File 13

ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

The attached documents were provided to the Carter-Reagan Transition Team. The information withheld from the documents has been reviewed with the determination that it is currently and properly classified within the meaning of Executive Order 12065. The unauthorized release of this information could create or increase international tensions contrary to the national security of the United States, thereby adversely affecting the national security. Therefore, the information is denied under the provisions of 5 USC 552(b)(1).

The Initial Denial Authority is Mr. Franklin D. Kramer, Acting Assistant Secretary of Defense (International Security Affairs).

[redacted]

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

INTERNATIONAL
SECURITY AFFAIRS

19 NOV 1980

In reply refer to:
I-11819

MEMORANDUM FOR USD(P)

THROUGH: ASD(ISA)

SUBJECT: CY 81 Issues

Per your attached memorandum, I have listed the key NATO and European issues and problems that we should continue to focus on in CY 1981.

NATO

Maintain NATO's forward movement on force capbility and readiness, R/S/I, and long-term planning and programs, specifically:

[redacted]

(U) - Continue to press for standardization not only in NATO fora but in multilateral/bilateral contexts. (Attached is a list of major programs.)

BILATERAL

There are a number of important bilateral issues we must actively pursue in CY 81:

(U) - Negotiations with the Spaniards and Greeks concerning base rights.

(U) - Work out an agreed cost-shared program with the Canadians on North American Air Defense.

(U) - Stimulate more forthcoming Allied response to the military needs of Portugal and Turkey.

Although the above list is not all inclusive, those are the more critical issues requiring our attention in CY 81.

James V. Siena
DASD, European
NATO Affairs (ISA)

Attachment
a/s

MAJOR PROGRAMS

(U) -- Encourage NATO adoption of I-TOW while we press on to define 3d generation ATGW Family of Weapons and to develop a MOU.

(U) -- Press for NATO adoption of PAPS procedures. Develop procedures, with DRE, for processing NATO Mission Need Documents (MNDs).

(U) -- Develop new candidates for Family of Weapons concept, e.g., mines, air-to-ground.

(U) -- Monitor CNAD/NC review of Military Agency for standardization (AC/308).

[redacted]

(4) -- Revise DoDD 2010.6, "NATO Standardization."

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

INTERNATIONAL
SECURITY AFFAIRS

24 November 1980

MEMORANDUM FOR MR. MC GIFFERT

SUBJECT: Transition Planning

The following is submitted in response to your request for Outstanding Issues, Recent Activities and Organization for use in transition planning.

Outstanding Issues

- Near Term

[redacted]

[redacted]

- Longer Term

[redacted]

FREDERIC L. CHAPIN
Deputy Assistant Secretary of Defense
International Security Affairs

Attachments
IA Weekly Activity Reports (Nov)
Organization Chart
Bios (DASD and Director, IA Region)

[redacted]

Eff k

BACKGROUND PAPER

SUBJECT: Outstanding Issues in Asia

Strategic Objectives

[redacted]

- Maintain the deterrent balance on the Korean Peninsula.

[redacted]

Immediate Issues:

[redacted]

[redacted]

CY 81 ISSUES - NEASA

(a) POST-WAR RELATIONS WITH GULF STATES

[redacted]

(b) U.S. - SAUDI SECURITY RELATIONSHIP

[redacted]

(c) ARAB - ISRAELI CONFLICT AND SWA STRATEGY

[redacted]

[redacted]

FACILITIES ACCESS

[redacted]

- Develop a realistic CY 81 exercise plan.

- Expedite military construction programs in Egypt, Oman, Kenya, Somalia, and Diego Garcia.

[redacted]

- Work to make routine naval and other peacetime presence easier and more acceptable throughout the Indian Ocean.

[redacted]

ACCESS AND OVERFLIGHT

- Continue to pursue access to European facilities for deployments in a SWA contingency.

- Pursue increased or more regularized access to facilities on the Pacific route.

[redacted]

EGYPT

[redacted]

- Continue plans to develop Ras Banas as a rear staging/transit facility.

