0
Albanian Salvage	0	0	0	0	0	0
Allied Action	0	0	0	0	0	0
Arrcade Fusion	0	0	0	0	0	0
Atlas Drop	0	0	477	477	-457	20
Atlas Eagle	0	0	254	254	0	254
Atlas Gate	0	0	0	0	0	0
Baltops	288	59	226	285	-285	0
Battle Griffin	0	0	0	0	0	0
Blue Game	193	124	8	132	0	0
Clean Hunter	133	115	11	126	0	126
Combined Endeavor	112	95	-3	92	0	92
ComSixthFlt Invitex	0	0	0	0	0	0
Cooperative Series	20	98	5	103	0	103
Cornerstone	0	0	0	0	0	0
Destined Glory	0	256	-22	234	0	234
Distant Thunder	0	79	-79	0	83	83
Dynamic Series	0	0	0	0	0	0
Ellipse Bravo	475	325	446	771	-575	196
Flintlock	0	100	-100	0	0	0
Juniper Series	96	50	46	96	12	108
Medceur	178	50	331	381	0	381
Medflag	199	100	104	204	3	207
SCWC	0	4	0	4	0	4
Sea Breeze	2	0	2	2	0	2
Shared Accord	74	78	0	78	0	78
Shared Endeavor	0	0	0	0	0	0

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IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

AIRLIFT		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
	Silver Eagle	377	210	290	500	0	500
	Trojan Footprint	495	239	493	732	-38	694
	US-Russian Exercise	26	26	-2	24	0	24
	West Africa Training	143	134	16	150	0	150
	Total Hours (C-17)	3,487	2,435	2791	5,226	-1298	3,796
	Total Dollars	$22,174	$15,484	$20,168	$37,763	$-9,539	$27,897
USPACOM	Balikatan	841	750	0	0	0	0
	Cobra Gold	1,649	800	0	0	0	0
	Commando Sling	106	103	67	170	0	170
	Cope Series	396	0	0	0	229	229
	Ellipse Charlie	605	476	166	642	3	645
	Foal Eagle	1,836	450	-250	200	0	200
	Freedom Banner	657	0	673	673	25	698
	Frequent Storm	189	0	84	84	116	200
	Hong Kong Sarex	4	9	-2	7	1	8
	Keen Edge/Sword	110	100	0	0	0	0
	Northern Edge	298	0	307	307	-307	0
	RSO&I	891	650	339	989	-4	985
	Strategic Air Drop	100	60	0	60	0	60
	Talisman Saber	0	230	-228	2	-2	0
	Tempest Express	0	15	4	19	0	19
	Terminal Fury	0	0	0	0	0	0
	Ulchi Focus Lens	1,598	1,000	580	1,580	-9	1,571
	Total Hours (C-17)	9,280	4,643	1,740	4,733	52	4,785
	Total Dollars	$59,012	$29,525	$12,573	$34,201	$382	$35,165

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IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

AIRLIFT		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
USNORTHCOM	Amalgam Warrior	0	113	0	113	2	115
	Amalgam Fabric Brave	15	27	-27	0	54	54
	Amalgam Virgo	54	58	-2	56	0	56
	Amalgam Falcon Brave	0	29	25	54	0	54
	Amalgam Fencing Brave	59	61	0	61	0	61
	Northern Edge	0	284	-284	0	307	307
	Total Hours (C-17)	128	572	-288	284	363	647
	Total Dollars	$814	$3,637	$-2,081	$2,052	$2,668	$4,755
USSOCOM	Bronze Arrow Series Able Warrior	750	750	0	750	0	750
	Total Hours (C-17)	750	750	0	750	0	750
	Total Dollars	$4,769	$4,769	$0	$5,420	$0	$5,512
USSTRATCOM	Global Thunder	11	25	-8	17	0	17
	Global Lighting	10	919	-335	584	0	584
	Total Hours (C-17)	21	944	-343	601	0	601
	Total Dollars	$134	$6,003	$-2,479	$4,343	$0	$4,417
USTRANSCOM	JLOTS	664	650	-245	455	2	405
	Turbo Challenge	20	25	0	21	0	21
	Ultimate Caduceus	0	60	-23	37	-23	37
	Total Hours (C-17)	684	735	-268	513	-21	463

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AIRLIFT		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
	Total Dollars	$4,350	$4,674	$-1,937	$3,707	$-154	$3,403
OTHER	Eligible Receiver	100	101	0	100	0	100
	Positive Response	0	0	0	0	0	0
	Total Hours (C-17)	100	101	0	100	0	100
	Total Dollars	$636	$642	$0	$723	$0	$735
	GRAND TOTAL HOURS (C-17)	18,450	18,167	2,553	19,162	219	19,199
	GRAND TOTAL DOLLARS	**$121,673**	**$114,882**	**$16,511**	**$138,465**	**$1,455**	**$141,093**
	C-17 Equivalent Rates	6359	6359	0	7226	0	7349

Note: The CJCS Exercise Program uses a mix of military and commercial airlift platforms.

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IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

SEALIFT		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
USCJFCOM	JTFEX Series	3	5	7	12	0	12
	Northern Light	0	0	0	0	0	0
	Northern Viking	0	0	0	0	26	26
	Strong Resolve	85	0	60	60	-60	0
	Total Steaming Days	88	5	67	72	-34	38
	Total Dollars	$4,866	$276	$3,760	$4,041	$-1,941	$2,169
USSOUTH	Ellipse Echo	0	9	-9	0	0	0
	Fuerzas Aliadas Cabanas	0	0	0	0	0	0
	New Horizon Series	35	95	13	108	34	142
	Tradewinds	26	23	-10	13	0	13
	Unitas	5	5	-5	0	16	16
	Total Steaming Days	66	132	-11	121	50	171
	Total Dollars	$3,649	$7,299	$-617	$6,791	$2,854	$9,760
USCENTCOM	**Bright Star**	0	**40**	20	60	80	140
	Eastern Castle	15	28	12	40	0	40
	Iron Series	10	0	0	0	0	0
	Native Fury	0	0	0	0	0	0
	Neon Falcon	0	0	0	0	0	0
	Total Steaming Days	25	68	32	100	80	180
	Total Dollars	$1,382	$3,760	$1,796	$5,612	$4,566	$10,274
USEUCOM	Adriatic Philbex	30	10	32	42	0	42
	African Lion	5	7	-7	0	4	4

IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
SEALIFT							
	Atlas Series	0	0	0	7	5	12
	Baltops	0	0	0	0	0	0
	Blue Game	12	13	-13	0	0	0
	Clean Hunter	15	16	-16	0	0	0
	Coop Series	0	0	1	1	-1	0
	Destined Glory	0	38	-38	0	0	0
	Dynamic Series	0	0	0	0	0	0
	Juniper Series	0	6	26	32	0	32
	Rescue Eagle	0	0	0	0	0	0
	Strong Resolve	0	4	-4	0	0	0
	West African Trng Cruise	6	7	-7	0	0	0
	Total Steaming Days	68	101	-26	82	8	90
	Total Dollars	$3,760	$5,585	$-1,459	$4,602	$457	$5,137
USPACOM	**Balkitan**	1	**1**	**-1**	**0**	**0**	**0**
	Cobra Gold	100	**25**	**-25**	**0**	**0**	**0**
	Cope Series	5	0	0	0	0	0
	Foal Eagle	61	92	-67	25	0	25
	Freedom Banner	65	80	-40	40	35	75
	Keen Edge/Sword	10	**10**	**-10**	**0**	**0**	**0**
	Northern Edge	11	0	11	11	-11	0
	Talisman Saber	0	**30**	**-30**	**0**	**0**	**0**
	Ulchi Focus Lens	9	12	-3	9	0	9
	Total Steaming Days	262	250	-165	85	24	109
	Total Dollars	$14,487	$13,824	$-9,260	$4,771	$1,370	$6,222

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IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

SEALIFT		FY 2004	FY 2005	FY 2005/2006 Change	FY 2006	FY 2006/2007 Change	FY 2007
USTRANSCOM	**JLOTS**	174	**88**	12	**100**	-80	**20**
	Turbo Activation	75	78	-41	37	-34	3
	Turbo Cads	34	36	15	51	9	60
	Turbo Challenge	4	5	-2	3	0	3
	Turbo Intermodal Surge	0	0	55	55	0	55
	Ultimate Caduceus	0	0	5	5	0	5
	Total Steaming Days	287	207	44	251	-105	146
	Total Dollars	$15,870	$11,446	$24,695	$14,087	$-5,993	$8,333
	GRANT TOTAL STEAMING DAYS	796	763	-59	711	23	734
	GRAND TOTAL SEALIFT	**$44,015**	**$42,190**	**$-5,737**	**$39,904**	**$7,201**	**$41,895**
Roll-on/Roll-off Equivalent Rates		55,295	55,295	0	56,124	0	57,078

Note: Like airframes, the CJCS Exercise Program uses a mix of sealift platforms -- RO/RO, Fast Sealift, breakbulk, container, tug and barge. Steaming days are depicted as RO/RO equivalents to provide a common performance criteria for comparison of level of effort

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IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

Port Handling (PH)/ Inland Transportation (IT)	FY 2004		FY 2005		2005/2006 Change		FY 2006		2006/2007 Change		FY 2007	
	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT
USJFCOM												
Coop Zenith	0	0	0	0	0	0	0	0	0	0	0	20
JTFEX	0	0	0	750	0	-750	0	0	0	0	0	0
Northern Light	0	0	0	0	0	0	0	0	0	0	0	0
Northern Viking	0	0	0	0	0	0	0	0	0	231	0	231
Quick Force	0	0	0	0	0	0	0	0	0	0	0	0
Roving Sands	0	0	0	1,091	0	-1,091	0	0	0	1,100	0	1,100
Strong Resolve	0	0	0	0	0	0	0	0	0	0	0	0
Unified Endeavor	0	0	0	0	0	0	0	0	0	26	0	26
Total PH/IT Cost	$0	$0	$0	$1841	$0	-1841	$0	$0	$0	$1357	$0	$1377
USSOUTHCOM												
Blue Advance	0	6	72	200	-70	-194	2	6	0	-6	2	0
Fuerzas Aliadas PKO	0	0	0	0	0	0	0	7	0	0	0	7
Fuerzas Aliadas Ser	0	204	0	204	0	-28	0	176	0	0	0	176
Fuerzas De Defensas	0	66	0	84	0	88	0	172	0	0	0	172
New Horizons Haiti	**25**	**0**	**180**	**400**	**10**	**50**	**190**	**770**	**0**	**0**	**190**	**770**
New Horizons Series	230	450	740	350	0	-20	740	430	220	70	960	500
Tradewinds	0	15	0	20	0	-5	0	15	0	0	0	15
Total PH/IT Cost	$255	$741	$992	$1,258	$-60	$-109	$932	$1,576	$220	$64	$1,152	$1,640

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IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

Port Handling (PH)/ Inland Transportation (IT)	FY 2004		FY 2005		2005/2006 Change		FY 2006		2006/2007 Change		FY 2007	
	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT
USCENTCOM												
Accurate Test	0	0	0	0	0	0	0	0	0	0	0	0
Bright Star	0	0	**597**	**452**	94	100	693	552	0	0	693	552
Eager Series	8	55	8	56	0	54	8	110	0	0	8	110
Early Victor	0	10	0	20	10	0	10	20	0	0	10	20
Eastern Action	0	0	0	0	0	0	0	0	0	0	0	0
Eastern Castle	19	6	250	0	200	40	450	40	0	0	450	40
Eastern Eagle	0	0	0	65	0	20	0	85	0	0	0	85
Extreme Valor	0	0	0		0	0	0	0	0	0	0	0
Inferno Creek	0	0	0	0	0	0	0	0	0	0	0	0
Initial Link	0	167	0	30	0	-30	0	0	0	0	0	0
Internal Look	0	0	0	45	0	0	0	0	0	0	0	30
Lucky Sentinel	0	50	0	70	0	0	0	70	0	0	0	70
Iron Series	350	250	0	0	10	10	**10**	**10**	0	0	350	250
Native Atlas	0	0	**100**	**75**	-100	-75	0	0	0	0	0	0
Native Fury	0	0	0	0	0	0	0	0	0	0	0	0
Neon Falcon	9	25	9	44	10	2	19	46	0	-31	19	15
Natural Fire	0	105	86	129	0	-23	87	106	-75	0	12	106
Noble Piper	0	10	0	0	0	30	0	30	0	0	0	30
Rugged Series	0	0	0	0	0	35	0	35	0	0	0	35
Ultimate Resolve	0	0	0	0	0	0	0	0	0	105	0	105
Total PH/IT Cost	$386	$678	$1,050	$986	$224	$163	$1,277	$1,104	$-75	$74	$1,542	$1,448

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Port Handling (PH)/ Inland Transportation (IT)	FY 2004		FY 2005		2005/2006 Change		FY 2006		2006/2007 Change		FY 2007	
	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT
USPACOM												
Balikatan	500	315	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cobra Gold	1,070	752	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Crocodile	0	0	0	0	0	0	0	0	0	0	0	0
Ellipse Charlie	0	0	0	0	0	0	0	0	0	0	0	0
Foal Eagle	1,109	841	**25**	**400**	375	-170	**400**	**230**	-350	-130	**50**	**100**
Freedom Banner	1,582	376	1,600	432	-1525	179	**175**	**225**	-105	-200	**75**	**25**
Keen Edge/Sword	334	480	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10**
Kernal Blitz	0	0	0	0	0	0	0	0	0	0	0	76
Northern Edge	22	107	0	0	22	107	22	107	-22	-107	0	0
Rimpac	0	47	0	47	0	-7	0	40	0	0	0	40
RSO&I	3	109	74	550	-74	0	0	**550**	0	-450	0	**100**
Talisman Saber	1233	144	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Ulchi Focus Lens	581	539	**0**	593	527	23	527	616	0	0	527	616
Total PH/IT Cost	$6,434	$3,710	$1,699	$2,022	$-675	$132	$1,124	$1,768	$-477	$-887	$652	$967
USEUCOM												
Adriatic Philbex	0	50	83	93	-3	-43	80	50	0	50	0	50
Affirmative Alert	0	50	0	0	0	0	0	0	0	0	0	0
African Eagle	0	0	0	0	0	0	0	35	0	0	0	35
African Lion	20	10	20	10	0	0	20	10	0	0	20	10
Ardent Ground	0	0	0	0	0	0	0	0	0	0	0	0
Arrcade Fusion	0	0	0	150	0	0	0	0	0	0	0	0
Arrcade Guard	0	0	0	0	0	0	0	0	0	20	0	20
Atlas Series	0	0	75	90	0	-5	75	85	0	0	75	85
Baltops	0	0	0	0	0	0	0	0	0	0	0	0
Blue Game	0	0	50	97	0	0	50	97	0	0	50	99
Battle Griffin	0	0	100	50	0	0	0	0	0	0	0	0

IV. Performance Criteria and Evaluation Summary: (JCS Exercise Program, $ in Thousands)

Port Handling (PH)/ Inland Transportation (IT)	FY 2004		FY 2005		2005/2006 Change		FY 2006		2006/2007 Change		FY 2007	
	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT
Brave Knight	0	0	0	0	0	0	0	0	0	0	0	0
Casualty Care	0	30	0	0	0	30	0	30	0	30	0	30
Clean Hunter	0	54	0	55	0	2	0	57	0	1	0	58
Central Enterprise	0	32	0	0	0	0	0	0	0	0	0	0
Combined Endeavor	0	10	85	10	0	0	85	10	0	0	85	10
Cornerstone	0	0	0	25	0	-25	0	0	0	0	0	0
Destined Glory	0	0	684	307	197	100	783	357	0	0	785	357
Distant Thunder	0	0	0	0	0	26	0	26	0	0	0	26
Dynamic Series	845	388	0	0	0	0	0	0	0	0	0	0
Ellipse Bravo	0	`	0	10	0	-4	0	6	0	0	0	6
Flintlock	0	6	0	5	0	1	0	6	0	0	0	6
Juniper Series	20	105	250	105	0	0	250	105	0	0	250	105
Matador	0	0	0	0	0	0	0	0	0	0	0	0
Medceur	106	84	115	253	-115	-253	0	0	0	0	0	0
Medflag	0	10	0	10	0	0	0	10	0	0	0	10
Noble Shirley	0	0	0	0	0	40	23	732	0	0	23	732
PFP	33	122	165	813	-107	-196	33	617	0	0	0	317
Peacekeeper	0	0	0	10	0	-10	0	0	0	0	0	0
Peaceshield	0	0	0	10	0	-10	0	0	0	0	0	0
Rescuer	0	0	0	10	0	-10	0	0	0	0	0	0
Rescue Eagle	0	0	0	0	0	0	0	0	0	0	0	0
Sacred Company	0	0	0	0	0	0	0	0	0	0	0	0
Sea Breeze	0	0	0	0	0	0	0	0	0	0	0	0
Shared Endeavor	0	0	0	0	0	6	0	6	0	0	0	6
Tactical Fighter Weaponry	0	0	0	25	0	1	0	26	0	0	0	26
Trail Blazer	0	0	0	20	0	-20	0	0	0	0	0	0
Union Flash	0	0	0	6	0	0	0	6	0	0	0	6
West Africa Training Cruise	0	0	460	115	0	0	460	115	16	68	456	183

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Port Handling (PH)/ Inland Transportation (IT)	FY 2004		FY 2005		2005/2006 Change		FY 2006		2006/2007 Change		FY 2007	
	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT	PH	IT
Total PH/IT Cost	$1,024	$951	$2,087	$2,279	$-28	$-370	$1,859	$2,386	$16	$169	$1,744	$2,177
USTRANSCOM												
JLOTS	110	2,520	100	**750**	24	1,570	124	2,520	-44	0	80	2,520
Turbo Cads	900	1100	850	1,007	114	0	964	1007	-214	-507	750	500
Total PH/IT Cost	$1,010	$3,620	$950	$1,757	$138	$1,570	$1,088	$3,527	$-258	$-507	$830	$3,020
GRAND TOTAL PH/IT COST	**$9,109**	**$9,700**	**$6,778**	**$10,143**	**$-401**	**$-455**	**$6,280**	**$10,361**	**$-574**	**$270**	**$5,920**	**$10,629**

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V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/ FY 2006	Change FY 2006/ FY 2007
Active Military End Strength (E/S) (Total)	**1,036**	**1,012**	**1,008**	**1,008**	**-4**	**0**
Officer	798	784	782	782	-2	0
Enlisted	238	228	226	226	-2	0
Civilian End Strength (Total)	**200**	**214**	**214**	**214**	**0**	**0**
U.S. Direct Hire	200	214	214	214	0	0
Active Military Average Strength (Total)	**1,036**	**1,012**	**1,008**	**1,008**	**-4**	**0**
Officer	798	78	782	782	-2	0
Enlisted	238	228	226	226	-2	0
Civilian FTEs (Total)	**200**	**214**	**214**	**214**	**0**	**0**
U.S. Direct Hire	200	214	214	214	0	0
Average Annual Civilian Salary ($000)	$80.6	$86.8	$88.7	$90.8	$1.9	$2.1

Personnel Summary Explanation:

Civilian and military end strength changes are the result of:

- the functional transfer of the Directorate of Military Support (JDOMS) from the U.S. Army to the Joint Staff;
- creation of the Joint Knowledge Development and Distribution Capability (JKDDC) office; and
- transfer of personnel and function to USSTRATCOM.

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

		FY 2004 Program	Price Amount	Program Growth	FY 2005 Program	Price Amount	Program Growth	FY 2006 Program	Price Amount	Program Growth	FY 2007 Program
	CIVILIAN PERSONNEL COMP										
101	Ex., Gen & Spec Sched	20,806	759	-2,102	19,463	506	3,084	23,053	530	-363	23,220
103	Wage Board	34	1	11	46	2	0	48	2	0	50
199	Total Civ Pers Comp.	20,840	760	-2,091	19,509	508	3,084	23,101	532	-363	23,270
	TRAVEL										
308	Travel of Persons	5,365	107	2,113	7,585	159	1,876	9,620	202	-75	9,747
399	Total Travel	5,365	107	2,113	7,585	159	1,876	9,620	202	-75	9,747
	INDUSTRIAL FUND PURCHASES										
672	Pentagon Reservation Maintenance Revolving Fund	51,010	13,773	17,210	81,993	-16,317	-3,748	61,928	11,766	-11	73,683
699	Total Industrial Fund Purchases	51,010	13,773	17,210	81,993	-16,317	-3,748	61,928	11,766	-11	73,683
	TRANSPORTATION										
703	AMC SAAM/JCS Exercises	86,409	-53,919	32,758	87,248	-4,537	10,900	93,611	-3,089	5,194	95,716
711	MSC Cargo (USTRANSCOM)	47,592	-1,856	-3,762	26,974	-270	11,765	53,319	5,012	-3,946	54,385
719	MTMC (Port Handling Fund)	19,371	6,451	-9,437	16,385	-4,866	8,905	20,424	9,844	-9,483	20,785
725	MTMC (Other-non-fund)	31,134	0	-2,788	28,346	0	0	28,346	0	0	28,346
771	Commercial Transportation	14,117	254	13,955	6,326	127	3,925	10,378	218	(164)	10,432
799	Total Transportation	198,623	-49,070	30,726	165,279	-9,546	50,345	206,078	11,985	-8,399	209,664
	OTHER PURCHASES										
912	Rental Payments to GSA	328	5	94	427	9	-45	391	8	-1	398
913	Purchased Utilities (non-WCF)	1,336	27	917	2,280	48	23	2,351	49	-20	2,380
914	Purchased Commun. (non-WCF)	9,062	181	-1,539	7,704	162	-5,284	2,582	54	51	2,687
915	Rents (non-GSA)	1,120	22	-693	449	9	-458	0	0	0	0
917	Postal Services (U.S.P.S.)	97	0	0	97	0	2	99	0	2	101
920	Supplies & Materials (non-WCF)	4,637	93	2,876	7,606	160	2,202	9,968	209	-89	10,088

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		FY 2004 Program	Price Amount	Program Growth	FY 2005 Program	Price Amount	Program Growth	FY 2006 Program	Price Amount	Program Growth	FY 2007 Program
921	Printing and Reproduction	101	2	300	403	8	49	460	10	3	473
922	Equipment Maint by Contract	31,761	635	148	32,544	683	-17,754	15,473	325	770	16,568
923	Fac Maint by Contract	505	10	566	1,081	23	55	1,159	24	-2	1,181
925	Equipment Purchases (non-WCF)	33,210	664	10,691	52,065	1,093	7,146	60,304	1,266	5,216	66,786
932	Mgt & Professional Spt Svs	58,417	1,168	-36,181	30,904	649	16,580	48,133	1,011	1,880	51,024
933	Studies, Analysis & Evaluations	37,678	754	-7,469	30,963	650	3,255	34,868	642	-783	34,727
934	Cntrct Eng & Tech Svs	16,535	331	-1,175	15,691	330	4,537	20,558	432	412	21,402
987	Other Intra Gov't Purch	2,888	58	9,312	12,258	257	29,527	42,042	883	-333	42,592
998	Other Costs	85,761	1,715	-67,597	19,879	417	21,472	41,768	967	-57	42,678
999	Total Other Purchases	283,436	5,665	-89,750	214,351	4,498	61,307	280,156	5,880	7,049	293,085
9999	TOTAL	559,274	-28,765	-41,792	488,717	-20,698	112,864	580,883	30,365	-1,799	609,449

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Washington Headquarters Services (WHS)

February 2005

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WASHINGTON HEADQUARTERS SERVICES
Operation and Maintenance, Defense-Wide
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Operation and Maintenance, Defense-Wide Summary ($ in thousands)

Appropriation Summary	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY2007 Estimate
BA-4	452,644	28,809	61,400	542,853	-11,011	-58,359	473,483	27,893	-7,455	493,921

- The FY 2004 Actual column includes $7,758 thousand of FY 2004 Supplemental funds.
- The FY 2005 Actual column includes $100,000 thousand of FY 2005 Hurricane Supplemental funds, and excludes $4,245 thousand of FY 2005 Supplemental funds.

I. Description of Operations Financed:

a. The Washington Headquarters Services (WHS) was established under Title 10, United States Code, on October 1, 1977, as a Department of Defense (DoD) Field Activity to provide a wide range of operational support to specified DoD activities in the National Capital Region. In general, the Core Operational Support Activities of the organization represent a consolidation of functions which provide a variety of administrative and operational support and services to designated DoD activities which are not authorized their own support capability that enable them to accomplish our shared mission of supporting the Secretary of Defense.

WHS enables support functions to be centralized for maximum efficiency and control by assuming the responsibility of planning, managing and administering core competencies in the following functions:

(1) Administrative services and operational support to the Office of the Secretary of Defense (OSD), certain DoD Field Activities, and other specified Defense activities, including budgeting and accounting, civilian and military personnel management, office services, personnel and information security, correspondence and cables management, directives and records management, travel, and other such administrative services.

I. Description of Operations Financed: (continued)

(2) Information Technology (IT) resources in support of the decision and policy-making processes of the sixteen organizational components of the Office of the Secretary of Defense and the Washington Headquarters Services. Develops information management strategies and programs; acquires services and systems to support the programs; and, manages those services and systems over their life cycles.

(3) Real Property management services for the Pentagon Reservation, the Raven Rock Mountain Complex, and other DoD-occupied, General Services Administration (GSA)-controlled administrative space in the NCR and DoD common support facilities, including office space, law enforcement, environmental safety and health, maintenance, repair and alteration of assigned buildings, custodial services, physical security, and building administration.

(4) Provide OSD and WHS common office services, including printing, graphics, contracting, procurement of supplies and equipment, communications, concessions, and other support services.

b. WHS also programs and budgets Defense Programs, including:

(1) The Project Management Office (PMO) for the Defense Travel System (DTS) was established to provide procurement management and system fielding support of DTS worldwide. The Defense Travel System is the standard DoD business travel services system that combines reengineered travel policies and procedures with the best industry practices and technology. The Defense Travel System provides full travel management support from arranging for travel and approving travel authorizations, to processing reimbursement vouchers following travel and maintaining appropriate government records. The Defense Travel System is an end to end fully electronic process that leverages technology to speed the coordination of travel, incorporates digital signature capability, and embraces standard industry Electronic Commerce procedures.

I. Description of Operations Financed: (continued)

(2) The DoD Public Key Infrastructure (PKI) effort, which is a critical element in achieving a security Information Assurance (IA) posture for the Defense Information Infrastructure (DII).

(3) Other Defense support includes the DoD Commissions, Panels, Boards and Task Forces Program, the Federal Executive Boards Program, and the Defense Continuity Integration Network - Pentagon Continuity Information System.

c. The Washington Headquarters Services Core Operational Support Activities finances the following functions/missions:

(1) Program, budget and accounting: Formulates, presents, and executes the Program Objective Memoranda, President's Budgets, and Future Years Defense Programs for the OSD, WHS, and certain DoD Field Activities. It also administers the Official Representation Program for the OSD, including the development of policies for use of these funds; for DoD officials, military and civilian employees, consultants and experts, and others authorized to travel on official business at Government expense under the auspices of OSD. Provides information system technology and management; installation level accounting support for appropriations allocated or allotted to OSD and WHS; and develops, establishes and administers control procedures for apportionment and allocations at the intermediate level for OSD. WHS also develops, implements and assists the accounting and reporting systems for the DoD Trust Funds and appropriation level reporting for OSD; manages the Treasury Index 97 (Defense-Wide) debt collection and cash management programs, and the OSD Government Travel Card Program.

(2) Correspondence and Communications: Provides administrative support to the immediate offices of the Secretary and Deputy Secretary of Defense and their principal assistants. Ensures an orderly flow of time-sensitive correspondence, cable traffic, and intelligence items for consideration, moving between the President, members of his cabinet and Congress, and senior officials throughout the government and numerous foreign countries. Manages the DoD Directives System; implements records management for all OSD functional elements, systematic declassification, historical research programs, and administers the Freedom of

I. Description of Operations Financed: (continued)

Information Act (FOIA) Program to ensure compliance with policies and procedures that govern the program. Also serves as the proponent for the Department's regulation and other discretionary instructions and guidance to ensure timely and reasonable uniform implementation of the FOIA. Internally administers the IA program for the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Combatant Commands. In so doing, promotes public trust by making the maximum amount of information available to the public, consistent with the Department's responsibility to ensure national security.

(3) Human Resources and Personnel Security: Provides personnel, security, training and equal employment opportunity (EEO) services for military and civilian personnel assigned to the Office of the Secretary of Defense; and a variety of DoD Field Activities, Defense Agencies, Military Departments; the White House; the National Security Council; and Congress. This includes a National Capital Region Human Resource Service Center which provides consolidated personnel services for participating DoD agencies, to include administration for various automation initiatives and numerous services to on-site personnel offices.

(4) Facilities and operational services: Provides administrative and operational support to specified DoD activities in the National Capital Region (NCR), including space management, law enforcement, maintenance, repair and alteration of assigned buildings, custodial, physical security, building administration, graphics services, acquisition, property management, safety, environmental management, and other support services. Also directs, coordinates, and administers the Pentagon Renovation Program for the development of strategic and facility plans to meet the long-range administrative space needs for the DoD in the NCR and a capital improvement program for the Pentagon Reservation. The WHS also provides for the management of DoD-occupied, General Services Administration-controlled administrative space in the NCR and DoD common support facilities includes office space, concessions, layout design and other related building administrative functions.

(5) Provides information technology resources for approximately 14,000 IT seats, including networked personal computers, stand alone personal computers and laptops in WHS and

I. Description of Operations Financed: (continued)

sixteen organizational components of the OSD. Special emphasis is placed on continuing to develop, implement, and control enterprise-wide common applications and systems resulting in efficient, cost-effective and interoperable IT solutions for the OSD and WHS organizations: Also, special emphasis is placed on establishing and managing an effective and accredited security architecture that protects the IT from the full spectrum of cyber threats. The IT program funds the acquisition of hardware, software and operational services, such as, help desks, network management, system administration services, security services, software licenses, hardware and software maintenance, and facilities maintenance.

(6) Miscellaneous activities: Provides such services as mess stewards and receptionists in support of the Secretary and Deputy Secretary of Defense and their senior staff.

d. The Defense-wide Programs included in the Washington Headquarters Services account consist of the fiscal and manpower resources assigned to the following recurring and non-recurring functions:

(1) This appropriation provides funding for the Defense Travel System (DTS) and Project Management Office (PMO) operations, system deployment, system training, records management and operations maintenance.

(2) The Pentagon Renovation Project, which provides for payments to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) to fund the multi-year renovation construction project, based on the combined Office of the Secretary of Defense and Washington Headquarters Services occupancy.

(3) The DoD Public Key Infrastructure (PKI) initiative, which provides funding for the implementation of DoD PKI policy.

(4) Other Defense programs provide non-recurring funding to various activities assigned by the Office of the Secretary of Defense as Executive Agents for the management of key Defense, Government-wide and international programs. Recurring

I. Description of Operations Financed: (continued)

resources are also provided to support the short-term DoD Commissions and Panels, and the Department's reimbursement for the administrative and personnel costs of the regional Federal Executive Boards.

II. Force Structure Summary: N/A

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III. Financial Summary: **($ in Thousands)**

A. Budget Activity (BA) 4	FY 2004	FY 2005			FY 2006	FY 2007
	Actuals	Request	Appropriation	Est.	Est.	Est.
1. Core Operational Support Activities						
a. Compensation and Benefits Program	56,162	54,563	54,563	67,751	70,704	72,017
b. Support Services, Materials & Equip.	59,477	60,135	57,074	49,375	53,317	53,965
c. Information Technology	92,736	82,502	78,302	69,616	80,740	82,917
d. Contracts/Support Services	21,208	13,530	11,911	13,003	10,897	16,749
e. Pentagon Rent	27,227	60,549	60,549	68,158	76,157	101,775
f. Pentagon Renovation Project	46,581	30,597	30,597	34,442	26,193	25,883
g. E-Gov and Councils	23,333	18,275	18,275	18,275	31,800	32,500
h. Pentagon Renovation Furniture	630	1,050	1,050	1,050	1,071	0
i. Travel	945	1,253	1,189	1,313	1,420	1,462
j. Graphics	344	603	572	541	593	604
k. GSA Rent	27,050	26,518	26,518	26,518	26,816	27,353
l. US Mission to NATO	3,530	3,056	2,900	2,745	3,001	3,113
m. OSD/WHS Training Program	3,587	3,673	3,486	3,298	3,656	3,811
n. Raven Rock Renovation	0	0	0	0	1,865	583
o. Child Development Center	0	0	0	0	4,400	0
Sub-Totals	362,810	356,304	346,986	356,085	392,630	422,732
2. Defense Programs						
a. Defense Travel System	37,440	26,356	25,014	23,450	22,494	11,515
b. Commissions/Task Forces/Panels	14,268	17,158	16,285	21,906	6,996	7,238
c. Federal Executive Boards	1,134	1,155	1,155	1,155	1,201	1,248
d. Public Key Infrastructure	2,459	1,342	1,274	1,206	1,313	1,358
e. Defense Continuity Integration Network	26,562	44,851	42,568	39,051	48,849	49,830
f. Drug Interdiction Program	213	0	0	0	0	0
g. Hurricane Relief Supplemental	0	0	0	100,000	0	0
Sub-Totals	82,076	90,862	86,296	186,768	80,853	71,189
Totals	444,886	447,166	433,282	542,853	473,483	493,921

III. Financial Summary: ($ in Thousands) (continued)

	FY 2004	FY 2005			FY 2006	FY 2007
	Actuals	Request	Appropriation	Est.	Est.	Est.
3. DoD Supplemental Funds						
a. Emergency Programs	3,365					
b. Information Technology (SecDef Support)	521					
c. Alternate Site Power Project	50					
d. Commissions/Task Forces/Panels	3,822					
Sub-Totals	7,758	0	0	0	0	0
Overall Totals	452,644	447,166	433,282	542,853	473,483	493,921

B. Reconciliation Summary

	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY2007
Baseline Funding	447,166	542,853	473,483
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Congressional Adjustments (Gen. Provisions)	-13,628		
Congressional Earmarks	-256		
Subtotal Appropriated Amount	433,282		
Enacted Supplemental – Title IX	4,245		
Hurricane Supplemental – P.L. 108-324	100,000		
Price Change		-11,011	27,893
Functional Transfers	9,571		
Program Changes		-58,359	-7,455
Current Estimate	547,098	473,483	493,921
Less: War Supplemental – Title IX	-4,245		
Normalized Current Estimate	542,853		

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**447,166**
1. Congressional Adjustments		
a. General Provisions		-13,628
1) Section 8095: Advisory and Assistance Services	-5,750	
2) Section 8122: Management Improvement Savings	-737	
3) Section 8140: Unobligated Balances	-7,087	
4) Section 8141: Excessive growth in travel	-54	
b. Earmarks		
1) Section 8044: Indian Lands Environmental Impact		-256
FY 2005 Appropriated Amount		**433,282**
2. Supplementals		
a. Enacted Supplemental – Title IX		4,245
b. Hurricane Relief Supplemental (P.L. 108-324)		100,000
3. Reprogrammings/Functional Transfers		9,571
a. Functional Transfer of Pentagon Maintenance Revolving Fund functions to WHS	3,585	
b. Carry over of X-Year Funds	5,986	
Revised FY 2005 Estimate		**547,098**
4. Less: Supplemental – Title IX		-4,245
FY 2005 Normalized Current Estimate		542,853
5. Price Change		-11,011
-A one time price change of -19.9% for the Pentagon Reservation Maintenance Fund deludes the normal inflation of all other price change increases. Price change will reverse in FY 2007.		

III. Financial Summary: **($ in Thousands) (continued)**

6. Program Increases		63,193
a. One-Time FY 2006 requirement		
1) WHS and the US Army will jointly fund the Fort Myer enhanced Child Development Center which has been assigned the new mission to support the Pentagon's child care needs.	4,400	
b. Program Growth		
1) The Defense Continuity Integration Network – Pentagon Continuity Information System funding is increased to support the information management plan for Site-R (FY 2005 Baseline $39,051)	8,978	
2) Information Technology is increased to provide (FY 2005 Baseline: $69,616):		
(a) Resource planning, technology insertion, and operations and maintenance support for four classified emergency relocation group sites.	2,100	
(b) Portal development: knowledge and crisis management; information security; database development, management and networking; and secure video teleconferencing.	2,000	
(c) Continues 24X7 on-site technical support for email and Blackberry services, continuity of government, continuity of operations and information assurance updates, and IT support for the Office of the Under Secretary of Defense (Intelligence).	2,100	
(d) Support for implementation of the consolidated OSD IT Architecture; modernization of the OUSD (Personnel & Readiness) tracking system; software licenses; hardware/software maintenance; on-site network technical support; remote access; and service supporting increased critical IT support at the OSD individual component continuity of operations alternate sites and primary alternate site.	3,550	

III. Financial Summary: **($ in Thousands) (continued)**

3) Pentagon Reservation Maintenance Revolving Fund (PRMRF): Based on a review of all customer-tenants within the PRMRF, the rent charged to WHS was under estimated due to additional space requirements and increases in the items included in the rent bill. In addition the price change of -19.9% are reflected in the pricing change above. (FY 2005 Baseline: $68,158)	22,257	
4) Contracts and Other Services reflect the Department's pro-rata share of payments for E-Gov projects and councils. (FY 2005 Baseline: $18,275)	13,844	
5) New program to support Raven Rock Master Plan, and Power and Chiller projects. (FY 2005 Baseline: $0)	1,865	
6) Other increases: Civilian personnel full time equivalents increases, Graphics Program to support the Office of the Secretary of Defense and USNATO is increased to support Ministerial Meetings in high-cost European locations (FY 2005 Baseline: $71,037)	2,099	
7. Program Decreases		
a. One-Time FY 2006 Costs		-121,552
1) Termination of Pentagon Officers Athletic Club restoration project.	-1,736	
2) Completion of the Hurricane Relief Program	-100,000	
b. Program Decreases in FY 2006		
1) Pentagon Renovation Project is decreased due to changes in planned renovation schedule. (FY 2006 Baseline $34,442)	-8,249	
2) The Defense Travel System (DTS) is decreased as a result of the prime contract restructure and realignment as Full Operating Capacity (FOC) is achieved. (FY 2005 Baseline: $23,450)	-1,448	
3) Commissions and panels are reduced to reflect changing requirements and scheduled completion of missions. (FY 2005 Baseline: $21,906)	-9,258	

III. Financial Summary: **($ in Thousands) (continued)**

4) GSA Rent is reduced to reflect changing demand. (FY 2005 Baseline: $26,518)	-861	
FY 2006 Budget Request	**473,483**	
8. Price Change		27,893
9. Functional Transfers		
10. Program Increases		
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
1) USNATO support is increasing to provide for periodic upgrade of projects at assigned NATO-owned facilities. These projects are programmed to be jointly funded by the three US Government Departments which participate in this unique integrated staff activity. (FY 2006 Baseline: $3,001)		49
c. Program Growth in FY 2007		17,472
1) The Information Technology program provides for increased information assurance support for the offices of the Secretary of Defense in the following areas: Biometrics and Public Key Infrastructure; Enclave Boundary Security Technologies; Firewalls; and Virus Detection. (FY 2006 Baseline: $80,740)	483	
2) Contracts and Other Services are increased to support recurring contractor support and other services. (FY 2006 Baseline: $10,897)	5,723	
3) Pentagon Reservation Maintenance Revolving Fund rent is increased to support the operational requirements of the fund and the resetting of the baseline based on a review that indicated the pro-rata		

III. Financial Summary: **($ in Thousands) (continued)**

share of rent was not properly calculated for all customer-tenants. (FY 2006 Baseline: $76,157)	11,120	
4) Misc. other support increases. (FY 2006 Baseline: $10,939)	146	
11. Program Decreases		
a. One-Time FY 2007 Costs		
1) Non-recurring cost for Child Development Center		-4,400
b. Program Decreases in FY 2007		-20,576
1) Compensation and Benefits for civilian personnel is reduced by 2 FTE and VSIP savings. (FY 2006 Baseline: $70,704)	-904	
2) The Defense Travel System (DTS) is decreased as a result of the prime contract restructure and realignment as DTS achieves Full Operating Capability (FOC). (FY 2006 Baseline: $22,494)	-11,451	
3) Pentagon Renovation Project and Raven Rock Project annual costs are decreased due to reduced program requirements.(FY 2006 Baseline: $26,193)	-8,221	
FY 2007 Budget Request	**493,921**	

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IV. Performance Criteria and Evaluation Summary:

Washington Headquarters Services (WHS) is charged with providing administrative and operational support services to the Office of the Secretary of Defense, and certain Defense Agencies and joint activities which do not have their own administrative support capability.
WHS objectives are to provide accurate and responsive support in correspondence control, mail services, records management, directives management, office services support, civilian
and military personnel services, security, financial management, and other miscellaneous activities.