[redacted]

[redacted]

SECURITY ASSISTANCE

(a) - Seek increases in FMS credits and IMET programs to support our expanding interests in Southwest Asia.

(b) - Seek removal or amendment of legislative restrictions that hinder actions to support our expanding interests in Southwest Asia.

SECURITY RELATIONSHIPS WITH PAKISTAN AND INDIA

[redacted]

NORTHWEST AFRICA

(U) - Improve relations with Algeria without jeopardizing long-time friendship and military cooperation with Morocco.

[redacted]

(U) - Increase security assistance to Tunisia to help meet growing threat from Libya.

LIBYA

[redacted]

CUBANS IN AFRICA

[redacted]

LIBERIA

(U) - Maintain Liberia's traditional pro-American attitude under the Doe regime.

RESEARCH FUNDS

- Seek to restore funding for ISA/NSAA external research projects and consultants.

[redacted]

ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS)

The Assistant Secretary of Defense for Installations and Logistics has provided 103 issue papers, of which 23 were prepared by the Defense Supply Agency. All documents are released in their entirety with the exception of minor deletions in five documents. Rationale for deleting this information is as follows:

a. "Modernization and Expansion of Conventional Ammunition Production Base." Paragraph four is denied under the provisions of 5 U.S.C. 552(b)(5) in that it contains Department of Defense opinions and recommendations submitted to the President concerning Department of Defense Budget for FY 78. The unauthorized public release of departmental recommendations concerning the budget prior to the President's decision and submission to Congress would be prejudicial to good management principles and functioning of government.

b. "Aircraft Industry Capacity." That portion containing the major findings of the study is denied under exemption 5 U.S.C. 552(b)(5) as it is an interagency document which contains advice, opinions and recommendations of a joint Department of Defense/Office of Management and Budget Study Group. Public release of this information would severely restrict the flow of advice and information considered vital to making rational and responsible decisions affecting the defensive posture of the United States.

c. "Mobile Logistic Support Force (MLSF)." Information denied is properly and currently classified under the provisions of Executive Order 11652 and is denied under exemption 5 U.S.C. 552(b)(1). Disclosure of this information would provide a foreign nation an insight into the war potential and defense plans of the United States.

d. "Minimum Required Logistics Augmentation, Europe (MR-LOGAEUR)." Document is currently and properly classified in accordance with Executive Order 11652. Therefore, this information is denied under the provisions of 5 U.S.C. 552(b)(1) as knowledge of this information by a foreign power would weaken or nullify the effectiveness of a defense plan and project vital to the security of the United States.

Tab J

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330

OFFICE OF THE SECRETARY

January 19, 1981

MEMORANDUM FOR DIRECTOR, FREEDOM OF INFORMATION AND SECURITY REVIEW

SUBJECT: U.S. New and World Report and the Armed Forces Journal Freedom of Information Requests for Transition Issue Papers (DFOI-81-44; DFOI-81-49)

In response to the November 11, 1980 Memorandum from Special Assistant Secretary of Defense, Peter Hamilton, subject: Transition Coordination, the Department of the Air Force prepared a transition book entitled "Administrative and Personal Orientation for Newly Appointed Officials." All contents of the book have been determined to be releasable. Two copies of the book are enclosed with this memorandum.

No documents have been determined to be partially releasable.

In addition to the enclosures, the Department of the Air Force provided programming and budgeting information in response to Mr. Hamilton's memorandum. The programming and budgeting information is classified in its entirety and is determined not to be releasable because it contains information that, if disclosed, would cause at least identifiable damage to the national security. This information is exempt from disclosure under 5 USC 552(b) (1) and Air Force Regulation 12-30, paragraph 10a. The undersigned is the initial denial authority.

ROBERT W. CRITTENDEN
Deputy Administrative Assistant

Reagan
Transition
Complete Set
Do NOT
REMOVE PARTS

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330

OFFICE OF THE SECRETARY

January 19, 1981

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ROBERT W. CRITTENDEN
Deputy Administrative Assistant

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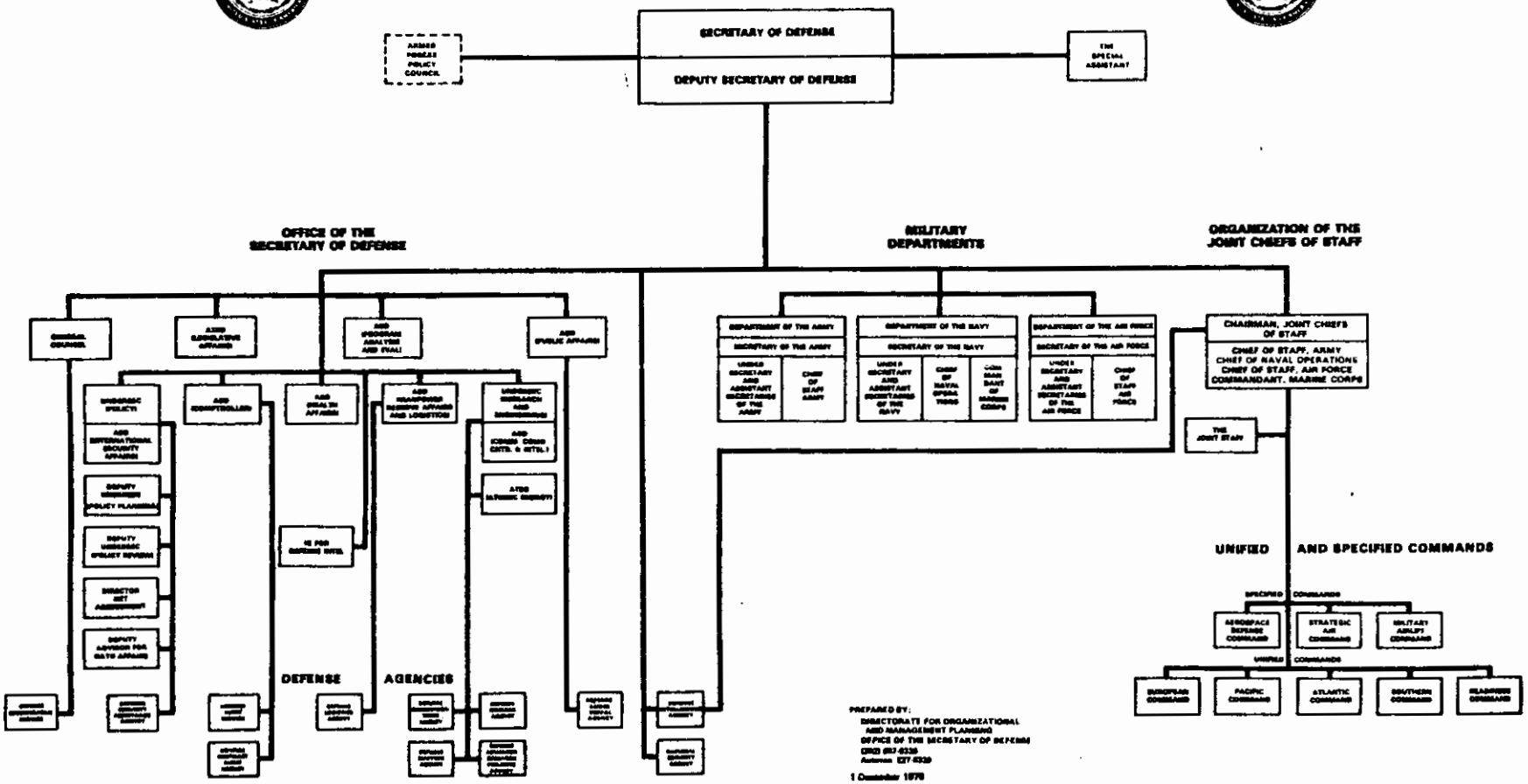
DEPARTMENT OF DEFENSE

Organization Chart

DoD Directive 5100.1—Functions of the Department of Defense and its major components

DEPARTMENT OF DEFENSE



January 26, 1980
NUMBER 5100.1

Department of Defense Directive

ASD(C)