In addition to these traditional services, WHS administers data systems in support of the OSD decision and policy making processes, provides automated data processing services, and manages Department of Defense occupied General Services Administration controlled space in common support facilities throughout the National Capital Region.

The following identifies some of the more significant indicators of WHS workload:

a. Core Operational Support Activities:

	FY 2004	FY 2005	FY 2006	FY 2007
(1) Correspondence and Communications				
Congressional Correspondence	6,500	6,500	6,500	6,500
Classified correspondence processed	45,000	50,000	50,000	50,000
Unclas correspondence processed	110,000	120,000	120,000	120,000
Cable/Message processing	360,000	360,000	360,000	360,000
Mail/Distribution-43 activities	1,200,000	1,200,000	1,200,000	1,200,000
(2) IT Seats				
(Networked Personal Computers, Stand Alone Personal Computers, Laptops)	14,345	14,345	14,345	14,345
OSD & WHS Organizations	17	17	17	17

	FY 2004	FY 2005	FY 2006	FY 2007
(3) Graphic Services				
Number of projects	3,111	3,167	3,167	3,167

(4) Program, Budget and Accounting
Program/Budget Coverage:

IV. Performance Criteria and Evaluation Summary: (continued)

Appropriation/Funds	15	15	15	15
Installation Accounting:				
Allotments	14	14	14	14
Transactions				
Direct Program ($000)	2,200,000	2,400,000	2,400,000	2,400,000
Reimbursable Program ($000)	1,060,732	1,080,000	1,100,000	1,100,000
Agency Accounting Reports:	1,730	1,730	1,730	1,730
(5) Facilities and Operational Services				
Space Managed (000 square feet)				
Pentagon Reservation	4,725	4,725	4,725	4,725
Other	12,136	12,136	12,136	12,136
Purchase Card				
Number of Transactions	12,363	12,573	12,785	12,998
Value ($000)	11,757	11,956	12,172	12,387
Number of Card holders	181	184	187	190
Communications				
Number of lines	13,731	13,964	14,216	14,500
Number of Instruments	9,477	9,477	9,477	9,477
Personnel Serviced	4,577	4,655	4,739	
	FY 2004	FY 2005	FY 2006	FY 2007
(6) Personnel and Personnel Security				
NCR Civilian Personnel receiving				
Security services	55,193	55,193	55,193	55,193
Personnel serviced-Regional Center	9,794	9,794	9,794	9,794

b. Defense-Wide Programs:

The Defense Travel System: Due to the complex nature of deploying major systems to DoD installations, fielding of DTS will occur in several phases. Phase I deployed DTS to 39 pilot sites covering four Services and some Defense Agencies that supports over 130,000 personnel generating an estimated 218,000 travel claims per year. Phase 1 deployed DTS to

IV. Performance Criteria and Evaluation Summary: (continued)

39 pilot sites. Phase II has deployed DTS to an additional 86 sites covering the four Services and some Defense Agencies. Support will include over 1.34 million personnel when all 235 sites are deployed. Phase III will support another 1.73 million personnel.

Event	Date
Phase I Fielding of 39 Pilot Sites	FY2003 – FY2004
Phase II Fielding-High Volume Primary Sites (approximately 235 sites).	FY2004 – FY2006
Phase III Fielding – Smaller, low volume sites (approximately 10,000 Sites).	FY2003 – FY2006

WASHINGTON HEADQUARTERS SERVICES
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

V. Personnel Summary:

	FY 2004	FY2005	FY2006	FY2007	FY2005/FY2006	FY2006/FY2007
Active Military End Strength (E/S) (Total)						
Officer	38	61	60	60	-1	-
Enlisted	113	127	114	114	-13	-
Civilian End Strength (Total)						
U.S. Direct Hire	585	662	686	684	+24	-2
Active Duty Average Strength (A/S) Total)						
Officer	38	61	60	60	-1	-
Enlisted	113	127	114	114	-13	-
Civilian FTEs (Total)						
U.S. Direct Hire	569	646	670	668	+24	-2
Annual Civilian Salary Cost ($000)	102	105	106	107	+1	+1

WASHINGTON HEADQUARTERS SERVICES
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2006 / FY 2007 Budget Estimates

VI. OP-32 Line Items as Applicable: **($ in Thousands)**

		Change from FY2004 to FY2005			Change from FY2005 to FY2006			Change from FY2006 to FY2007		
	FY 2004 Estimate	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
Exec/Gen/Spec Schedules	71,960	2,166	-7,325	66,801	1,592	1,247	69,640	1,528	-862	70,306
Vol.Sep Incentives	357	0	0	357	17	-12	362	0	-5	357
Disability Compensation	530	82	-19	593	98	11	702	114	-37	779
Travel of Persons	2,434	50	-422	2,062	44	-81	2,025	43	11	2,079
Pentagon Reservation Maint Revolving Fund	74,438	20,504	8,078	103,650	-20,621	22,257	105,286	20,056	2,899	128,241
Def Finance & Acctg Svc	2,583	112	-1,150	1,545	-41	69	1,573	-156	188	1,605
Comm Transportation	105	2	20	127	3	-1	129	3	-1	131
Rental Payments to GSA	30,833	531	-4,803	27,381	588	-861	27,108	582	-37	27,653
Purchased Utilities	88	9	645	712	15	0	727	15	0	742
Purchased Communications	27,393	479	2,231	30,103	647	-606	30,144	648	-48	30,744
Postal Services (USPS)	295	47	-167	175	0	-4	171	0	3	174
Supplies/Materials	17,706	505	-5,508	12,703	273	160	13,136	282	49	13,467
Printing & Reproduction	1,232	26	103	1,361	29	-73	1,317	28	-1	1,344
Equip Maint by Contract	2,069	35	-443	1,661	35	72	1,768	38	6	1,812
Fac Maint by Contract	3,127	29	-1,887	1,269	41	-4	1,306	42	-1	1,347
Equipment Purchases	42,278	719	-13,661	29,336	630	-888	29,078	625	-8,829	20,874
Mgmt/Prof Support Svcs	5,004	408	13,031	18,443	396	-1,064	17,775	382	174	18,331
Studies, Analysis & Eval	41,425	693	-13,704	28,414	610	995	30,019	645	-197	30,467
Engineering & Tech Svcs	40	1	0	41	1	0	42	-1	2	43
Other Intra-Govt Pur	43,810	801	538	45,149	970	10,651	56,770	1,220	1,986	59,976
Other Contracts	67,043	1,044	-12,111	55,976	1,205	15,793	72,974	1,568	-2,452	72,090
Other Costs	15,069	533	98,719	114,321	2,457	-106,020	10,758	231	-303	10,686
Total	452,644	28,809	61,400	542,853	-11,011	-58,359	473,483	27,893	-7,455	493,921

Note: FY 2004 includes $7,758 thousand of Supplemental funding.
FY 2005 excludes $4,245 thousand of Supplemental funding.

Fiscal Year (FY) 2006/FY 2007 Budget Estimates

U.S. Court of Appeals for the Armed Forces Appropriation

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UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
U.S. Court of Appeals for the Armed Forces, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

United States Court of Appeals for the Armed Forces, Defense Summary ($ in thousands)

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
USCAAF BA-4	10,278	344	176	10,798	277	161	11,236	248	124	11,608

I. Description of Operations Financed: The United States Court of Appeals for the Armed Forces is an Article I Court established by the Uniform Code of Military Justice (10 USC 941). The Court serves as the Court of last resort for the majority of criminal appeals in the military justice system of the United States and is subject only to certiorari review by the Supreme Court of the United States in a limited number of cases. The Court's jurisdiction extends to the review of questions of law that have been approved by reviewing authorities and affirmed or set aside by a Court of Criminal Appeals. The Court also exercises its extraordinary relief authority pursuant to the All Writs Act. By meeting its goal of deciding each case on the docket, the Court serves its function as defined in the Uniform Code of Military Justice (10 USC 941).

Narrative Explanation of Changes: From FY 2005 to FY 2006 the funding program reflects standard price changes of $277 thousand. The overall program growth of $161 thousand is the result of: civilian personnel compensation decrease of one less compensable day in FY 2006 ($-13 thousand); and, escalating contractual support to cover miscellaneous security and IT support costs ($174 thousand). From FY 2006 to FY 2007 the program reflects standard price changes of $248 thousand. The program growth of $124 thousand is the result of: civilian personnel compensation increase due to a larger number of permanent personnel ($65 thousand); and, escalating contractual support to cover miscellaneous security and IT support costs ($59 thousand).

II. Force Structure Summary:

This appropriation provides for the salaries of five civilian judges and a staff of 54 other civilian positions. All customary expenses required to operate a government activity are financed, such as salaries, benefits, travel costs, rent, communications services, purchase of equipment, contractual IT support and security services, and the expense of printing opinions and decisions of the Court. While the complexity of the average case will continue to increase, costs in FY 2006 and FY 2007 will also rise due to greater security requirements including the use of more contracted security personnel and other security services, as well as increased IT support services.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
U.S. Court of Appeals for the Armed Forces, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary: (dollars in thousands)

A. Budget Activity (BA) 4	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appropriation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
U.S. Court of Appeals for the Armed Forces, Defense	10,278	10,825	10,798	10,798	11,236	11,608

B. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Baseline Funding	**10,825**	**10,798**	**11,236**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provisions)	-27		
Subtotal Appropriated Amount	**10,798**		
Fact-of-Life Changes			
Subtotal Baseline Funding	**10,798**		
Anticipated Supplemental			
Reprogrammings			
Price Changes		277	248
Functional Transfers			
Program Changes		161	124
Current Estimate	**10,798**	**11,236**	**11,608**

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**10,825**
1. Congressional Adjustments		-27
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		

III. Financial Summary: continued (dollars in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
1) Sec 8095 – Advisory and Assistance Services		
2) Sec 8122 – Management Improvement Savings	-18	
3) Sec 8140 – Unobligated Balances		
4) Sec 8141 – Excessive Growth in Travel and Transportation	-9	
e. Congressional Earmarks – Indian Lands Environmental Impact		
FY 2005 Appropriated Amount		**10,798**
2. War-Related and Disaster Supplemental Appropriations		
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-287)		
b. Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324)		
3. Fact of Life Changes		
FY 2005 Baseline Funding		**10,798**
4. Reprogrammings		
Revised FY 2005 Estimate		**10,798**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2005 Normalized Current Estimate		**10,798**
6. Price Change		277
7. Functional Transfers		
8. Program Increases		174
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		
c. Program Growth in FY 2006		
Other Contracts: increased contractual support to cover	174	

III. Financial Summary: continued (dollars in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
miscellaneous security and IT support costs		
9. Program Decreases		-13
a. One-Time FY 2005 Costs		
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006		
Executive, General & Special Schedules: one less compensable day in FY 2006	-13	
FY 2006 Budget Request		**11,236**
10. Price Change		248
11. Transfers		
12. Program Increases		124
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		
1) Executive, General & Special Schedules: increase in number of permanent personnel	65	
2) Other Contracts: increased contractual support to cover miscellaneous security and IT support costs	59	
13. Program Decreases		
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		
FY 2007 Budget Estimate		**11,608**

IV. Performance Criteria and Evaluation Summary

The Court reviews cases from all of the Armed Forces which, for the most part, are derived from various Courts of Criminal Appeals. These cases involve the most serious court martial felony convictions and sentences that present legal issues of serious constitutional magnitude, such as death penalty cases, search and seizure issues, the interpretation of international treaty and status of forces agreements, and more recently, the sensitive issues of law relating to the prosecution of individuals for drug abuse on the basis of urinalysis test results, and the prosecution of child sex abuse cases. The Court continually meets its goal of deciding each case accepted by reviewing authorities, thereby serving its function as defined in the Uniform Code of Military Justice (10 USC 941).

While the complexity of the average case will continue to increase, costs in FY 2006 and FY 2007 will also rise due to greater security requirements including the use of more contracted security personnel and other security services, as well as increased IT support services.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
U.S. Court of Appeals for the Armed Forces, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. Personnel Summary:

	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Active Military End Strength (E/S) (Total)						
Officer						
Enlisted						
Civilian End Strength (Total)						
U.S. Direct Hire	55	59	59	59	-	-
Foreign National Direct Hire						
Total Direct Hire	55	59	59	59	-	-
Foreign National Indirect Hire						
Memo: Reimbursable Civilians Included						
Active Military Average Strength (A/S) (Total)						
Officer						
Enlisted						
Civilian FTEs (Total)						
U.S. Direct Hire	53	59	59	59	-	-
Foreign National Direct Hire						
Total Direct Hire	53	59	59	59	-	-
Foreign National Indirect Hire						
Memo: Reimbursable Civilians Included						

(Dollars in Thousands)

	FY 2004	FY 2005	FY 2006	FY 2007
Average Annual Civilian Salary				
U.S. Court of Appeals for the Armed Forces, Defense	118	121	125	129

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
U.S. Court of Appeals for the Armed Forces, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

V. OP 32 Line Items (Dollars in Thousands):

II.			CHANGE			CHANGE		CHANGE	
		FY 2004/FY 2005			FY 2005/FY 2006			FY 2006/FY 2007	
	FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
101 Exec, Gen & Spec Schedules	6,147	229	744	7,120	206	-13	7,313	169	65	7,547
106 Benefits to Former Employees	31	-	-31	-	-	-	-	-	-	-
107 Voluntary Separation Incentive Pay	50	-	-10	40	-	-	40	-	-	40
III. 308 TRAVEL OF PERSONS	**105**	**2**	**-1**	**106**	**2**	**-**	**108**	**2**	**-**	**110**
673 DFAS Service	53	1	-	54	-1	-	53	-5	-	48
680 Bldgs Maint. Fund	604	51	371	1,026	18	-	1,044	25	-	1,069
912 SLUC (GSA Leases)	922	14	-211	725	15	-	740	16	-	756
913 Purchased Util.	47	1	-	48	1	-	49	1	-	50
914 Purchased Comm.	44	1	-1	44	1	-	45	1	-	46
IV. 920 SUPPLIES& MATERIALS	**263**	**5**	**-1**	**267**	**6**	**-**	**273**	**6**	**-**	**279**
921 Printing & Reprod.	5	-	-	5	-	-	5	-	-	5
923 Facility Maintenance	12	-	-	12	-	-	12	-	-	12
925 Equipment Purchases	76	2	-1	77	2	-	79	2	-	81
987 Other Intra-Gov. Purchases	1,366	27	-305	1,088	23	-	1,111	23	-	1,134
V. 989 OTHER CONTRACTS	**550**	**11**	**-378**	**183**	**4**	**174**	**361**	**8**	**59**	**428**
998 Other Costs	3	-	-	3	-	-	3	-	-	3
9999 TOTAL	10,278	344	176	10,798	277	161	11,236	248	124	11,608

OFFICE OF THE INSPECTOR GENERAL

Fiscal Year (FY) 2006/FY 2007 Budget Estimates
Office of the Inspector General (OIG)

February 2005

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OFFICE OF THE INSPECTOR GENERAL
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Office of the Inspector General ($ in thousands)

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
OIG	171,736	5,477	29,496	206,709	5,058	-2,080	209,687	4,611	144	214,442

* The FY 2004 Actuals column includes $900.0 thousand of FY 2004 Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2005 Estimate column excludes $0.0 thousand of FY 2005 Hurricane Supplemental funds, $0.0 thousand of Iraq Freedom Fund transfers, and $0.0 thousand of FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed: The Office of Inspector General (OIG) audits and investigates the programs and operations of the Department of Defense (DoD). The OIG also recommends policies and conducts activities to promote economy, efficiency, and effectiveness in DoD programs and operations by preventing and detecting fraud, waste and abuse. The Inspector General is the only DoD Officer qualified to issue opinions on the financial statements of the Department of Defense. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and the progress of corrective actions.

Narrative Explanation of Changes:

FY 2005 to FY 2006: The total civilian full-time equivalents (FTEs) increase by five FTEs to 1,415. The net growth fully funds the agency's FTEs to support the increased financial statement audit workload demands related to DoD improvements in financial management and stewardship of resources as measured by the goal of achieving auditable financial statements. Program growth reflects the transfer in of nine FTEs from the Office of the DOD General Counsel to OIG, Office of General Counsel and the reduction in operational costs associated with the completion of office renovation and equipment purchases to accommodate the 204 FTEs to oversee DOD financial audits.

I. Description of Operations Financed: (continued)

The OIG is statutorily responsible for the conduct of audits and investigations for the Department of Defense. In accordance with the Inspector General Act of 1978, as amended[2], the purpose of the OIG is to serve as an independent and objective office to:

1) conduct and supervise audits and investigations relating to the programs and operations of the DoD;
2) provide leadership and coordination and recommend policies for activities designed to
   a. promote economy, efficiency, and effectiveness in the administration of, and
   b. prevent and detect fraud and abuse in, such programs and operations; and
3) provide a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.[3]

In addition to the other duties and responsibilities specified in the Act, the Inspector General shall:

1) be the principal adviser to the Secretary of Defense (SecDef) for matters relating to the prevention and detection of fraud, waste, and abuse in the DoD programs and operations;
2) initiate, conduct, and supervise such audits and investigations in the DoD (including the military departments) as the Inspector General considers appropriate;
3) provide policy direction for audits and investigations relating to fraud, waste, and abuse and program effectiveness;

[2] Section 1117 of the FY 1983 National Defense Authorization Act (Public Law 97-252) established an Inspector General for the Department of Defense by amending Public Law 95-452, the Inspector General Act of 1978 (5 USC Appendix 3).
[3] IG Act, as amended, Section 2

I. Description of Operations Financed: (continued)

4) investigate fraud, waste, and abuse uncovered as a result of other contract and internal audits, as the Inspector General considers appropriate;
5) develop policy, monitor and evaluate program performance, and provide guidance with respect to all Department activities relating to criminal investigation programs;
6) monitor and evaluate the adherence of DoD auditors to internal audit, contract audit, and internal review principles, policies, and procedures;
7) develop policy, evaluate program performance, and monitor actions taken by all DoD Components in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;
8) request assistance as needed from other audit, inspection, and investigative units of the DoD (including military departments); and
9) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.[4]

The Inspector General's transformation vision of "One professional team of auditors, inspectors, and investigators, inspiring by paradigm a culture of integrity, accountability, and 'intelligent risk-taking' throughout the Department of Defense" underscores the Strategic Challenge to be a "catalyst in implementing the transformation efforts of the Secretary of Defense." The FY 2006/2007 Budget Request will enable reasonably adequate coverage to continue transformation efforts that improve operational effectiveness and efficiency while continuing to address the Department's major functions and high-risk areas.

The OIG is organized under four Deputies for Auditing, Investigations, Inspections & Policy, and Intelligence. As part of the OIG robust leadership development and succession plan, each Deputy is capable of serving, if required, as Acting Inspector

[4] IG Act, as amended, Section 8(c)

I. Description of Operations Financed: (continued)

General in accordance with the Federal Vacancies Reform Act of 1998. A key tenet of the OIG transformation effort affirms the nexus of leadership and management through linking vision, people and resources in the achievement of mission aligned results.

Auditing: The Office of the Deputy Inspector General for Auditing (ODIG-AUD) conducts audits on all facets of DoD operations. The work results in recommendations for reducing costs, eliminating fraud, waste, and abuse of authority; improving performance; strengthening internal controls; and achieving compliance with laws, regulations, and policies. Audit topics are determined by law, requests from the SecDef and other DoD leadership, Hotline allegations, congressional requests, and OIG risk analyses of DoD programs. In addition to all of the ongoing auditing requirements, OIG auditors continue to focus on Base Realignment and Closure validation efforts, and make significant contributions in multiple reviews of high-risk acquisitions such as the Boeing Aircraft Tanker Lease Program.

In FY 2006 and FY 2007, auditors will place particular emphasis on the President's Management Agenda (PMA) and related SecDef and Congressional interest items because they have a major role in assessing the Department's efforts to achieve the goals outlined in the PMA. Resources will be dedicated to the high-risk areas of major acquisitions, contracting, information technology, information security, charge cards, readiness, and homeland security. Auditors will expend further effort in FY 2006 and FY 2007 to address GWOT related issues. OIG auditors also continue to lead DoD-wide audits, assist in investigations and related litigation, and participate as non-member advisors (at DoD management request) on multiple and varied task forces, process action teams, and studies. Further, ODIG-AUD serves as the focal point for Government Accountability Office (GAO) activity in the DoD, and continues to perform follow-up on GAO and OIG report recommendations.