SUBJECT: Functions of the Department of Defense and its Major Components

References:
(a) DoD Directive 5100.1, subject as above, December 31, 1958 (hereby canceled)
(b) Title 50, United States Code, Section 401, Section 2 of the National Security Act of 1947, as amended
(c) DoD Directive 5158.1, "Organization of the Joint Chiefs of Staff and Relationships with the Office of the Secretary of Defense," January 26, 1980
(d) Title 10, United States Code, Section 125, (National Security Act of 1947, as amended)

A. REISSUANCE AND PURPOSE

1. This Directive reissues reference (a).

2. Under the authority of reference (b), Congress described the basic policy embodied in the Act as follows:

"In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a Department of Defense, including the three military departments of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force under the direction, authority, and control of the Secretary of Defense; to provide that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense; to provide for their unified direction under civilian control of the Secretary of Defense but not to merge these departments or services; to provide for the establishment of unified or specified combatant commands, and a clear and direct line of command to such commands; to eliminate unnecessary duplication in the Department of Defense, and particularly in the field of research and engineering by vesting its overall direction and control in the Secretary of Defense; to provide more effective, efficient, and economical administration in the Department of Defense; to provide for the unified strategic direction of the combatant

forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the armed forces nor an overall armed forces general staff."

3. To provide guidance in accordance with the policy declared by Congress, the Secretary of Defense, with the approval of the President, hereby promulgates the following statement of the functions of the Department of Defense and its major components.

B. ORGANIZATIONAL RELATIONSHIPS IN THE DEPARTMENT OF DEFENSE

1. All functions in the Department of Defense and its component agencies are performed under the direction, authority, and control of the Secretary of Defense.

2. The Department of Defense includes the Office of the Secretary of Defense, the Military Departments and the Military Services within those Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and such other agencies as the Secretary of Defense establishes to meet specific requirements.

a. In providing immediate staff assistance and advice to the Secretary of Defense, the Office of the Secretary of Defense and the Organization of the Joint Chiefs of Staff, though separately identified and organized, function in full coordination and cooperation in accordance with DoD Directive 5158.1 (reference (c)).

(1) The Office of the Secretary of Defense includes the offices of the Under Secretaries of Defense; Assistant Secretaries of Defense; the General Counsel of the Department of Defense; the Assistants to the Secretary of Defense; and such other staff offices as the Secretary of Defense establishes to assist him in carrying out his duties and responsibilities. The functions of the heads of these offices shall be as assigned by the Secretary of Defense in accordance with existing laws.

(2) The Joint Chiefs of Staff, as a group, are directly responsible to the Secretary of Defense for the functions assigned to them. Each member of the Joint Chiefs of Staff, other than the Chairman, is responsible for keeping the Secretary of his Military Department fully informed on matters considered or acted upon by the Joint Chiefs of Staff.

b. Each Military Department (the Department of the Navy to include naval aviation and the United States Marine Corps) shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense. The Secretary of a Military Department shall be responsible to the Secretary of Defense for the operation of such Department as well as its

efficiency. Orders to the Military Departments shall be issued through the Secretaries of these Departments, or their designees, by the Secretary of Defense or under authority specifically delegated in writing by the Secretary of Defense or provided by law.

c. Commanders of Unified and Specified Commands are responsible to the President and the Secretary of Defense for the accomplishment of the military missions assigned to them. The chain of command runs from the President to the Secretary of Defense and through the Joint Chiefs of Staff to the commanders of Unified and Specified Commands. Orders to such commanders shall be issued by the President or the Secretary of Defense, or by the Joint Chiefs of Staff by the authority and direction of the Secretary of Defense. These commanders shall have full operational command over the forces assigned to them and shall perform such functions as are prescribed by the Unified Command Plan and other directives issued by competent authority.

3. The functions assigned hereafter may be transferred, reassigned, abolished, or consolidated by the Secretary of Defense in accordance with the procedures established and the authorities provided in the National Security Act of 1947, as amended (10 U.S.C. 125) (reference (d)).