I. Description of Operations Financed: (continued)

Defense Financial Auditing Service: In FY 2004, the auditors issued disclaimers of opinion on the DoD Agency-wide financial statements and seven of the Components statements that support the Agency-wide statements; a qualified opinion on the Medicare Eligible Retiree Health Care Fund, and an unqualified opinion on the Military Retirement Fund. In addition, the auditors reviewed three financial statement line items at the Agency-wide level and provided oversight on six contracts for financial management systems audits. In FY 2005, the auditors will provide contractor oversight of up to 19 systems audits and provide audit, review, or oversight of other financial statements, line items, or systems as they are determined to be ready for audit. The OIG continues to work with the DoD Components to identify deficiencies and recommend corrective actions that will help move the Department and its various Components towards a favorable audit opinion.

In FY 2006 and future years, the auditors will continue to focus on financial statement and systems audits to assist the Department in achieving its goal of auditable financial statements. The OIG's goal is to facilitate the Department's commitment to improve financial management and attain auditable financial statements that support, initially, a qualified opinion and, eventually, an unqualified opinion. The DoD annually produces at least 65 individual financial statements, many of which are larger and more complex than most public corporations. Consequently, more effort will be required to audit financial statements in FY 2006 and future years. The OIG will, in regard to the reliability of DoD financial statements, conduct audits that are consistent with P.L. 107-107, Section 1008[5].

[5] Section 1008(d) "Limitation on Inspector General Audits," states that "[o]n each financial statement that an official asserts is unreliable . . . the Inspector General of the Department of Defense shall only perform the audit procedures required by generally accepted government auditing standards consistent with any representation by management." Complying with Section 1008(f), "Termination of the Applicability," audits will be conducted "[if] the Secretary of Defense certifies to the Inspector General of the

I. Description of Operations Financed: (continued)

Investigations: The Office of the Deputy Inspector General for Investigations (ODIG-INV) comprises the criminal and the administrative investigative components of the OIG. The Defense Criminal Investigative Service (DCIS), the criminal investigative component, is tasked with the mission to protect America's warfighters by conducting investigations in support of crucial national defense priorities. DCIS conducts investigations of suspected major criminal violations focusing mainly on terrorism, product substitution/defective parts, cyber crimes/computer intrusion, illegal technology transfer, and other categories of fraud including bribery, corruption, and major theft. DCIS also promotes training and awareness in all elements of the DoD regarding the impact of fraud on resources and programs by providing fraud awareness presentations.

DCIS is an active participant in the Computer Network Defense (CND) Law Enforcement/Counter Intelligence Center (LECIC), which is part of the Joint Task Force – Computer Network Operations established to protect the Defense Information Infrastructure. Under the DoD CND directive, the DCIS is also responsible for providing administrative support to the CND LECIC, and serving, in coordination with the Secretaries of the Military Departments, as the Defense law enforcement community focal point for the design, development, and maintenance of information systems and databases that facilitate CND law enforcement operations and CND LECIC requirements and provide data to CND and the common operational picture databases, as appropriate.

As a direct result of the terrorist attacks of September 11, 2001, DCIS' traditional areas of concentration in major procurement fraud, product substitution, and bribery/corruption were expanded by the addition of anti-terrorism operations and the build-up of efforts to combat illegal technology transfer. DCIS supports the Global War on Terrorism (GWOT) by participating in the Joint Terrorism Task Forces (JTTFs) with the

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Department of Defense that the financial statement for the Department of Defense or a financial statement for a component of the Department of Defense, for a fiscal year is reliable . . . ."

I. Description of Operations Financed: (continued)

FBI at Headquarters and throughout the U.S. to protect DoD programs and operations through proactive and reactive investigative efforts. DCIS also works with U.S. Immigration and Customs Enforcement to stem the illegal transfer of DoD technology and equipment through the Shield America Program, which provides awareness and indicators of this type of criminal activity.

The ODIG-INV is also responsible for all DoD reprisal and senior official investigations. The non-criminal investigative Directorates of: Investigations of Senior Officials (ISO), Military Reprisal Investigations (MRI), and Civilian Reprisal Investigations (CRI), conduct these investigations. ISO, MRI and CRI are founded on specific statutory directives aimed at enhancing the integrity of the Department and ensuring oversight of senior officials, and protecting whistleblowers. As such, ISO ensures, through aggressive investigations, that abuses of command or office do not undermine the credibility of the national command structure.

Under three Federal whistleblower protection statutes, the MRI Directorate conducts investigations of whistleblower reprisal made by members of the Armed Services, DoD non-appropriated fund employees and DoD contractor employees. MRI also oversees Service IG reprisal investigations and has final approval of findings. The CRI Directorate reviews and investigates whistleblower reprisal allegations submitted to the DoD Hotline by DoD civilian appropriated fund employees.

Inspections and Policy: The Office of the Deputy Inspector General for Inspections and Policy (ODIG-I&P) conducts inspections and evaluations, manages the DoD Hotline, and provides the oversight and policy for Audit and Investigative activities within DoD as required by Section 8 of the IG Act. The Inspections and Evaluations (IE) Directorate inspects and evaluates DoD-wide programs to facilitate outcomes such as improved management efficiency and enhanced program effectiveness at the request of Congress, the

I. Description of Operations Financed: (continued)

SecDef, the IG, and other senior DoD officials. The IE Directorate is organized to conduct systemic assessment over a broad spectrum, to include joint operations, homeland defense, reserve component forces, safety, occupational health, environment, and engineering. The Audit Policy and Oversight (APO) Directorate provides policy direction, guidance, and oversight for the Service and other Defense audit organizations, including the Defense Contract Audit Agency (DCAA) and public accounting firms under the Single Audit Act. The APO Directorate also develops policy, provides guidance, monitors actions, and evaluates program performance taken as a result of contract audit report recommendations and reports the results as required to the SecDef. The oversight and policy direction is critical in preventing, in the DoD audit community, significant deficiencies like the public audit experience in the Enron and WorldCom situations. Investigative Policy and Oversight (IPO) Directorate evaluates the performance and develops/implements policy for the DoD law enforcement community and the non-criminal investigative offices of the DoD. The IPO Directorate also manages the IG Subpoena Program for the Defense Criminal Investigative Organizations (DCIOs) and administers the DoD Voluntary Disclosure Program, which allows contractors a means to report potential civil or criminal fraud matters. The DoD Hotline receives reports from DoD personnel and the public of allegations of fraud, waste, abuse of authority, and mismanagement. The Hotline conducts inquiries and tracks cases referred to other DoD investigative, audit, and operational organizations resulting from DoD Hotline contacts. The Hotline also provides oversight of hotlines operated by inspectors general of other DoD components.

Intelligence: The Office of the Deputy Inspector General for Intelligence (ODIG-INTEL) audits, reviews, evaluates, and monitors the programs, policies, procedures, and functions of the DoD Intelligence Community and the intelligence-related activities within the DoD Components, primarily at the DoD, Service, and Combatant Command levels, ensuring that intelligence and intelligence-related resources are properly, effectively, and efficiently managed. ODIG-Intel provides recommendations for reducing costs,

I. Description of Operations Financed: (continued)

improving performance, strengthening internal controls, and achieving compliance with laws and regulations. ODIG-Intel external audit, review, and evaluation topics are determined by law, by requests from the SecDef and other DoD leadership, by Hotline allegations, by congressional requests, and by internal analyses of risk in DoD programs. ODIG-Intel emphasizes intelligence operations, information assurance, acquisition, logistics, and financial/contract management. In FY 2005, the ODIG-Intel is also leading an OIG-wide effort to review DoD's actions regarding the lease of Boeing 767 tanker aircraft. The FY 2006/2007 program will continue vigorous oversight program of audits, evaluations and reviews of intelligence and counterintelligence programs, nuclear security program issues, Special Access Programs, system acquisition programs within the Defense intelligence agencies, and information assurance program assessments.

The Office strategically focuses its reviews on the SECDEF's transformation planning guidance, which includes intelligence programs and activities such as major intelligence systems acquisition; rapid, joint concept development and experimentation; research, development, test and evaluation; joint rapid acquisition program; joint operations; and integrated architecture. ODIG-Intel personnel also administer, coordinate, and oversee the functions of the Intelligence Community Inspectors General (ICIG) Forum, which serves to promote and improve information sharing among those Inspectors General whose duties include audits, inspections, evaluations, or investigations associated with programs and operations of Intelligence Community elements within their respective departments and agencies, and otherwise enable each Inspector General to carry out the duties and responsibilities established under the Inspector General Act of 1978, as amended, to avoid duplication and ensure effective coordination and cooperation. As the Forum Coordinator, the ODIG-Intel advocates developing and assessing the metrics that measure the performance of the Intelligence Community's programs and operations in attaining the President's National Security Strategy and the SecDef's pronouncements on improving intelligence.

I. Description of Operations Financed: (continued)

As the issue area coordinator for the DoD Joint Intelligence Oversight Coordination Group (JIOCG), the ODIG-INTEL advocates improving the effectiveness and efficiency of DoD oversight intelligence activities by identifying areas needing more emphasis and eliminating redundancy of various oversight programs. As the DoD coordinator on all Intelligence Community Whistleblower Protection Act cases, this office serves a time-sensitive role in the determination process for alleged wrongdoings of urgent concern. This office forwards the initial determination, together with the complaint information, to the SecDef within 14 days of receipt.

Other Components, Office of the Inspector General:

1. The Office of Communications and Congressional Liaison (OCCL) is a staff element of the immediate Office of the Inspector General. The Assistant Inspector General for Communications and Congressional Liaison is dual-hatted as the OIG Public Affairs Officer. OCCL also includes the Freedom of Information Act/Privacy Act Office, the OIG web development team, and Strategic Planning. Personnel review and analyze pending and proposed legislation affecting the Department and the Inspector General, provide support for OIG witnesses who testify at congressional hearings, process responses to congressional correspondence, coordinate meetings with congressional staff, manage and maintain the OIG internet and intranet operations, implement a communication plan regarding external communication issues, process FOIA requests, and oversee the development and implementation of the OIG strategic plan. OCCL also provides staff support and serves as the liaison for the OIG to the President's Council on Integrity and Efficiency (PCIE) and the Defense Council on Integrity and Efficiency (DCIE). The Inspector General established the DCIE in 2002 to ensure effective coordination and cooperation between and among the activities of the OIG and Defense agencies.

I. Description of Operations Financed: (continued)

2. The Office of Legal Counsel is a new component of the OIG. Formerly, legal advice was provided by the Office of General Counsel, DoD pursuant to a Memorandum of Understanding between the General Counsel and the Inspector General. On September 27, 2004, the Deputy SecDef approved the transfer of the legal staff from the Office of General Counsel to the Office of the Inspector General as an element of the Defense Legal Services Agency. To comply with this SecDef directive the transfer of manpower, resources, and associated funding was formally documented on December 13, 2004. At the time of the transfer the legal staff consisted of nine billets, including one SES.

3. The Office of the Chief of Staff (OCoS) serves as a *force multiplier* for the OIG operational components by providing vital personnel, security, administration, logistics, and information technology support. The critical ministerial support and customer service provided by the OCoS to the Deputy IGs can help the operational components reduce cycle times, increase efficiency, and improve both the quality and effectiveness of their resulting audits, investigations, inspections and evaluations. The OCoS also conducts proactive liaison and coordination with various DoD components to ensure that budget, personnel, security, logistical, and information technology issues and problems are resolved early, before they negatively impact the operational capabilities of the OIG. OCoS comprises five directorates: Administration and Logistics Services; Office of the Comptroller; Human Capital Management; Information Systems; and Office of Security. These directorates supervise and carry out administrative and logistical functions in support of the OIG's day-to-day operations.

II. Force Structure Summary: N/A

OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

III. Financial Summary: (Dollars in thousands)

A. **Activity Group**	FY 2004 ACTUAL	FY 2005 BUDGET REQUEST	FY 2005 APPROPRIATION	FY 2005 CURRENT ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
DEFENSE FINANCIAL STATEMENTS, Audit of	5,680	73,800	33,800	32,180	32,500	33,400
AUDITING	51,745	84,123	84,123	55,000	56,249	57,800
INVESTIGATIONS	60,425	69,199	69,199	62,486	64,293	65,606
INSPECTIONS & POLICY	7,846	7,370	7,370	8,562	8,857	9,079
INTELLIGENCE	3,370	3,792	3,792	3,545	3,634	3,726
OTHER OIG	37,829	4,078	4,078	41,989	43,154	43,431
PROCUREMENT	4,841	2,100	2,100	2,547	1,000	1,400
RDT&E	-	100	100	400	-	-
TOTAL	171,736	244,562	204,562	206,709	209,687	214,442

OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

III. Financial Summary: (Dollars in thousands) (continued)

B. Reconciliation Summary:

	Change FY 2005/2005	Change FY 2005/2006	Change FY 2006/2007
Baseline Funding	**244,562**	**206,709**	**209,687**
Congressional Adjustments (Distributed)	-40,000		
Congressional Adjustments (Undistributed)			
Adjustments to Meet Congressional Intent			
Congressional Adjustments (General Provision)			
Subtotal Appropriated Amount	**204,562**		
Fact-of-Life Changes	747		
Subtotal Baseline Funding	**205,309**		
Supplemental Funding			
Reprogrammings	1,400		
Price Change		5,058	4,611
Functional Transfers		1,447	1,495
Program Change		-3,527	-1,351
Current Estimate	**206,709**	**209,687**	**214,442**

III. Financial Summary: (Dollars in thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**244,562**
1. Congressional Adjustments		-40,000
a. Distributed Adjustments	-40,000	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
e. Congressional Earmarks		
FY 2005 Appropriated Amount		**204,562**
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes: Carryover Procurement ($447K) and Research & Development ($300K)		747
FY 2005 Baseline Funding		**205,309**
4. Reprogrammings (requiring 1415 Actions)		1,400
a. Increases: Transfer of 9 FTEs from the Office of General Counsel	1,400	
b. Decreases		
Revised FY 2005 Estimate		**206,709**
5. Less: Item 2. War-Related and Disaster Supplemental Appropriations and Item 4. Reprogrammings, Iraq Freedom Fund Transfers		
FY 2005 Normalized Current Estimate		**206,709**
Memo: Procurement		*2,547*
Memo: Research & Development		*400*
6. Price Change		5,058
7. Functional Transfers		
8. Program Increases		-2,080
a. Annualization of New FY 2005 Program		
b. One-Time FY 2006 Costs		

III. Financial Summary: (Dollars in thousands) (continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
c. Program Growth in FY 2006		
9. Program Decreases		
a. One-Time FY 2005 Costs: Renovate field offices and buy office equipment for Defense Financial Statement Audit program (FY 2005 base: $1,893K)	-1,330	
b. Annualization of FY 2005 Program Decreases		
c. Program Decreases in FY 2006		
1) Decrease 1 paid day (FY 2005: 261 days)	-427	
2) Nominal decreases in supplies and materials, facilities sustainment and restoration to balance program	-323	
FY 2006 Budget Request		**209,687**
Memo: Procurement		*1,000*
10. Price Change		4,611
11. Transfers		
12. Program Increases		144
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		
1) Increase equipment purchases per planned replacement cycle. Planned FY 2007 level supports cyclic replacement requirements to avoid end user interruptions and additional maintenance and repair.	144	
13. Program Decreases		
FY 2007 Budget Estimate		**214,442**
Memo: Procurement		*1,400*

IV. Performance Criteria and Evaluation:

The OIG's Strategic Plan complements the PMA and the Department's Quadrennial Defense Review. Its key goal is to contribute to improving DoD operations by promoting efficient, effective, and economical operations, including full and timely implementation of the President's Management Agenda's (PMA) primary goals and objectives. The organizational alignment of the OIG's strategic direction, annual performance, performance metrics, and the integration of budget priorities with the PMA is an essential aspect of the OIG's plan.

The OIG Strategic Plan's first objective states, "Above all, "lead by example" in efforts to implement the President's Management Agenda initiatives of: strategic management of human capital; competitive sourcing; improved financial performance; expanded electronic government; and budget and performance integration." The Annual Performance Plan includes goals for each of the PMA objectives that relate to: employee retention rate; on-board fill rate (recruitment related); mandatory training, employee exit surveys, competing 15 percent of commercial jobs; the full implementation of the Defense Audit Management Information System; and the implementation of an integrated performance and budget-based management system. To monitor performance against the plan, the OIG complies with the Government Performance and Results Act of 1993, as amended, and tracks goal attainment on a quarterly basis to help ensure progress is made and results are realized to ensure a return on investment of taxpayer dollars.

Assessed in terms of impact on DoD programs, the Audit component performance uses various metrics to determine if program goals of quality, responsiveness, and timeliness are being met. In FY 2004, the Office of the Deputy Inspector General for Auditing produced 115 reports with potential monetary benefits totaling $230.7 million. The Congress and senior DoD officials requested and used the IG audit products on homeland security, information system projects, readiness, chemical and biological defense, acquisition processes, information assurance, maintenance, supply management, use of government

IV. Performance Criteria and Evaluation: (continued)

credit cards, financial management, health care, and environmental issues. The FY 2005 audit cycle time goal was reduced by three percent, based on review of the FY 2004 baseline. The OIG goal is 100 percent on-time completion of audits that have a statutory due date; in FY 2004, the Audit component was able to complete 83 percent of such audits on time. In FY 2004, audits averaged 599 staff days; the FY 2005 goal is 581 staff days.

Priority demands on audit resources include:

- The Chief Financial Officer's Act of 1990, as amended by the Federal Financial Management Act of 1994;
- The Intelligence Authorization Act for FY 2002 which requires the OIG to audit the form and content of the financial statements of the National Security Agency, National Geospatial-Intelligence Agency, and Defense Intelligence Agency;
- Reports required or requested by Congress and senior DoD officials, or resulting from Hotline allegations (totaling approximately 62 percent of all reports); and
- Efforts to improve DoD processes which, while beneficial, do not result in reports that can be reflected in IG productivity statistics.

The budget request funds the mandatory financial statement auditing requirements and some audits of high-risk operations. DoD operations are experiencing a period of higher than normal risks due to the disruptions caused by ongoing military operations; continued restructuring; ever-increasing reliance on automated information systems; security vulnerabilities; and the introduction of new processes, many of which are untried in DoD settings and not well understood by the workforce. The OIG will focus its audit efforts on high-risk areas including weapon and information systems acquisition, contract management, and inventory management, within the limits of available resources.

IV. Performance Criteria and Evaluation: (continued)

Previously, the criteria for evaluating the OIG's investigative operations included the number of indictments, convictions, fines; the amount of recoveries and restitutions; and the number of administrative investigations conducted or overseen. The current measure of the DCIS' effectiveness is to conduct significant criminal investigations in support of crucial national defense priorities. This is accomplished by: ensuring that investigative resources are used effectively and efficiently; placing primary emphasis on investigations of terrorism, product substitution/defective parts, cyber crime targeting the Defense Information Infrastructure, technology transfer, and other categories of fraud including bribery, corruption, and major theft; and identifying offenders and/or detecting, disrupting, or dismantling the associated criminal activities.

It is difficult to quantify the results of criminal investigative operations. For example, in bribery and kickback cases, the dollar impact on the cost of a major contract is not readily identifiable, yet it is recognized that bribes and kickbacks undermine the integrity and efficiency of departmental programs and operations. The OIG also identifies areas of criminal vulnerability regarding Department of Defense activities and ensures that corrective actions are taken when deficiencies are detected. Another valuable byproduct of criminal investigative activities is the deterrent effect, which results from an awareness that violations of the law are being vigorously pursued. The OIG attempts to ensure that appropriate administrative action is taken by the Department, regardless of whether or not prosecutions are obtained. The IG seeks to have disreputable contractors suspended or debarred and to recover whatever monies are due to the Department.

Whistleblower protection for military Service members and nonappropriated fund employees, and DoD contractor employees is the primary mission of the Directorate for Military Reprisal Investigations. In FY 2004 the Directorate closed 716 cases that included in-house cases and oversight reviews of Service IG cases. Of these closed cases, 529 cases

IV. Performance Criteria and Evaluation: (continued)

were closed after preliminary inquiries and 187 cases received full investigations. Twenty-three full investigations resulted in one or more substantiated reprisal allegations, and 41 investigations found procedural violations under the DoD directive pertaining to referral of military members to involuntary mental health evaluations. Faced with a continuing increase in whistleblower reprisal allegations received by both the OIG and the Military Department Inspectors General, the Directorate for Military Reprisal Investigations strives to implement policies and procedural efficiencies to improve the timeliness in processing and resolving such allegations. The Directorate hosts training workshops on how to conduct military whistleblower reprisal investigations for representatives of the Military Services, the Joint Chiefs of Staff, and other defense agencies.

Formed in January 2004, the Directorate for Civilian Reprisal Investigations (CRI) was created to provide support for DoD employees funded with civilian-appropriated funds that historically have had less whistleblower protection than other DoD employees. The performance and evaluation criteria for this new directorate will be similar to the criteria used to evaluate the Directorate for Military Reprisal Investigations, but will be tailored to CRI's unique mission.

The Directorate for Senior Official Investigations completed 47 investigations in FY 2004, and performed oversight on 442 investigations by DoD components. Many of those investigations had significant media and congressional interest, with results provided directly to the SecDef. Recent examples in the area of senior official inquiries include substantiated allegations of using Government property for unauthorized purposes, taking official action for private gain, acceptance of gifts from prohibited sources, and taking unauthorized personnel actions. As part of its responsibility to fully inform the President and Senate of adverse information concerning senior officials being nominated

IV. Performance Criteria and Evaluation: (continued)

for promotion, reassignment, or other action, the office conducted almost 3,000 name checks on DoD senior officials in the past year.

Inspections and Policy operations are evaluated on the reviews conducted, as measured by the number of reports issued; the Hotline activities reported; voluntary disclosures processed; subpoenas processed; and outcomes achieved. Inspections and Policy conducts evaluations of DoD-wide programs and reviews to ensure the quality of the performance of other DoD audit agencies, outside public accounting firms, DoD law enforcement and criminal investigative agencies, and other Defense activities. Inspectors and evaluators use consultative methodologies to identify recommendations for positive change to prevent fraud, waste, abuse and mismanagement. Furthermore, during the follow-up phase of every evaluation project, emphasis is placed on measuring the impact of the recommendations implemented by management. Inspectors and evaluators also facilitate process improvement activities processes that do not result in separate formal reports, such as developing joint doctrine and training for Combatant Command IGs and reducing the DoD accident rate, advising DoD managers, and promoting communications among the various DoD IG communities. In FY 2004, APO issued five reports with recommendations for overall improvements and efficiencies in the audit process and two reports that addressed adequacy and timeliness of implementation of contract audit recommendations. APO also developed one training program given to 250 of the 6500 auditors in the DoD. In addition, audit policy and oversight operations include proactive actions to give the 6,500 DoD auditors the tools and information needed to be world class audit organizations.

IPO accepted three voluntary disclosures and closed eight cases; and issued 243 subpoenas, as well as three final and one draft criminal investigative policy and oversight reports. In FY 2004, the DoD Hotline handled an average of 1,400 calls and letters per month, reflecting approximately a 35 percent workload increase since September 11, 2001, with no increase in funding or staffing.

IV. Performance Criteria and Evaluation: (continued)

The Office of the Deputy Inspector General for Intelligence (ODIG-INTEL) focuses on assessing the efficient, effective, and appropriate use of intelligence personnel and resources with emphasis on support to the warfighter and national command authority. In FY 2004, ODIG-INTEL issued 15 intelligence evaluation and audit reports that are provided to DoD leadership and to Congress on such critical issues as the Terrorism Information Awareness Program, Physical Security of Nuclear Weapons, Nuclear Weapons Personnel Reliability Program, the Joint Reserve Intelligence Program, DoD Personnel Security Clearance issues, and National Security Agency programs and initiatives.

In FY 2004, ODIG-INTEL established a 40 hour annual continuing education goal for all ODIG-INTEL staff. All ODIG-INTEL auditors will meet the continuing professional education requirements set forth in the Government Standards (a minimum of 20 hours annually, and 80 hours every 2 years).

ODIG-INTEL transitioned its project management information system to the DAMIS information management system and developed standardized policies and procedures, including internal quality assurance mechanisms. For FY 2004, the ODIG-INTEL established a performance measure to plan, staff, and manage projects so that, on average, projects are completed within 330 days. Actual average elapsed time from project start to final report for final reports issued from July 1, 2003 through June 30, 2004 was 402 days. ODIG-INTEL will further define project scope and objectives for FY 2005 projects in order to meet the performance objective of 330 days. First Quarter FY 2005 results indicated a decline to 241 days for final reports issued during that period.

ODIG-INTEL will continue quarterly meetings of the Intelligence Community Inspectors General (ICIG) Forum and Joint Intelligence Oversight Coordination Group (JIOCG) to prevent duplication and overlap between the OIG, Service audit agencies, Military IGs,

IV. Performance Criteria and Evaluation: (continued)

and other Intelligence Agencies components, or jointly with DoD intelligence agency IGs and Intelligence Community IG Forum members. In FY 2005, ODIG-INTEL will continue to develop baseline data on all projects to determine a meaningful goal for average number of work hours.

OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

	FY 2004 Actual	FY 2005 Estimate	FY 06/07 Estimate
DEFENSE FINANCIAL AUDITS			
Systems audits--Reports issued	-	6	18/20
Financial Statement Audits	-	8	10/12
AUDITS (Other than Financial Systems and Statements)			
Reports issued	115	118	118/118
Potential monetary benefits ($ Millions)	$230.7	*	*
(* Monetary benefits can not be estimated)			
GAO surveys and reviews processed	225	225	225/225
GAO draft and final reports processed	345	345	345/345
CRIMINAL INVESTIGATIONS			
Indictments and Charges	322	324	329/336
Convictions	264	208	217/222
Fines/penalties/restitutions, etc. ($ Millions)	$178	$300	$330/335
NONCRIMINAL INVESTIGATIONS			
Civilian Reprisal – Investigations opened	16	20	20/20
Civilian Reprisal – Investigations closed	0	15	15/15
Civilian Reprisal – Investigations oversight	1	5	10/10
Military Reprisal – Investigations opened	671	805	966/966
Military Reprisal – Investigations closed	213	295	354/354
Military Reprisal – Investigations oversight	392	534	677/677
Investigations of Senior Officials – opened	42	50	60/60
Investigations of Senior Officials - closed	47	60	60/60
Investigations of Senior Officials - oversight	442	430	450/450

OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

	FY 2004 Actual	FY 2005 Estimate	FY 06/07 Estimate
INSPECTIONS/POLICY			
Audit oversight reports	5	5	5
Criminal investigative policy and oversight reports	6	8	10
Hotline calls/letters received	17000	17500	17500
Substantive cases generated	3500	4000	4500
Voluntary disclosures admitted	3	8	9
Voluntary disclosures closed	8	10	10
Annual monetary benefits from disclosures ($ Millions)	5.1	2.5	3.0
Subpoenas issued	243	315	350
Inspection & Evaluation Reports	1	5	5
Improved program effectiveness	*	*	*
INTELLIGENCE			
Reports issued	15	13	15
Potential monetary benefits ($ Millions)	0	0	0

OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

V. Personnel Summary	FY 2004	FY 2005	FY 2006	FY 2007	Change FY 2005/2006	Change FY 2006/2007
Active Military End Strength (E/S) (Total)	27	29	29	29	0	0
Officer	26	27	27	27	0	0
Enlisted	1	2	2	2	0	0
Civilian End Strength (Total)	1,271	1,474	1,403	1,425	-71	22
U.S. Direct Hire	1,271	1,473	1,402	1,424	-71	22
Foreign National Direct Hire						
Total Direct Hire	1,271	1,473	1,402	1,424	-71	22
Foreign National Indirect Hire	0	1	1	1	0	0
Active Military Average Strength (A/S) (Total)	27	29	29	29	0	0
Officer	26	27	27	27	0	0
Enlisted	1	2	2	2	0	0
Civilian FTEs (Total)	1,208	1,411	1,416	1,416	5	0
U.S. Direct Hire	1,208	1,410	1,415	1,415	5	0
Foreign National Direct Hire						
Total Direct Hire	1,208	1,410	1,415	1,415	5	0
Foreign National Indirect Hire	0	1	1	1	0	0
Average Annual Civilian Salary	107,648	109,587	111,763	114,212	2,176	2,449

OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

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

	FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
CIVILIAN PERSONNEL COMPENSATION										
Executive, General and Spec. Schedules	129,039	4,710	20,027	153,776	3,998	-95	157,679	3,626	-160	161,145
Wage Board	17	1	19	37	1	0	38	1	0	39
Voluntary Separation Incentive Pay	150	0	-150	0	0	0	0	0	0	0
Disability Compensation	492	0	-30	462	0	17	479	0	-1	478
Total Civilian Personnel Compensation	129,698	4,711	19,866	154,275	3,999	-78	158,196	3,627	-161	161,662
TRAVEL										
Travel of Persons	5,418	108	2,065	7,591	159	519	8,269	174	-89	8,354
Total Travel	5,418	108	2,065	7,591	159	519	8,269	174	-89	8,354
DEFENSE WCF SUPPLIES & MATERIALS PURCHASES										
GSA Managed Equipment	1,819	36	38	1,893	40	-1,812	121	3	25	149
Total Fund Equipment Purchases	1,819	36	38	1,893	40	-1,812	121	3	25	149
TRANSPORTATION										
Commercial Transportation	334	6	394	734	15	-15	734	15	-15	734
Total Transportation	334	6	394	734	15	-15	734	15	-15	734
OTHER PURCHASES										
Foreign National Indirect Hire	2	0	58	60	1	0	61	1	0	62
Rent Payments to GSA (SLUC)	13,319	200	774	14,293	300	-137	14,456	304	-124	14,636
Purchased Communications (Non-Fund)	2,568	51	1,698	4,317	91	-93	4,315	91	-91	4,315
Rents (Non-GSA)	19	0	-19	0	0	0	0	0	0	0
Postal Services (U.S.P.S.)	20	0	0	20	0	2	22	0	0	22
Supplies & Materials (Non-Fund)	2,287	46	1,061	3,394	71	-630	2,835	60	-5	2,890
Printing & Reproduction	61	1	-41	21	0	0	21	0	1	22
Equipment Maintenance - Contract	0	0	1,218	1,218	26	398	1,642	34	0	1,676
Facility Maintenance - Contract	234	5	1,825	2,064	43	-1,700	407	9	-28	388
Equipment Purchases (Non-Fund)	7,242	145	-705	6,682	139	1,000	7,821	164	979	8,964
Other Intra-government Purchases	3,680	74	-293	3,461	73	350	3,884	82	-441	3,525

OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR (FY) 2006/FY 2007 BUDGET ESTIMATES

	FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
Other Contracts	4,042	81	1,414	5,537	116	0	5,653	119	0	5,772
Total Other Purchases	33,474	603	6,990	41,067	860	-810	41,117	864	291	42,272
INFORMATION SERVICES										
DISA Information Systems (Megacenters)	0	0	15	15	0	0	15	0	0	15
Communications Svcs Tier 2	300	-3	23	320	6	0	326	7	-2	331
Total Information Services	300	-3	38	335	6	0	341	7	-2	346
PRINTING AND PUBLICATION SERVICES										
Defense Publication & Printing Service	19	0	50	69	-1	2	70	2	-1	71
Total Printing and Publication Services	19	0	50	69	-1	2	70	2	-1	71
FINANCIAL OPERATIONS										
Defense Finance & Accounting Svc	674	16	55	745	-20	114	839	-81	96	854
Total Financial Operations	674	16	55	745	-20	114	839	-81	96	854
Total	171,736	5,477	29,496	206,709	5,058	-2,080	209,687	4,611	144	214,442

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Former Soviet Union Threat Reduction
(Cooperative Threat Reduction Program)

February 2005

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DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Former Soviet Union Threat Reduction Summary: ($ in thousands)

FY 2004 Actual*	Price Change	Program Change	FY 2005 Est**	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
448,645	**8,971**	**-49,430**	**408,186**	**8,569**	**-1,206**	**415,549**	**8,723**	**-57,201**	**367,071**

* The FY 2004 Actuals column excludes FY 2004 Supplemental funds, Iraq Freedom Fund transfers, and FY 2004/FY 2005 Title IX obligations.
** The FY 2005 Estimate column excludes FY 2005 Hurricane Supplemental funds, Iraq Freedom Fund transfers, and FY 2004/FY 2005 Title IX obligations.

I. Description of Operations Financed:

The mission of the Cooperative Threat Reduction (CTR) program is to prevent the proliferation of weapons of mass destruction (WMD) and related materials, technologies and expertise from Former Soviet Union (FSU) states, through the safe destruction of Soviet era WMD, associated delivery systems and related infrastructure. The Department of Defense (DoD) has expanded the strategic focus of the CTR program to support the Global War on Terrorism. It has broadened the scope of Biological Weapons Proliferation Prevention activities and established a program in coordination with other Federal Agencies to permit non-Russia Former Soviet Union states to detect and capture WMD crossing their borders. Other Agencies include the Department Energy, Department of State, U.S. Coast Guard, and the Department of Homeland Security.

The CTR program directly supports the U.S. National Security Strategy and Strategy to Combat Weapons of Mass Destruction and contributes to national security by reducing the WMD threat to the U.S. and its allies; denying rogue states and terrorists access to WMD and related materials, technologies and expertise; exploiting the Soviet legacy of pathogens, data and expertise to enhance preparedness against biological threats; contributing to stability and cooperation in the former Soviet Union (FSU); and expanding U.S. influence in the FSU states. The Cooperative Threat Reduction program (CTR) continues at the source to dismantle strategic weapons delivery systems and infrastructure, enhance the security of WMD and weapons material, prevent proliferation of weapons technology, materials, and expertise and facilitate defense and military contacts to encourage military reductions and reform.

The Administration has taken a new approach toward providing assistance to Russia that stringently applies the conditions that must be met to certify Russia for CTR and

I. Description of Operations Financed: (continued)
Freedom Support Act assistance. Concern over Russian commitment to comply with the Biological Weapons and Toxins, and Chemical Weapons Convention (BWC and CWC respectively) and to forego military modernization that exceeds legitimate defense requirements resulted in the Administration not certifying Russia in fiscal year (FY) 2002, FY 2003, FY 2004 and FY 2005. Instead, the Administration requested and exercised certification waivers in order to be able to continue to provide CTR and Freedom Support Act assistance to Russia because of its important contributions to U.S. national security. The Administration has developed interagency guidelines that govern potential dual use assistance. The Department has augmented these guidelines that require strict accountability and oversight for dual use assistance such as cooperative biological research projects.

CTR Program objectives and related assistance activities are described below.

A. <u>Dismantle Former Soviet Union (FSU) WMD and associated infrastructure:</u>

The potential proliferation of WMD, delivery systems and related technologies is a serious threat to U.S. and international security. The DoD, through the Cooperative Threat Reduction (CTR) Program, seeks to reduce this threat by providing assistance to FSU states to dismantle WMD and associated delivery systems and infrastructure.

The DoD, through the CTR program, assists Russia in dismantling Russian intercontinental ballistic missiles (ICBM); ICBM silo launchers and road and rail mobile launchers; ICBM launchers; submarine launched ballistic missiles (SLBM), SLBM launchers and the associated strategic nuclear submarine, known as SSBN reactor cores; and WMD infrastructure.

Biological weapons capabilities in FSU states also pose a significant threat to U.S. national security. The DoD estimates that approximately 40 Biological Research and Production Centers are located in FSU states. Through the CTR program, the DoD has funded a project to dismantle infrastructure associated with biological weapons production or research at Soviet legacy facilities. This project will eliminate

I. Description of Operations Financed: (continued)
infrastructure, equipment, and facilities previously used to perform biological weapon related research and/or produce biological weapons.

As a State Party to the Chemical Weapons Convention (CWC), Russia has agreed to eliminate its stockpile of chemical weapons and demilitarize its former chemical weapon production facilities. Subject to Russia's being certified for the conditions specified by Congress or a presidential waiver being authorized and exercised, CTR assistance will continue to fund construction of a chemical weapon destruction facility for organophosphorus (nerve) agent-filled artillery munitions. The DoD will construct the Chemical Weapon Destruction Facility near the Shchuch'ye chemical weapon storage facility which contains approximately 47 percent of the Russian nerve agent-filled artillery munitions (estimated at 5,460 metric tons in nearly two million rocket and tube artillery warheads/projectiles). Additionally, CTR assistance supports demilitarization of OAO Khimprom former nerve agent production facilities at Novocheboksarsk in Russia. Demilitarization will decontaminate, dismantle and destroy specialized equipment and features related to the production, transfer and storage of chemical agents/weapons as outlined in the Chemical Weapons Convention.

B. Consolidate and secure former Soviet Union WMD and related technology and materials:

The CTR Program in Russia encourages nuclear warhead dismantlement and provides enhanced security for strategic and tactical nuclear warheads in storage. The CTR Program assists in the secure transport of an estimated 2,000-2,500 nuclear warheads per year to dismantlement or secure storage facilities. Conclusion of a limited access protocol and associated arrangement with the Ministry of Defense (MOD) enables DoD to enhance security at more than 32 nuclear storage areas throughout Russia. CTR assistance is coordinated with the Department of Energy's (DOE) Materials Protection, Control and Accounting assistance program.

CTR provides for consolidation and enhanced security and safety systems for dangerous virus and bacteria pathogen repositories at biological research centers. This

I. Description of Operations Financed: (continued)
assistance will help prevent the theft, diversion, or accidental release of dangerous biological pathogens.

C. Increase transparency and encourage higher standards of conduct:

Cooperative Threat Reduction (CTR) Cooperative Biological Research enhances the U.S. capability to prevent proliferation of the former Soviet biological weapons scientific and technology base to rogue states and terrorist groups, while increasing transparency at former Soviet Union biological research facilities. Research projects address biotechnology issues between U.S. and former Soviet Union scientists in the areas of force health protection, medical countermeasures, counter-terrorism and modeling. They provide the U.S. access to scientific expertise and the opportunity to transfer dangerous pathogens to the U.S. for forensics reference. Cooperative research through DoD's partnership with the International Science and Technology Center (ISTC) encourages higher standards of openness, ethics and conduct at the scientist level and preempts potential "brain drain" of scientists to rogue states. Due to continuing concerns over Russia's compliance with the Biological Weapons Convention, stringent management oversight is enforced for Cooperative Biological Research activities in Russia.

D. Support defense and military cooperation with the objective of preventing proliferation:

The WMD Proliferation Prevention Initiative will enhance the capability of non-Russian former Soviet Union states to deter, detect, and interdict illicit trafficking of WMD and related materials, and to respond to WMD incidents at the border or in country. DoD will provide equipment, training, infrastructure and logistics support to enhance national and regional capabilities to prevent the proliferation of WMD, components, and materials to terrorists, rogue states, or organized crime groups. The DoD is pursuing maritime border control projects in Azerbaijan and Kazakhstan, land and maritime border control projects in Ukraine, and a portal monitor project in Uzbekistan. This program is

I. Description of Operations Financed: (continued)
coordinated with the International Counter-Proliferation Program and other Inter-Agency border security programs in the former Soviet Union.

In the Biological Weapons Proliferation Prevention area, the DoD will undertake new Biological Threat Agent Detection and Response activities that will strengthen the DoD's ability to detect and diagnose outbreaks, to attribute them to natural or terrorist causes, to access real-time, unfiltered medical intelligence, to consolidate pathogen collections into central labs, to modernize diagnostic capabilities to minimize need for pathogen retention at vulnerable field stations, and to develop a network of trained, ethical partner scientists equipped to prevent, deter, and contain a bioattack.

The CTR Program also supports expanded contacts between defense establishments to promote counter-proliferation, demilitarization and democratic reforms in Former Soviet Union (FSU) states. The DoD has negotiated a series of implementing arrangements with FSU states that govern the Defense and Military Contacts program. DoD has provided support to 32 separate major commands, service headquarters, and subordinate commands for approximately 1,600 events between the U.S. and FSU states. Future events include exchange visits between the Secretary of Defense and the Chairman, Joint Chiefs of Staff with their FSU counterparts; visits between naval, air and ground units; bilateral exercises and ship visits; and visits of the nation's senior officials. Participating states currently include Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Uzbekistan.

The CTR Program will also secure and eliminate a stockpile of chemical weapons agents in Albania. This activity is authorized under section 1308 of the FY 2004 National Defense Authorization Act that permits the U.S. to take advantage of opportunities to achieve long-standing nonproliferation goals.

E. Other Program Support:

Other Assessments/Administrative Support funds the Audits and Examination (A&E) program as identified in the appropriate umbrella and implementing agreements with CTR Program recipient states and overall program management and administration costs. The

I. Description of Operations Financed: (continued)
A&E program ensures that DoD-provided equipment, services, and training are fully accounted for, used effectively and efficiently for the purpose intended, and support CTR Program objectives. Additionally CTR funding is required to support CTR delegation and technical teams' travel expenses, translator/interpreter support, and systems engineering and technical assistance. CTR presence at Embassy offices in six former Soviet Union countries are also supported with these funds.

Program management and support costs are funded by the individual CTR program areas and include contract logistic support, contract transportation support, systems engineering and technical assistance, and travel.