C. FUNCTIONS OF THE DEPARTMENT OF DEFENSE

As prescribed by higher authority, the Department of Defense shall maintain and employ armed forces to:

1. Support and defend the Constitution of the United States against all enemies, foreign and domestic.

2. Ensure, by timely and effective military action, the security of the United States, its possessions, and areas vital to its interest.

3. Uphold and advance the national policies and interests of the United States.

4. Safeguard the internal security of the United States.

D. FUNCTIONS OF THE JOINT CHIEFS OF STAFF

The Joint Chiefs of Staff, consisting of the Chairman; the Chief of Staff, U.S. Army; the Chief of Naval Operations; the Chief of Staff, U.S. Air Force; and the Commandant of the Marine Corps, and supported by the Organization of the Joint Chiefs of Staff, constitute the immediate military staff of the Secretary of Defense. The Joint Chiefs of Staff are the principal military advisers to the President, the National Security Council, and the Secretary of Defense. In performance of their functions of advising and assisting the Secretary of Defense, and subject to the authority and direction of the President and the Secretary of Defense, it shall be the duty of the Joint Chiefs of Staff to:

1. Serve as advisers and as military staff in the chain of operational command with respect to Unified and Specified Commands, to provide a channel of communications from the President and Secretary of Defense to Unified and Specified Commands, and to coordinate all communications in matters of joint interest addressed to the commanders of the Unified or Specified Commands by other authority.

2. Prepare strategic plans and provide for the strategic direction of the armed forces, including the direction of operations conducted by commanders of Unified and Specified Commands and the discharge of any other function of command for such commands directed by the Secretary of Defense.

3. Prepare joint logistic plans and assign logistic responsibilities to the Military Services and the Defense Logistics Agency in accordance with those plans; ascertain the logistic support available to execute the general war and contingency plans of the commanders of the Unified and Specified Commands; review and recommend to the Secretary of Defense appropriate logistic guidance for the Military Services which, if implemented, shall result in logistic readiness consistent with the approved strategic plans.

4. Prepare integrated plans for military mobilization.

5. Provide adequate, timely, and reliable joint intelligence for use within the Department of Defense.

6. Review major personnel, materiel, and logistic requirements of the armed forces in relation to strategic and logistic plans.

7. Review the plans and programs of commanders of Unified and Specified Commands to determine their adequacy, feasibility, and suitability for the performance of assigned missions.

8. Provide military guidance for use by the Military Departments, the armed forces, and the defense agencies in the preparation of their respective detailed plans.

9. Participate, as directed, in the preparation of combined plans for military action in conjunction with the armed forces of other nations.

10. Recommend to the Secretary of Defense the establishment and force structure of Unified and Specified Commands in strategic areas.

11. Determine the headquarters support, such as facilities, personnel, and communications, required by commanders of Unified and Specified Commands, and recommend the assignment to the Military Departments of the responsibilities for providing such support.

12. Establish doctrines for unified operations and training, and for coordination of the military education of members of the armed forces.

13. Recommend to the Secretary of Defense the assignment of primary responsibility for any function of the armed forces requiring such determination and the transfer, reassignment, abolition, or consolidation of such functions.

14. Prepare and submit to the Secretary of Defense, for information and consideration in connection with the preparation of budgets, statements of military requirements based upon U.S. strategic considerations, current national security policy, and strategic war plans. These statements of requirements shall include tasks, priority of tasks, force requirements, and general strategic guidance for developing military installations and bases and for equipping and maintaining military forces.

15. Advise and assist the Secretary of Defense in research and engineering matters by preparing: statements of broad strategic guidance to be used in the preparation of an integrated DoD program; statements of overall military requirements; statements of the relative military importance of development activities to meet the needs of the Unified and Specified commanders; and recommendations for the assignment of specific new weapons to the armed forces.

16. Prepare and submit to the Secretary of Defense for information and consideration general strategic guidance for the development of industrial mobilization programs.