II. Force Structure Summary:

A. Strategic Offensive Arms Elimination – Russia:

The DoD assists Russia by contracting for, and overseeing destruction of, strategic weapons delivery systems in accordance with the SOAE Implementing Agreement and relevant Strategic Arms Reduction Treaty (START) provisions and agreements, including the START Conversion or Elimination (C or E) Protocol. DoD is providing equipment and services to destroy or dismantle intercontinental ballistic missiles (ICBMs), ICBM silo launchers, road and rail mobile launchers, submarine launched ballistic missiles (SLBMs), SLBM launchers, and the associated strategic nuclear submarines (SSBNs) reactor cores, and WMD infrastructure. The CTR Program also supports placement of spent naval reactor fuel when defueling SSBNs into casks designed for long-term storage and provides emergency response support equipment.

Emergency Response Support Equipment

Includes consolidated logistics support to maintain CTR-provided equipment, which would be used to recover missiles in case of an accident.

Solid Propellant ICBM/SLBM and Mobile Launcher Elimination

This project provides support to eliminate SS-24/25 and SS-N-20 solid propellant missile systems. Activities include operations and maintenance of Russian missile disassembly and elimination facilities; the equipment and operation of mobile launcher elimination facilities; destruction of treaty-limited components, and operation of a temporary storage facility for solid propellant missiles and solid rocket motors.

Liquid Propellant Intercontinental Ballistic Missile (ICBM) and Silo Elimination

II. Force Structure Summary: (continued)

This project supports the deactivation and dismantlement of SS-18 ICBM silos and associated launch control center (LCC) silos. Additionally, SS-18, and SS-19 ICBM and associated launch canisters will be eliminated.

Submarine Launched Ballistic Missile (SLBM) Launcher Elimination/SSBN Dismantlement

This project eliminates SLBM launchers from Delta class and Typhoon class Russian nuclear ballistic missile submarines (SSBNs) at four START-designated elimination facilities. In addition, this project provides the infrastructure required to defuel the SSBNs at the Zvezdochka and Zvezda naval facilities.

Spent Naval Fuel (SNF) Disposition

This project supports the disposition of SNF removed from Russian Federation SSBNs (Delta, and Typhoon) to permit elimination of SLBM launchers and partial dismantlement of Russian SSBNs through dry storage of SNF removed when defueling SSBNs.

Liquid Propellant SLBM Elimination

This project ships, defuels, neutralizes, and destroys liquid propellant SS-N-8, SS-N-18, and SS-N-23 missiles removed from SLBM launchers that are being eliminated, including spares, consistent with all relevant START Treaty provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol. The effort refurbished and maintains SLBM elimination facilities at the Revda Base, Sergiev Posad Design Institute, and the Krasnoyarsk KrasMash to support this work.

B. Nuclear Weapons Storage Security – Russia:

II. Force Structure Summary: (continued)

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense (MOD) of the Russian Federation Concerning Cooperation in Nuclear Weapons Storage Security through Provision of Material, Services, and Related Training.

Automated Inventory Control and Management System

This project will provide hardware, off-the-shelf software, and facilities for a fully integrated system at 18 sites to account for and track strategic and tactical nuclear weapons scheduled for dismantlement. The project will provide an integrated weapons inventory system that supports local site data management, and aggregate data management at multiple levels of MOD's management structure.

Guard Force Equipment and Training

This project provides specialized equipment, training aids, associated training, and logistics support at storage site locations to improve the MOD's guard force capability to deny access to nuclear weapon storage areas.

Site Security Enhancements

These projects improve safety and security at Russian nuclear weapons storage sites. Russian MOD nuclear weapons storage sites include both national stockpile sites and operational storage sites of the Russian Navy, Air Force, and Strategic Rocket Force (SRF), as well as some temporary storage locations, such as road to rail transfer points. The Department of Energy (DOE) is providing comprehensive security enhancements at some SRF and all Navy sites. Permanent storage locations that contain either strategic or tactical nuclear weapons will receive security enhancements.

II. Force Structure Summary: (continued)

Far East Training Center

This project will establish a Far East Training Center (FETC) to complement the existing Security Assessment and Training Center at Sergiev Posad and the Kola Technical Center. The FETC will serve as a training facility for all branches of the Ministry of Defense involved with providing security for weapons of mass destruction, specifically supporting the operators, maintainers, and system administrators of the approved "objective suite" of physical security equipment. Additionally, the FETC will serve as a regional depot-level maintenance facility for that equipment.

C. Nuclear Weapons Transportation Security – Russia:

This program supports US proliferation prevention objectives by enhancing the security, safety, and control of nuclear weapons during shipment, provides railcar maintenance and procurement, and transportation safety enhancements.

Nuclear Weapons Transportation

This project assists Russia to safely and securely transport deployed nuclear warheads to secure storage and dismantlement facilities.

Railcar Maintenance and Procurement

This project supports the certification of a required set of Ministry of Defense (MOD) nuclear weapons rail cars through preventive and depot maintenance, and extends the life of currently in-use rail cars or, where this is not possible, initiates production of up to 100 safe and secure weapons transport and 15 guard cars. Russia will eliminate two weapons transport cars for each new one provided.

II. Force Structure Summary: (continued)

Weapons Transportation Safety Enhancements

This project provides emergency response vehicles containing hydraulic cutting tools, pneumatic jacks and safety gear. Meteorological, radiation detection, communications equipment and tents are also included to improve MOD's accident response and mitigation capability.

D. Chemical Weapons Destruction – Russia:

This program supports the Agreement for the Safe, Secure, and Ecologically Sound Destruction of Chemical Weapons and preventing the proliferation of Chemical Weapon capabilities to rogue states and terrorist groups.

Chemical Weapons Destruction Facility

This project provides for the creation of the first Russian Chemical Weapons Destruction Facility for organophosphorous (nerve) agent filled munitions. The project includes the design, equipment acquisition, and installation, construction, systems integration, training, and start-up of the facility (near Shchuch'ye, Kurgan Oblast), as well as associated unique destruction process and equipment development.

Former Chemical Weapon Production Facility Dismantlement

This project eliminates a former chemical weapons production facility at Novocheboksarsk in accordance with the Organization for the Prohibition of Chemical Weapons approved plan.

E. Biological Weapons Proliferation Prevention - Former Soviet Union:

Cooperative Threat Reduction assistance consolidates and secures or eliminates dangerous pathogen collections at biological research institutes; dismantles former

II. Force Structure Summary: (continued)

Soviet biological weapons research and production facilities; targets cooperative biological research to prevent the proliferation of expertise on dangerous pathogens and to encourage higher standards of openness, ethics, and conduct at the scientist level; and provides Biological Threat Agent Detection and Response. The DoD has engaged a large number of former Soviet Union biological research and production centers (BRPCs) that were contributors to the Soviet era biological weapons program. While the total population is unknown at this time, the estimates herein will provide for engagement with at least 40 centers located throughout the former Soviet Union.

Biological Weapons Infrastructure Elimination

This project supports the elimination of former Soviet biological weapons production facilities at Stepnogorsk, Kazakhstan and Tblisi, Georgia. The objective is to eliminate all former biological weapons facilities in the former Soviet Union either through the removal of all dual use equipment or through the total destruction of the facility.

Biosecurity and Biosafety

This project provides biosecurity and biosafety upgrades at institutes engaged in legitimate work with especially dangerous pathogens. Biosecurity & biosafety upgrades are necessary at some sites to permit safe performance of Cooperative Biological Research projects and at institutes involved in the Threat Agent Detection and Response project.

Cooperative Biological Research

This project increases transparency, improves standards of conduct of scientists and leverages the extensive expertise of former Soviet biological weapons scientists to address DoD bio-defense needs in the areas of force protection, medical countermeasures, counter-terrorism, modeling and disease surveillance. US researchers are currently

II. Force Structure Summary: (continued)

collaborating with former Soviet biological weapons research institutes working side-by-side with counterparts on approved projects.

Biological Weapons Threat Agent Detection and Response

This project in Kazakhstan, Uzbekistan, and Georgia strengthens dangerous pathogen detection and response networks, enabling discovery of or accidental release of biological materials, and consolidates pathogen collections from multiple existing sentinel stations into secure and safe storage in a central reference lab in each country.

F. Weapons of Mass Destruction Proliferation Prevention Initiative:

This project will enhance the capability of non-Russian former Soviet Union countries to prevent, deter, detect and interdict illicit trafficking in WMD or related materials. Individual and unit equipment; infrastructure; operations and maintenance training will be provided to military, internal security forces, border guards and customs officials, for defined roles in WMD proliferation prevention. DoD assistance will complement ongoing Counter-Proliferation assistance provided by Department of Energy Second Line of Defense and Department of State Export Control and Related Border Security programs.

II. Force Structure Summary: (continued)

Land Border/Maritime Proliferation Prevention (Ukraine)

This project will provide a comprehensive WMD and related materials detection and interdiction capability on Ukraine's border with Moldova. Ukraine will achieve these capabilities by improving WMD detection and interdiction, surveillance, comprehensive interdiction, communications/data storage, training, maintenance, and sustainment. This project will expand to address maritime proliferation prevention on the Black Sea.

Caspian Sea Maritime Proliferation Prevention (Kazakhstan)

This project will provide maritime surveillance equipment and procedures, repair and upgrade of existing vessels where economical, potential addition of new patrol craft, provision of equipment for boarding crews including WMD detection devices, the construction, repair, and upgrade of command and control, maintenance, and logistics facilities, and the potential construction of coastal operating locations along the Kazakhstan southern coast to improve the on station time and expand the patrol areas of the Maritime Border Guard maritime boarder guard craft.

Portal Monitoring (Uzbekistan)

This project will provide portal monitors and associated hand-held detection equipment, installation, training, and other support. This will increase Uzbekistan's ability to monitor its borders for the illegal transport of fissile and radioactive material.

Caspian Sea Maritime Proliferation Prevention (Azerbaijan)

This project will provide maritime surveillance equipment and procedures, repair and upgrade of existing vessels where economical, provision of equipment for boarding crews including weapons of mass destruction (WMD) detection devices, the construction, repair,

II. Force Structure Summary: (continued)

and upgrade of command and control, maintenance, and logistics facilities, and the construction of coastal operating locations along the Azeri southern coast to improve the on station time and expand the patrol areas of the MBG craft.

G. Defense and Military Contacts:

This project develops improved cooperation between the US and Former Soviet Union military establishments through increased bilateral contacts such as high level visits and specialist exchanges, between the DoD and the respective Ministry of Defense. These bilateral activities are designed to engage Former Soviet Union military and defense officials in activities that promote demilitarization of excess infrastructure and defense reform or further counter-proliferation efforts.

H. Other Assessments/Administrative Support:

Audits and Examinations

This project allows the US Government to account for Cooperative Threat Reduction (CTR) assistance delivered, examine the serviceability of the CTR-provided equipment, and evaluate whether or not equipment, services and training provided is being used for CTR intended purposes.

Program Management/Administration

This project provides for general program administrative and overall support costs, project development costs, contracted systems engineering and technical assistance, Defense Threat Reduction Agency infrastructure support, and travel.

This project also funds two full-time Defense Threat Reduction Embassy offices in Moscow, Russia and Kiev, Ukraine. Further, support is now required for the establishment

II. Force Structure Summary: (continued)

of additional permanent full-time Defense Threat Reduction Offices (DTROs) in Baku, Azerbaijan; Almaty, Kazakhstan; Tashkent, Uzbekistan; and Tblisi, Georgia in response to the increased CTR program emphasis in the non-Russian states. In some instances, the DTROs will ensure compliance with Section 1305 of Public Law 106-136, FY 2004 National Defense Authorization Act which requires the DoD to appoint an On-Site Manager from among employees of the federal government for any CTR project in the former Soviet Union involving dismantlement, destruction, or storage facilities, or construction of a facility where the total DoD contribution is expected to exceed $50 million. Also included is overall in-country management and translation support as long as such expenses are not unique to specific projects or established implementing agreements.

I. Chemical Weapons Destruction - Albania:

This project will secure and eliminate a recently disclosed stockpile of chemical weapons agent in Albania. The stockpile consists of bulk-agent mustard, lewisite, and minimal quantities of arsenical compounds. The Cooperative Threat Reduction (CTR) elimination effort will dispose of the chemical agents in accordance with the Albanian government requirements under the Chemical Weapons Convention. The project is being implemented using the authority provided by Section 1308 of the FY 2004 National Defense Authorization Act, which allows CTR funds to be used for nonproliferation projects outside the former Soviet Union. It is funded with FY 2005, FY 2004, and earlier year funds notified to Congress in December 2004.

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
Fiscal Year (FY) 2006/ FY 2007 Budget Estimates

	Program	Project	FY 2004	FY 2005	FY 2006	FY 2007
A.	**Strategic Offensive Arms Elimination (R)**		**$55,600**	**$52,495**	**$78,900**	**$76,985**
		Emergency Response Support Equipment	$413	$400	$400	$400
		Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	$27,623	$36,585	$49,655	$42,286
		Liquid Propellant ICBM and Silo Elimination	$762	$12,815	$20,930	$18,797
		SLBM Launcher Elimination/SSBN Dismantlement	$22,246	$1,868	$4,235	$9,592
		Spent Naval Fuel Disposition	$3,923	$419	$231	$3,845
		Liquid Propellant SLBM Elimination	$633	$408	$3,449	$2,065
B.	**Nuclear Weapons Storage Security (R)**		**$48,000**	**$73,899**	**$74,100**	**$87,100**
		Automated Inventory Control & Management System	$1,297	$1,500	$6,522	
		Guard Force Equipment and Training	$5,279	$100	$8,223	$8,355
		Site Security Enhancements	$41,424	$62,317	$59,355	$78,745
		Far East Training Center		$9,982		
C.	**Nuclear Weapons Transportation Security (R)**		**$23,200**		**$30,000**	**$33,000**
		Nuclear Weapons Transportation	$17,971		$20,858	$21,933
		Railcar Maintenance and Procurement	$2,916		$9,142	$11,067
		Weapons Transportation Safety Enhancements	$2,313			
D.	**Chemical Weapons Destruction (R)**		**$200,300**	**$157,875**	**$108,500**	**$42,700**
		Chemical Weapons Destruction Facility	$190,300	$154,675	$108,500	$42,700
		CW Production Facility Demilitarization	$10,000	$3,200		
E.	**Biological Weapons Proliferation Prevention (FSU)**		**$67,750**	**$68,699**	**$60,849**	**$65,800**
		BW Infrastructure Elimination - FSU	$17,060			
		Biosecurity and Biosafety - FSU	$14,622	$3,065		$1,125
		Cooperative Biological Research - FSU	$16,035	$10,438	$7,853	$10,622
		BW Threat Agent Detection and Response - FSU	$20,033	$55,196	$52,996	$54,053
F.	**WMD Proliferation Prevention**		**$29,400**	**$39,900**	**$40,600**	**$37,486**
		Land Border/Maritime Proliferation Prevention (Ukraine)	$7,096	$10,049	$6,333	$14,966
		Caspian Sea Maritime Proliferation Prevention (Kazakhstan)	$8,812		$20,249	$15,233
		Portal Monitoring (Uzbekistan)	$3,354	$18,511	$466	
		Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	$10,138	$11,340	$13,552	$7,287
G.	**Defense & Military Contacts (FSU)**		**$945**	**$7,963**	**$8,000**	**$8,000**
		Defense & Military Contacts	$945	$7,963	$8,000	$8,000
H.	**Other Assessments/Administrative Costs (O)**		**$13,100**	**$3,700**	**$14,600**	**$16,000**
		Audits and Examinations	$500	$500	$500	$500
		Program Management/Administration	$12,600	$3,200	$14,100	$15,500
I.	**Chemical Weapons Destruction Albania**		**$10,350**	**$3,655**		
		Chemical Weapons Destruction Albania	$10,350	$3,655		
	Total		**$448,645**	**$408,186**	**$415,549**	**$367,071**

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
Fiscal Year (FY) 2006/ FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands)

A. Activity Group	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appro-priation	FY 2005 Current Estimate	FY 2006 Estimate	FY 2007 Estimate
A. Strategic Offensive Arms Elimination-Russia	55,600	58,522	58,522	52,495	78,900	76,985
B. Nuclear Weapons Storage Security-Russia	48,000	48,672	48,672	73,899	74,100	87,100
C. Nuclear Weapons Transportation Security–Russia	23,200	26,300	26,300	0	30,000	33,000
D. Chemical Weapons Destruction–Russia	200,300	158,400	158,400	157,875	108,500	42,700
E. Biological Weapons Proliferation Prevention	67,750	54,959	54,959	68,699	60,849	65,800
F. WMD Proliferation Prevention Initiative	29,400	40,030	40,030	39,900	40,600	37,486
G. Defense and Military Contacts	945	8,000	8,000	7,963	8,000	8,000
H. Other Assessments/Administrative Support	13,100	14,317	14,317	3,700	14,600	16,000
I. Chemical Weapons Destruction-Albania	10,350	0	0	3,655	0	0
Total	448,645	409,200	409,200	408,186	415,549	367,071

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
Fiscal Year (FY) 2006/ FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands) (continued)

B. Reconciliation Summary

	Change FY05/FY05	Change FY05/FY06	Change FY06/FY07
1. Baseline Funding	**409,200**	**408,186**	**415,549**
a. Congressional Adjustments (Distributed)	-	N/A	N/A
b. Congressional Adjustments (Undistributed)	-1,014	-	-
c. Congressional Adjustments (General Provisions)	-	-	-
d. Congressional Earmarks	-	-	-
e. Congressional Earmark Billpayers	-	-	-
2. **Appropriated** Amount (Subtotal)	-	-	-
Adjustments to meet Congressional Intent	-	-	-
Across-the-board Reduction (Rescission)	-	-	-
Approved Reprogrammings/Transfers	-	-	-
3. Price Change	-	8,569	8,723
4. Program Changes	-	-1,206	-57,201
5. Current Estimate	**408,186**	**415,549**	**367,071**

III. Financial Summary: ($ in Thousands) (continued)

C. Reconciliation of Increases and Decreases:

FY 2005 President's Budget Request		**409,200**
1. Congressional Adjustment		
a. Distributed Adjustment		-
b. Undistributed Adjustments		
1) Sec 8122 - Management Improvement Savings		-676
2) Sec 8141 - Excessive Growth in Travel and Transportation		-338
c. Adjustments to meet Congressional intent		-
d. General Provisions		-
FY 2005 Appropriated Amount		**408,186**
2. Revised FY 2005 Estimate		**408,186**
3. Price Change		8,569
4. Program Increases in FY 2006		66,124
a. Program Increases		
i) Strategic Offensive Arms Elimination-Russia: Increases elimination of 14 sea-launched ballistic missiles and 21 inter-continental ballistic missiles and associated launchers. (FY 2005 Base: $52,495)	25,302	

III. Financial Summary: ($ in Thousands) (continued)

ii) Weapons Transportation Security-Russia: Procures 16 cargo railcars that support transportation of nuclear weapons and transports 72 trainloads of deactivated nuclear weapons to secure storage and dismantlement facilities. Re-establishes/maintains program at the FY 2004 level. Program currently in a limited execution phase until Russia Ministry of Defense signs the Amendment to the Nuclear Weapons Transportation Implementing Agreement. Signature is expected in October 2006. FY 2005 funds were realigned to the equally important Nuclear Weapons Storage Security program. (FY 2005 Base: $0)	30,000	
iii) Other Assessments/Administrative Costs: Maintains program management and support activities at the FY 2004 level. FY 2005 funds were realigned to support higher priority programs, i.e., Chemical Weapons Destruction – Albania ($3.6M) and the Biological Weapons Proliferation Prevention Program ($7.3M) because sufficient prior year funds were available. (FY 2005 Base: $3,700)	10,822	
5. Program Decreases in FY 2006		
a. Program Decreases		-67,330
i) Nuclear Weapons Storage Security-Russia: Reduced funding driven by the notification of FY 2005 funds into the program to accelerate site security enhancements. (FY 2005 Base: $73,899)	-1,351	
ii) Chemical Weapons Destruction-Russia: Funding requirements decrease for the Chemical Weapons Destruction Facility as the program is moving into equipment installation and systemization. Funding for construction is nearing completion – construction of industrial support, safety and service buildings, and the main process facility are complete. Funding obligated as of October 1, 2005, completes design and pays for 30% of construction. (FY 2005 Base $157,875)	-52,763	
iii) Biological Weapons Proliferation Prevention-FSU: Reduced funding driven by the realignment of FY 2005 funds into the program to accelerate the Central Reference Laboratory design and construction in Georgia, Kazakhstan and in Uzbekistan. (FY 2005 Base: $68,699)	-9,293	
iv) WMD Proliferation Prevention (non-Russia FSU): Minor adjustment in travel funds. (FY 2005 Base: $39,900)	-138	
v) Defense and Military Contacts: Pricing adjustment due to inflation. Program is level funded at $8M. (FY 2005 Base $7,963)	-130	

III. Financial Summary: ($ in Thousands) (continued)

vi) Chemical Weapons Destruction-Albania: Estimated cost of $18.2M was fully funded with, FY 2005, FY 2004 and prior year re-notified funding in December 2004. (FY 2005 Base $3,655)	-3,655	
FY 2006 Budget Request		**415,549**
6. Price changes		8,723
7. Program Increases in FY 2007		18,580
a. Program Increases		
i) Nuclear Weapons Storage Security-Russia: Increases funding to complete projects that provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment and installation for the comprehensive security upgrades to 4 sites. (FY 2006 Base: $74,100)	11,444	
ii) Nuclear Weapons Transportation Security-Russia: Increase provides for tariff rate increases which have historically increased 10% - 15% each year. (FY 2006 Base: $30,000)	2,370	
iii) Biological Weapons Proliferation Prevention-FSU: Continues the phased expansion of BW Threat Agent Detection and Response activities in the non-Russian states. Continues construction and outfitting of one central reference laboratory (CRL) in Georgia, one CRL in Uzbekistan and complete the design of one CRL in Kazakhstan. (FY 2006 Base: $60,849)	3,673	
iv) Other Assessments/Administrative Support: Increase in Embassy support costs for additional Defense Threat Reduction Offices within the FSU (International Cooperative Administrative Support Services, housing, travel, etc). (FY 2006 Base $14,600)	1,093	
8. Program Decreases in FY 2007		-75,781
a. Program Decreases		

III. Financial Summary: ($ in Thousands) (continued)

i) Strategic Offensive Arms Elimination-Russia: Eliminates 12 fewer liquid fueled ICBMs. (FY 2006 Base: $78,900)	-3,572	
ii) Chemical Weapons Destruction: FY 2007 funding will complete equipment installation, systemization of installed equipment and systems, and training programs for operating personnel at the Chemical Weapons Destruction Facility. (FY 2006 Base $108,500)	-68,074	
iii) WMD Proliferation Prevention (non-Russia FSU): Completes Caspian Sea Maritime effort in Azerbaijan. (FY 2006 Base: $40,600)	-3,967	
iv) Defense and Military Contacts: Pricing adjustment due to inflation. Program is level funded at $8M.(FY 2006 Base $8,000)	-168	
FY 2007 Budget Request		**367,071**

DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
Fiscal Year (FY) 2006/ FY 2007 Budget Estimates

IV. Performance Criteria & Evaluation Summary:

	($'s in Thousands)			
	FY 2004	FY 2005	FY 2006	FY 2007
A. Strategic Offensive Arms Elimination (SOAE)–Russia:	55,600	52,495	78,900	76,985

FY 2004 funds:
Contracted for the elimination 10 SS-N-20 submarine launched ballistic missiles (SLBM);
Contracted for the elimination of the components of 16 SS-25 intercontinental ballistic missiles (ICBM);
Contracted for the elimination 37 SS-25 road-mobile launchers and the demilitarization of 136 SS-25 support vehicles;
Contracted for dismantlement of a typhoon class submarine.

Remaining FY 2004 funds will:
Procure 16 transport/storage containers for spent naval fuel;
Provide consolidated logistical support to maintain Cooperative Threat Reduction provided equipment; and
Provide for contractor administrative and advisory support.

FY 2005 funds will:
Remove propellant from 10 solid fuel SLBMs by open burn and eliminate the motor cases;
Eliminate base infrastructure for 3 road mobile ICBM deployment areas;
Transport, dismantle and eliminate 24 road-mobile, solid fuel ICBM and associated launchers/support vehicles;
Complete the upgrade of the infrastructure at two solid propellant ICBM elimination facilities;
Eliminate 6 liquid fueled ICBM silos and 1 Launch Control Center and 1 training silo;
Decommission 6 liquid fueled ICBM silos;
Transport, dismantle and eliminate 19 liquid fueled ICBM;

IV. Performance Criteria and Evaluation Summary: (continued)

Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR) provided equipment; and
Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:
Transport, dismantle, and eliminate 14 liquid fueled Submarine Launched Ballistic Missiles (SLBM);
Eliminate base infrastructure for 4 road mobile ICBM deployment areas;
Eliminate the infrastructure of one road mobile, solid fueled ICBM base;
Transport, dismantle and eliminate 45 road mobile, solid fuel ICBM and associated launchers/support vehicles;
Provide transport support and rail maintenance for solid propellant ICBM elimination;
Decommission 12 liquid fueled ICBM silo launchers;
Transport, dismantle and eliminate 37 liquid fueled ICBMs;
Provide consolidated logistical support to maintain CTR-provided equipment; and
Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:
Eliminate 16 SLBM launchers and transport spent naval fuel;
Transport, dismantle, and eliminate 14 liquid fueled SLBM;
Eliminate the infrastructure of one road mobile, solid fueled ICBM base;
Eliminate base infrastructure for 4 road mobile ICBM deployment areas;
Transport, dismantle and eliminate 45 road mobile, solid fuel ICBM and associated launchers/support vehicles;
Provide transport support and rail maintenance for solid propellant ICBM elimination;
Decommission 16 liquid fueled ICBM silo launchers;

IV. Performance Criteria and Evaluation Summary: (continued)

Transport, dismantle and eliminate 25 liquid fueled ICBM;
Provide consolidated logistical support to maintain Cooperative Threat Reduction provided equipment; and
Provide for technical support services and contractor administrative and advisory support.

	($'s in Thousands)			
	FY 2004	FY 2005	FY 2006	FY 2007
B. Nuclear Weapons Storage Security – Russia:	48,000	73,899	74,100	87,100

FY 2004 funds will:
Continue projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at 9 Ministry of Defense (MOD) nuclear weapons storage sites and 2 rail transfer points;
Provide support for the transportation of Automated Inventory Control & Management Systems modular buildings;
Provide for the installation of 14 Small Arms Training System modular buildings;
Provide consolidated logistical support to maintain Cooperative Threat Reduction-provided equipment; and
Provide for contractor administrative and advisory support.

FY 2005 funds will:
Complete projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at 9 MOD nuclear weapons storage sites and 2 rail transfer points;
Initiate new projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at up to 4 sites recently identified by MOD;

IV. Performance Criteria and Evaluation Summary: (continued)

Provide for designing, constructing, equipping, and limited follow-on support to a Russian Federation MOD Far East Training Center (FETC);
Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR)-provided equipment; and
Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:
Continue projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at up to 4 sites recently identified by Ministry of Defense (MOD);
Provide for the installation of 24 Small Arms Training System modular buildings;
Provide consolidated logistical support to maintain CTR-provided equipment; and
Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:
Complete projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at up to 4 sites recently identified by MOD;
Initiate new projects to provide comprehensive security upgrades at up to 8 additional nuclear weapons storage sites;
Provide for the installation of 20 Small Arms Training System modular buildings;
Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR)-provided equipment; and
Provide for technical support services and contractor administrative and advisory support.

IV. Performance Criteria and Evaluation Summary: (continued)

	($'s in Thousands)			
	FY 2004	FY 2005	FY 2006	FY 2007
C. Nuclear Weapons Transportation Security – Russia	23,200	0	30,000	33,000

FY 2004 funds will:

- Provide for increasing tariffs and transport of approximately 72 trainloads of deactivated nuclear warheads (1,500 to 2,000) from deployed locations to enhanced security storage sites and to dismantlement facilities;
- Provide for procurement of 6 cargo rail cars that support the transportation of nuclear weapons;
- Provide 10 emergency response (ER) vehicles and 78 portable ER winter tents to ensure the safety, security and recovery of nuclear weapons during transportation in support of dismantlement objectives;
- Provide for the retrofitting of 100 rail cars that supports the connectivity of their existing safety and security equipment with the alarm monitoring equipment of the 15 guard cars;
- Provide maintenance/certification for Ministry Of Defense (MOD) nuclear weapons transport railcars; and
- Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR)-provided equipment and services.

FY 2005 funds will:

- Program currently in limited execution until Russia MOD signs the Amendment to the Nuclear Weapons Transportation Implementing Agreement which will increase transparency in shipping process. Signature is expected in October 2006. FY 2005 funds were realigned to the equally important Nuclear Weapons Storage Security program.

FY 2006 funds will:

IV. Performance Criteria and Evaluation Summary: (continued)

Transport approximately 72 trainloads of deactivated nuclear warheads (1,500 to 2,000) from deployed locations to enhanced security storage sites and to dismantlement facilities;
Provide for the procurement of 16 cargo rail cars that support the transportation of nuclear weapons;
Provide maintenance/certification for MOD nuclear weapons transport railcars; and
Provide consolidated logistical support to maintain CTR-provided equipment and services.

FY 2007 funds will:
Transport approximately 72 trainloads of deactivated nuclear warheads (1,500 to 2,000) from deployed locations to enhanced security storage sites and to dismantlement facilities;
Provide for the procurement of 16 cargo rail cars that support the transportation of nuclear weapons;
Provide maintenance/certification for MOD nuclear weapons transport railcars; and
Provide consolidated logistical support to maintain Cooperative Threat Reduction-provided equipment and services.

IV. Performance Criteria and Evaluation Summary: (continued)

($'s in Thousands)

	FY 2004	FY 2005	FY 2006	FY 2007
D. Chemical Weapons Destruction – Russia:	200,300	157,875	108,500	42,700

FY 2004 funds:
- Procured long-lead Chemical Weapons Destruction Facility (CWDF) equipment to include metal parts furnace and handler load, and prototype demilitarization machine;
- Initiated installation of CWDF equipment to include process line conveyors, pollution abatement system exhaust blowers, and diesel generators.
- Continued construction of CWDF industrial support, safety, and service buildings to include management and administrative offices, fire station, and water and sewer lines;
- Continued construction of the framing for CWDF demilitarization process facility;
- Initiated new construction work to include the boiler house, gas rescue station, transformer substation, and waster water area.
- Initiated utility tie-in to equipment and facilities;
- Continued demilitarization of former chemical weapons production facilities (CWPFs) at Novocheboksarsk.

FY 2005 funds will:
- Complete construction of Chemical Weapons Destruction Facility (CWDF) administrative building;
- Continue construction of CWDF industrial support, safety and service buildings to include management offices, fire station, water and sewer lines, gas rescue station, transformer substation, waste water area, and water supply and sewer lines;
- Continue construction of the framing for CWDF demilitarization process facility;

IV. Performance Criteria and Evaluation Summary: (continued)

Continue CWDF equipment procurement and installation to include distributed control system, catalytic reactors, pumps, furnaces, laboratory testing and monitoring equipment, low voltage motor control centers, and chemical monitors;
Initiate systemization of installed CWDF equipment and systems to include the destruction process line (DPL);
Initiate training program for CWDF operating personnel;
Complete demilitarization of former CWPF at Novocheboksarsk; and
Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:
Continue Chemical Weapons Destruction Facility (CWDF) equipment installation to include distributed control system, catalytic reactors, pumps, furnaces, laboratory testing and monitoring equipment, low voltage motor control centers, and chemical monitors;
Continue systemization of installed CWDF equipment and systems to include the destruction process line (DPL);
Continue training program for CWDF operating personnel; and
Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:
Complete balance of CWDF equipment installation;
Complete systemization of installed CWDF equipment and systems to include the DPL;
Complete training program for CWDF operating personnel;
Provide for facility demonstration and start-up;
Facilitate Transfer of Custody of facility to Russian Federation; and
Provide for technical support services and contractor administrative and advisory support.

IV. Performance Criteria and Evaluation Summary: (continued)

	($'s in Thousands)			
	FY 2004	FY 2005	FY 2006	FY 2007
E. Biological Weapons Proliferation Prevention:	67,750	68,699	60,849	65,800

FY 2004 funds:
In Non-Russia former Soviet Union:
Initiated one Cooperative Biological Research (CBR) project in Georgia;
Continued funding 2 CBR projects in Uzbekistan and one in Kazakhstan;
Completed one Epidemiological Monitoring Station / began Central Reference Laboratory (CRLs) in Georgia;
Completed conceptual design for 3 CRLs for Georgia, Uzbekistan, and Kazakhstan;
Completed interim safety and security upgrades at 8 sites;

FY 2005 funds will:
In Non-Russia Former Soviet Union:
Initiate 3 new Cooperative Biological Research (CBR) projects to include required biosecurity and biosafety upgrades, and continue 7 ongoing projects;
Commence one CBR project and one biosecurity and biosafety project in Ukraine;
Fund bioethics/nonproliferation training and other additional training as required;
Provide operation and maintenance support for interim security and safety upgrades (ISSU) completed at 20 institutes;
Complete facility design and pre-construction permitting for 2 Central Reference Laboratories (CRL) (1 in Uzbekistan, 1 in Georgia);
Commence construction of 1 CRL in Georgia;
Initiate development of 3 mobile response teams;
Provide Computer and Information Technology (CIT) to support 1 CRLs and 18 Epidemiological Monitoring Stations (EMS);
Equip and renovate 9 EMS; train scientists at 18 EMS; and

IV. Performance Criteria and Evaluation Summary: (continued)

Provide for technical support services and contractor administrative and advisory support.
In Russia:
Continue implementing 6 ongoing CBR projects including 3 smallpox projects at Vector;
Continue 4 ongoing biosecurity and biosafety projects;
Provide 4 institutes with partial operational maintenance and support;
Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects; and
Provide technical oversight for all biosecurity and biosafety projects in Russia.

FY 2006 funds will:
In Non-Russia Former Soviet Union:
Initiate 3 new Cooperative Biological Research (CBR) projects, to include required biosecurity and biosafety upgrades, and continue implementing 7 ongoing projects;
Continue one CBR project and one biosecurity and biosafety project in Ukraine;
Fund bioethics/nonproliferation training and other additional training as required;
Provide operation and maintenance support for Interim Safety and Security Upgrades completed at 20 institutes;
Continue construction of 1 Central Reference Laboratory (CRL) in Georgia and start construction of 1 CRL in Uzbekistan;
Complete development and training of 3 mobile response teams;
Support test and maintenance of previously installed Computer and Information Technology (CIT) at 1 CRL and 18 Epidemiological Monitoring Stations (EMS);
Maintain 18 previously upgraded EMS;
Train scientists located at 18 EMS;

IV. Performance Criteria and Evaluation Summary: (continued)

Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 3 Cooperative Biological Research (CBR) smallpox projects at Vector;

Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects.

FY 2007 funds will:

In Non-Russia Former Soviet Union:

Continue implementing 8 ongoing Cooperative Biological Research (CBR) projects;

Complete one CBR project and one biosecurity and biosafety project in Ukraine;

Fund bioethics/nonproliferation training and other additional training as required;

Provide operation and maintenance support for interim safety and security upgrades (ISSU) completed at 20 institutes;

Continue construction and outfitting of 1 Central Reference Laboratory (CRL) in Georgia and 1 CRL in Uzbekistan;

Equip and renovate 2 additional Epidemiological Monitoring Stations (EMS);

Maintain 3 mobile response teams;

Support testing and maintenance of installed Computer and Information Technology (CIT) for 2 CRLs and 20 EMS;

Maintain 20 EMS; and

Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 3 Cooperative Biological Research smallpox projects at Vector;

IV. Performance Criteria and Evaluation Summary: (continued)

Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects.

IV. Performance Criteria and Evaluation Summary: (continued)

	($'s in Thousands)			
	FY 2004	FY 2005	FY 2006	FY 2007
F. WMD Proliferation Prevention Initiative – (non-Russia Former Soviet Union):	29,400	39,900	40,600	37,486

FY 2004:

In general, continue the efforts initiated with FY 2003 funds to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction (CTR) provided equipment. Specific additional assistance will be conditioned on progress of effectiveness of initially provided assistance but could include:

Ukraine: upgrade of ports of entry to enhance WMD detection and interdiction capabilities along the Moldova border, and enhance capabilities of mobile response teams;

Kazakhstan and Azerbaijan: enhance maritime surveillance and patrol capabilities in the Caspian Sea to include radars, command control, vessel upgrades, boarding equipment and training, and WMD detection equipment;

Uzbekistan: nuclear detection portal monitors for additional ports of entry along with communications equipment and training of customs personnel;

Provide for contractor administrative and advisory support.

FY 2005 will:

Continue the efforts to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction (CTR) provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. Specific assistance will be based on effectiveness of initial assistance that could include:

IV. Performance Criteria and Evaluation Summary: (continued)

Ukraine: upgrade of international ports of entry, enhancing capabilities of mobile response teams, continue project assessments, enhance WMD detection and interdiction capabilities, and enhance maritime proliferation prevention capability in the Black Sea;

Kazakhstan and Azerbaijan: enhance maritime WMD surveillance and patrol capabilities in the Caspian Sea to include radars, command control, project assessments, vessel upgrades, boarding equipment and training, and WMD detection equipment. Enhance southern Caspian Sea patrol capabilities through infrastructure upgrades;

Uzbekistan: installing nuclear detection portal monitors at the Ports of Entry (POEs). Analysis of communications requirements to connect POEs with higher commands of the State Customs Committee and the Border Guards and begin communications installation. Analysis of training requirements to support portal monitor operations and begin training program. Initiate assessments to enhance W MD detection and interdiction capability along the land borders; and

Provide for technical support services and contractor administrative and advisory support.

FY 2006 will:

Continue the efforts to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. Specific assistance will be based on effectiveness of previous assistance that could include:

Ukraine: continue efforts to enhance security and WMD detection and interdiction capabilities along the Moldova/Transnistria border. Continue project assessments, upgrade of additional international and state ports of WMD entry;

IV. Performance Criteria and Evaluation Summary: (continued)

Conduct threat and vulnerability assessments at additional POEs, and enhance maritime proliferation prevention capability in the Black Sea;
Kazakhstan and Azerbaijan: continue efforts on securing the maritime borders in the Caspian Sea. Continue project assessments, expand Border Guard coastal radar net, and establish a joint command and control center;
Uzbekistan: install nuclear detection portal monitors at additional ports of entry (POE). Complete communications upgrades and training plan implementation. Conduct operational assessments to validate improved Uzbekistan capabilities. Continue efforts to enhance WMD detection and interdiction capabilities along the land borders; and
Provide for technical support services and contractor administrative and advisory support.

FY 2007 will:
Continue to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. This program uses a spiral development and incremental acquisition approach to provide for upgrade of in-country capabilities. As such, specific assistance will be based on prior year assessment of needs and the effectiveness of previous assistance. This assistance could include:
Ukraine: support continuing efforts to enhance security and WMD detection and interdiction capabilities along the
Moldova/Transnistria border and other borders, continue project assessments, upgrade of additional international and state ports of entry, conduct threat and vulnerability assessments at additional ports of entry (POE), and increase WMD interdiction capability on the Black Sea;

IV. Performance Criteria and Evaluation Summary: (continued)

Kazakhstan and Azerbaijan: support initial efforts focusing on securing the maritime borders in the Caspian Sea, fund continual project assessments, expand Border Guard coastal radar net, and enhance coastal patrol fleet;
Uzbekistan: Conduct additional operational assessments as required. Transition maintenance and sustainment to non-Cooperative Threat Reduction organizations. Continue efforts to enhance WMD detection and interdiction capabilities along the land borders; and
Provide for technical support services and contractor administrative and advisory support.

	($'s in Thousands)			
	FY 2004	FY 2005	FY 2006	FY 2007
G. Defense and Military Contacts – Former Soviet Union:	945	7,963	8,000	8,000

FY 2004 will fund approximately 32 defense and military exchanges(additional exchanges will leverage off of prior year funding).
FY 2005 will fund approximately 266 defense and military exchanges.
FY 2006 will fund approximately 263 defense and military exchanges.
FY 2007 will fund approximately 258 defense and military exchanges.

	($'s in Thousands)			
	FY 2004	FY 2005	FY 2006	FY 2007
H. Other Assessments/Administrative Support:	13,100	3,700	14,600	16,000

FY 2004 through FY 2007 funds will conduct 20 Audits and Examinations per year and provide for agency support services as well as contractor administrative and advisory support. Funds will also provide Embassy Support for 6 DTRA/Cooperative Threat Reduction offices within the Former Soviet Union.

IV. Performance Criteria and Evaluation Summary: (continued)

($'s in Thousands)

	FY 2004	FY 2005	FY 2006	FY 2007
I. Chemical Weapons Destruction – Albania:	10,350	3,655	0	0

FY 2004 and FY 2005 funds will develop a plan, survey the storage location and infrastructure, procure an elimination system, complete site preparation, and dispose of chemical agents.

V. Personnel Summary: N/A

VI. Summary of Price and Program Changes: ($ in Thousands)

			Changes FY 2004 to FY 2005			Changes FY 2005 to FY 2006			Changes FY 2006 to FY 2007		
Line Item	**Description**	**FY 2004 Estimate**	**Price Growth**	**Program Growth**	**FY 2005 Estimate**	**Price Growth**	**Program Growth**	**FY 2006 Estimate**	**Price Growth**	**Program Growth**	**FY 2007 Estimate**
0308	Travel of Persons	2,380	48	-83	2,345	48	1,187	3,580	74	-574	3,080
0399	**Total Travel**	**2,380**	48	-83	**2.345**	48	1,187	3,580	74	-574	3,080
0920	Supplies & Materials(Non-centrally managed)	60	0	40	100	1	9	110	1	-11	100
0925	Equipment Purchases(Non-centrally managed)	28,392	568	1,660	30,620	643	16,637	47,900	1,006	10,794	59,700
0932	Management and Professional Support Services	8,360	167	-8,357	170	4	9,026	9,200	193	227	9,620
0934	Engineering and Technical Services	11,535	231	2,357	14,123	296	-19	14,400	302	98	14,800
0987	Other Intra-governmental Purchases	34,095	681	165,354	200,130	4,203	-47,825	156,508	3,286	-69,371	90,423
0998	Other Costs	363,823	7,276	-210,401	160,698	3,374	19,779	183,851	3,861	1,636	189,348
0999	**Total Other Purchases**	**446,265**	**8,923**	**-49,347**	**405,841**	**8,521**	**-2,393**	**411,969**	**8,649**	**-56,627**	**363,991**
9999	**GRAND TOTAL**	**448,645**	**8,971**	**-49,430**	**408,186**	**8,569**	**-1,206**	**415,549**	**8,723**	**-57,201**	**367,071**

Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Overseas Humanitarian, Disaster, and Civic Aid, Defense (OHDACA)

February 2005

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DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster, and Civic Aid, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Overseas Humanitarian, Disaster and Civic Aid ($ in thousands)

	FY 2004 Actual	Price Change	Program Change	FY 2005 Estimate	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
OHDCA	92,188	669	-34,003	58,854	1,147	1,545	61,546	1,941	-1,185	62,302
BA-1										

* The FY 2004 Actuals column includes $35.5M of FY 2004 Emergency Supplemental funds.

* The FY 2005 column does not include $60M in OHDACA funding. The $60M was received January 7, 2005 and issued to PACOM for Tsunami Relief.

I. Description of Operations Financed: The FY 2006 budget estimate requests $61.5 million for the OHDACA appropriation to finance humanitarian assistance, humanitarian mine action, and foreign disaster relief and emergency response programs and activities.

The Humanitarian Assistance Program (HAP): Established in 1986, this program is designed to assure friendly nations and allies of our support and provide basic humanitarian aid and services to populations in need. The Department and Combatant Commanders seek to help avert political and humanitarian crises, promote democratic development and regional stability, and enable countries to begin to recover from conflicts.

HAP projects and activities accomplish these objectives in several ways. They support (1) donation of excess non-lethal DoD property and (2) the provision of on-the-ground activities carried out by U.S. military personnel aimed at assuring friendly nations of our support by improving U.S. military presence in countries. Such activities include assessment of needs, training in disaster planning and preparedness, rudimentary construction, as well as medical, technical and logistical assistance.

I. Description of Operations Financed: (continued)

In non-crisis peacetime settings, DoD humanitarian assistance programs support the Combatant Commanders by providing access to and fostering goodwill for the U.S. military in selected countries.

DoD, in coordination with the Department of State (DoS), transports non-lethal excess defense property in support of US national security and foreign policy objectives. Funding also provides for distribution of relief supplies, acquisition and shipment of transportation assets to assist in distribution; purchase and provision of relief supplies; refurbishment and restoration of excess DoD non-lethal equipment; storage of excess property; and inspection, packaging and intermediary warehouse storage until excess material is delivered. The costs of DoD assistance include other smaller scale activities conducted by U.S. forces targeted at relieving suffering and promoting U.S military presence in countries. These activities include training, rudimentary construction, and medical, technical, engineering and logistical assistance. Among the functions of such activities are surveys and assessments to ensure the DoD excess property is appropriately used for the intended purpose and that local personnel are trained in its operation and maintenance.

The Commanders' humanitarian assistance activities reflect the priorities of the Secretary of Defense and the Chairman, Joint Chiefs of Staff. They also include support programs that ensure proper administration of humanitarian activities and allow the DoD to anticipate future requirements and understand key issues related to program execution. Activities include technical and administrative assistance and studies, including initiatives to support actions to improve civilian-military collaboration and coordination of humanitarian assistance and operations with NGO and international organizations. These activities provide for timely response to emerging priorities defined by USG principals as important to the bilateral military relations of the United

I. Description of Operations Financed: (continued)

States, to include requests from other agencies that further national security and foreign policy objectives.

To support DoD humanitarian assistance programs and activities for FY 2006, $40.2 million is reflected herein. Activities include transportation, excess property, and other targeted assistance for disaster preparedness and mitigation in countries where the Commanders have fewer other programs. Current plans call for the Commanders to conduct humanitarian assistance activities as part of their regional security cooperation strategy, and to enhance readiness for crisis response to emergencies in their regions.

The Humanitarian Mine Action (HMA) Program is a major component of the USG program and supports DoD's security cooperation strategy. Explosive remnants of war (ERW), which includes landmines, unexploded ordnance, and small arms ammunition, are the residues of civil wars and internal conflicts on virtually every continent. Increasingly in these conflicts, these ERW deny civilian populations their livelihoods, uproot them from their lands, and promote political instability. Today, explosive remnants of war kill or maim at least 1,000 people every month – most of them innocent civilians.

The HMA Program, executed by the Combatant Commanders, provides significant training and readiness-enhancing benefits to U.S. forces while contributing to alleviating a highly visible, worldwide problem. The program aids in the development of leadership and organizational skills for host country personnel to sustain their mine action programs after U.S. military trainers have redeployed. The DoD program provides access to geographical areas otherwise not easily available to US forces and contributes to unit and individual readiness by providing unique in-country training opportunities that cannot be duplicated in the United States. U.S. military personnel do not enter active minefields or remove emplaced landmines. Our military forces hone critical wartime, civil-military, language, cultural, and foreign internal defense skills. Additionally,

I. Description of Operations Financed: (continued)

DoD health services professionals are included in training missions, which increase their knowledge and ability to deal with blast/trauma wounds, while providing advice and assistance to host nations on immediate and short-term victims assistance issues. These victim assistance activities include epidemiological studies of injuries caused by ERW, first responder training, educational material development, surgical care and training, and enhancement of consultative services using telemedicine technology. Projects provide direct humanitarian assistance while benefiting DoD by providing excellent training opportunities for our soldiers and by expanding U.S. military medical contacts with foreign medical providers.

The Humanitarian Demining Training Center (HDTC), established at Fort Leonard Wood, Missouri, is the Department of Defense military center of excellence for the training of deploying U.S. personnel for mine action missions. HDTC also collects information on ERW in countries approved for participation in the USG HMA program. HDTC incorporates new demining technologies and techniques in training plans and provides current data on country specific ERW (including unexploded ordnance (UXO), mines, booby traps, and small arms ammunition) in support of training. HDTC is also tasked to expand current training in mine risk education to include personnel from other USG agencies, NGO, and international organizations and to develop linkages to those agencies and academic institutions.

Humanitarian Mine Action is a Combatant Commander managed training and security cooperation program primarily using SOF to assist host nations to educate civilian populations on the dangers of explosive remnants of war and how to identify and report their locations. The program trains local demining cadres to identify suspected contaminated areas, conduct surveys and assessments, destroy ERW and return those cleared areas to productive use. It also provides supplies, services, and equipment, to a limited degree, to host country mine action centers to help clear contaminated areas

I. Description of Operations Financed: (continued)

impeding the repatriation of internally displaced persons and/or refugees and obstructing the means to lead productive lives. The Humanitarian Mine Action Program enhances the deployment and warfighting skills of our military forces, and is instrumental in promoting regional stability and improving USG and Combatant Commanders' relations with host nations.

Travel and transportation requirements for deploying forces are a major expense of the program. Deployments primarily consist of highly skilled SOF, medical, engineers, explosive ordnance disposal (EOD), and other general purpose forces to help host nations establish mine action programs and to train and advise local cadre in managing sustainment operations

For 2006, $6.5 million is required for DoD humanitarian mine action activities previously described. Funding will provide for assessments of newly designated countries, ongoing worldwide training operations, incremental funding of high-priority, emerging operations, and evaluations of current programs to determine if projected "end states" have been met.

Foreign Disaster Relief and Emergency Response (FDR/ER): This activity enables the Combatant Commanders to respond timely and effectively to crises in their areas of responsibility. FDR/ER minimizes the potential for crises to develop or expand further - regional stability is fostered, reducing a requirement for large-scale deployment of US military forces at a later date. The Commanders' disaster preparedness efforts increase host nation's capability to respond to natural or manmade disasters, reducing the likelihood that future disasters will require a significant USG/DoD response.

I. Description of Operations Financed: (continued)

FDR/ER supports readiness by enabling rapid responses to sudden emergencies without the regional Commanders having to fund the incremental costs of such activities from their constrained Operations and Maintenance (O&M) accounts.

Amounts expended for any particular disaster are often too small to merit the major institutional effort of requesting supplemental appropriations or Presidential Drawdown authority pursuant to the Foreign Assistance Act of 1961. Yet, for the individual Commander, the expense could mean that without reimbursement from the OHDACA appropriation, the readiness of their command would be adversely affected.

In times of severe natural disasters, the U.S. military has been and will continue to be, called upon to provide aid and assistance. The Commanders have unique assets and capabilities to respond to major disasters. OHDACA funding allows the Commanders to provide immediate life-saving assistance to countries in their region. These funds have helped the Defense Components and the Commanders reduce their costs of operations as well as transportation costs for logistical support. OHDACA funding is available to support the DoD response to small-scale contingencies, and to provide seed money aimed at leveraging larger assistance packages from national and international donors responding to complex emergencies.

DoD also plays a key role in humanitarian crises by providing effective response when asked by the DoS or the Agency for International Development. The U.S. military offers exceptional operational reach and can be immediately deployed as a stopgap measure to limit the extent of emergencies. DoD’s ability to respond rapidly assists in the containment of crises and limit threats to regional stability by donating and/or transporting relief aid within hours or a few days of a disaster. The DoD is unmatched in regard to command and control, logistics, transportation, and communications, and in the amount of cargo able to be transported by available air or sealift. These

I. Description of Operations Financed: (continued)

capabilities would be extremely expensive to develop and maintain in any other government agency.

Emergency response encompass transportation, logistical support, provision of Humanitarian Daily Rations (HDRs) (to maintain the health of moderately malnourished recipients until conventional relief programs or targeted feeding can be resumed), search and rescue, medical evacuation, and assistance to internally displace persons and refugees, in the form of both supplies and services. Projects also include those that help build recipient country and non-governmental organizations' emergency response capability to reduce the potential need for U.S. military involvement in future crises response.

This budget includes $13.5 million in FY 2006 to improve the capacity of the Department, through the Commanders, to respond to natural and man-made disasters and to mitigate the humanitarian aspects of security crises.

II. Force Structure Summary: None.

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster, and Civic Aid, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary:

A. Budget Activity (BA) 1	FY 2004 Actuals	FY 2005 Budget Request	FY 2005 Appropriation	FY 2005 Current Estimate	FY 2005 Estimate	FY 2006 Estimate
1. Operational Support	**92,188**	**59,000**	**58,854**	**58,854**	**61,546**	**62,302**
Humanitarian Assistance	45,188	39,000	38,854	38,854	41,546	42,302
Humanitarian Mine Action Program	2,800	6,500	6,500	6,500	10,000	10,000
Foreign Disaster Relief/Emergency Response	8,700	13,500	13,500	13,500	10,000	10,000
2. Operational Support						
FY 2004 O&M Emergency Supplemental	35,500					

A. Reconciliation Summary	Change FY 2005/FY 2005	Change FY 2005/FY 2006	Change FY 2006/FY2007
Baseline Funding	59,000	58,854	61,546
Congressional Adjustments (Distributed)	0	0	0
Congressional Adjustments (Undistributed)	0	0	0
Adjustments to Meet Congressional Intent	0	0	0
Congressional Adjustments (General Provisions)	-146	0	0
Subtotal Appropriated Amount	**58,854**	**58,854**	**61,546**
Fact-of-Life Changes		0	0
Subtotal Baseline Funding		**58,854**	**61,546**
Anticipated Supplemental		0	0
Reprogrammings Increase		60,000	0
Reprogramming Decrease		-60,000	0
Price Changes		1,147	1,941
Functional Transfers		0	0
Program Changes		1,545	-1,185
Current Estimate		**61,546**	**62,302**

* Received $60 million reprogramming for Tsunami Relief. Transferred funding to Pacific Command January 7, 2005.

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster, and Civic Aid, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

III. Financial Summary: ($ in Thousands) (continued)

B. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		**59,000**
1. Congressional Adjustments		
Adjustments to meet Congressional Intent	-146	
FY 2005 Appropriated Amount		**58,854**
FY 2005 Baseline Funding		**58,854**
4. Reprogrammings (requiring 1415 Actions)		
a. Increases		
1) Tsunami Relief Effort	60,000	
b. Decreases		
1) Tsunami Relief Effort	-60,000	
Revised FY 2005 Estimate		**58,854**
FY 2005 Normalized Current Estimate		**58,854**
6. Price Change	1,147	
Program Growth in FY 2006		
Mine Action training and travel	1,545	
FY 2006 Budget Request		**61,546**
10. Price Change	1,941	
Program Growth FY 2007		
Nominal Decrease due to price growth.	-1,185	
FY 2007 Budget Estimate		**62,302**

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IV. Performance Criteria and Evaluation Summary

As is the case with humanitarian/disaster crises, additional requirements emerge during the execution year. Accordingly, performance criteria are difficult to summarize. Useful measures are the amount of actual obligations reported and planned obligations.

	FY 2004		FY 2005		FY 2006	FY 2007
Funding Levels	Budget	Actual	Budget	Estimate	Estimate	Estimate
Humanitarian Assistance Program	47,218	45,188	39,000	38,854	41,546	42,302
Humanitarian Mine Action Program	2,800	2,800	6,500	6,500	10,000	10,000
Foreign Disaster Relief/Emergency Response	8,700	8,700	13,500	13,500	10,000	10,000
Supplemental Appropriations	35,500	35,500				
Total	94,218	92,188	59,000	58,854	61,546	62,302

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster, and Civic Aid, Defense
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

VI. OP 32 Line Items as Applicable: ($ in Thousands)

		FY 2004 Actual	Price Growth	Program Growth	FY 2005 Estimate	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
308	Travel of Persons	10,569	211	-51	10,729	225	-39	10,915	229	-41	11,103
411	Army Managed Supplies & Materials	30	-1	1	30	1	-1	30	1	-1	30
415	DLA Managed Supplies & Materials	2,271	20	-1,286	1,005	9	6	1,020	12	5	1,037
416	GSA Managed Supplies & Materials	712	14	-3	723	9	2	734	15	-3	746
603	DLA Distribution Point (Army Only)	3,404	0	1,109	4,513	357	-289	4,581	293	-215	4,659
703	JCS Exercises	1,409	-879	902	1,432	-74	95	1,453	-48	73	1,478
711	MSC Cargo	2,850	-111	4,551	7,290	-73	182	7,399	696	-570	7,525
917	Postal Services	0	0	0	0	0	6	6	0	0	6
771	Commerical Transportation	2,722	49	1,426	4,197	84	-21	4,260	89	-17	4,332
913	Purchased Utilities	91	2	-2	91	2	-1	92	2	0	94
915	Rents (Non-GSA)	2,026	41	-1,405	662	14	-4	672	14	-3	683
920	Supplies & Materials (Non-SF)	2,842	57	1,649	4,548	96	-28	4,616	97	-45	4,668
925	Equipment Purchases	10,833	217	-3,642	7,408	156	-45	7,519	158	-108	7,569
932	Management & Professional Support	2,286	46	-1,011	1,321	28	42	1,391	29	-6	1,414
989	Other Contracts	4,779	96	-213	4,662	98	93	4,853	102	-19	4,936
998	Other Costs	45,364	907	-36,028	10,243	215	1,553	12,011	252	-235	12,028
9999	Total	92,188	668	-34,002	58,854	1,145	1,547	61,546	1,942	-1,186	62,302

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Fiscal Year (FY) 2006/FY 2007 Budget Estimates

Support for International Sporting Competitions (SISC)

February 2005

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The Joint Staff
Support for International Sporting Competitions
Fiscal Year (FY) 2006/FY 2007 Budget Estimates

I. **Narrative Description**:

The Support for International Sporting Competitions (SISC), Defense appropriation is a no-year appropriation that provides for continuing DoD support to international and special events that are certified by the Attorney General.

These funds are available to fund safety, security and logistical requirements for special events. Under the authority of 10 U.S.C., section 2564, the DoD has the authority to assist Federal, State or local agencies in support of civilian sporting events, if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs. Currently, there are no events designated for FY 2006 or FY 2007.

The DoD provides this support through the SISC appropriation only as a supplier of last resort while ensuring that no degradation to readiness results from this effort. Such support is essential to the national responsibility of ensuring the safety of competitors participating and visitors attending these events.

II. **Description of Operations Financed**:

The amount to be executed from SISC in FY 2006 and FY 2007 has not been determined, but will be based on providing physical security, aviation, communications, explosive ordnance disposal, temporary facilities, related equipment, and the manpower costs associated with international sporting events.

The current account balance in SISC is $27.5 million.

The Joint Staff
Support for International Sporting Competitions
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III. **Financial Summary** (Dollars in Thousands):

		FY 2005				
A. Subactivity Group	**FY 2004 Actuals**	**Budget Request**	**Appropriation**	**Current Estimate**	**FY 2006 Estimate**	**FY 2007 Estimate**
Budget Authority	-	-	-	-	-	-
Unobligated Balance Carried Forward, Start of Year	-	-	-	-	-	-
Obligated Balance End of Year	27,472	-	-	-	-	-
Total Program	27,472					

B. Reconciliation Summary	**Change FY 2005/FY 2005**	**Change FY 2005/FY 2006**	**Change FY 2006/FY 2007**
Baseline Funding	-	-	-
Congressional Adjustments (Distributed)	-	-	-
Congressional Adjustments (Undistributed)	-	-	-
Adjustments to Meet Congressional Intent	-	-	-
Congressional Adjustments (General Provisions)	-	-	-
Subtotal Appropriated Amount	**-**	**-**	**-**
Unobligated Balance Carried Forward Start of Year	-	-	-
End of Year	-	-	-
Subtotal Baseline Funding	**-**	**-**	**-**
Anticipated Supplemental	-	-	-
Reprogrammings	-	-	-
Price Changes	-	-	-
Functional Transfers	-	-	-
Program Changes	-	-	-
Current Estimate (Planned Obligations)	**-**	**-**	**-**

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Support for International Sporting Competitions
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III. **Financial Summary**: (Dollars in Thousands, continued)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2005 President's Budget Request		-
FY 2005 Appropriated Amount		-
Price Change		-
Program Change		-
FY 2006 Budget Request (Planned Obligations)*		-
Price Change		-
Program Change		-
FY 2007 Budget Estimate		-

*Note: Planned obligations for FY 2006 and FY 2007 will be adjusted as events are approved by the Attorney General and scheduled for Department of Defense support. In accordance with the FY 2003 Defense Appropriations Act, SISC funds "are to remain available until expended, in order to provide for future events."

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

The information below reflects the estimate for all known event requirements through FY 2006 (excluding the additional enhanced security and logistics requirements that may be established for these after the September 11, 2001, attacks) and does not address potential requests for assistance or funding for DoD assistance for events that are not yet scheduled for FY 2006/FY 2007. Obligations from the SISC account are at this time undetermined.

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V. OP 32 Line Items (Dollars in Thousands):

	FY 2005 Actuals	Change Price Growth	Change Program Growth	FY 2006 Estimate	Change Price Growth	Change Program Growth	FY 2007 Estimate
Supplies/Materials (NON-DBOF)	-	-	-	-	-	-	-

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