17. Prepare and submit to the Secretary of Defense military guidance for use in the development of military aid programs and other actions relating to foreign military forces, including recommendations for allied military force, materiel, and facilities requirements related to U.S. strategic objectives, current national security policy, strategic war plans, and the implementation of approved programs; and make recommendations to the Secretary of Defense, as necessary, to keep the Military Assistance Program in consonance with agreed strategic concepts.

18. Provide U.S. representation on the Military Staff Committee of the United States Mission to the United Nations, in accordance with the provisions of the Charter of the United Nations, and representation on other properly authorized military staffs, boards, councils, and missions.

19. Perform such other duties as the President or the Secretary of Defense may prescribe.

E. FUNCTIONS OF THE MILITARY DEPARTMENTS AND THE MILITARY SERVICES

1. The chain of command for purposes other than the operational direction of Unified and Specified Commands runs from the President to the Secretary of Defense to the Secretaries of the Military Departments.

2. The Military Departments, under their respective Secretaries and in accordance with sections B. and D., shall:

a. Prepare forces and establish reserves of equipment and supplies for the effective prosecution of war, and plan for the expansion of peacetime components to meet the needs of war.

b. Maintain mobile reserve forces in readiness, properly organized, trained, and equipped for employment in an emergency.

c. Provide adequate, timely, and reliable departmental intelligence for use within the Department of Defense.

d. Organize, train, and equip forces for assignment to Unified or Specified Commands.

e. Recommend appropriate logistic guidance to the Secretary of Defense for their respective Military Departments that, if implemented, will result in logistic readiness consistent with approved strategic guidance; and verify the continuing adequacy of approved logistic guidance and the resources available to their respective Military Departments.

f. Prepare and submit budgets to the Secretary of Defense for their respective Departments; justify budget requests before the Congress as approved by the Secretary of Defense; and administer the funds made available for maintaining, equipping, and training the forces of their respective Departments, including those assigned to Unified and Specified Commands. The budget submissions to the Secretary of Defense by the Military Departments shall be prepared, among other considerations, on the basis of the advice of commanders of forces assigned to Unified and Specified Commands. Such advice, in the case of component commanders of Unified Commands, will be in agreement with the plans and programs of the respective Unified commanders.

g. Conduct research; develop tactics, techniques, and organization; and develop and procure weapons, equipment, and supplies essential to fulfill the functions hereafter assigned.

h. Develop, garrison, supply, equip, and maintain bases and other installations, including lines of communication, and provide administrative and logistic support for all forces and bases.

i. Provide, as directed, such forces, military missions, and detachments for service in foreign countries as may be required to support the national interest of the United States.

j. Assist in training and equipping the military forces of foreign nations.

k. Assist each other in the accomplishment of their respective functions, including the provision of personnel, intelligence, training, facilities, equipment, supplies, and services.

3. The forces developed and trained to perform the primary functions set forth hereafter shall be employed to support and supplement the other Military Services in carrying out their primary functions, where and whenever such participation shall result in increased effectiveness and shall contribute to the accomplishment of the overall military objectives. As for collateral functions, while the assignment of such functions may establish further justification for stated force requirements, such assignment shall not be used as the basis for establishing additional force requirements.

a. Functions of the Department of the Army

(1) The Department of the Army is responsible for the preparation of land forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated mobilization plans, for the expansion of the peacetime components of the Army to meet the needs of war.

(2) The Army, within the Department of the Army, includes land combat and service forces and such aviation and water transport as may be organic therein.

(3) The primary functions of the Army are to:

(a) Organize, train, and equip Army forces for the conduct of prompt and sustained combat operations on land; specifically, forces to defeat enemy land forces and to seize, occupy, and defend land area.

(b) Organize, train, and equip Army air defense units, including the provision of Army forces as required for the defense of the United States against air attack, in accordance with doctrines established by the Joint Chiefs of Staff.

(c) Organize, equip, and provide Army forces in coordination with the other Services, for joint amphibious and airborne operations, and to provide for the training of such forces, in accordance with doctrines established by the Joint Chiefs of Staff.

1 Develop, in coordination with the other Services, doctrines, tactics, techniques, and equipment of interest to the Army for amphibious operations not provided for in E.3.b.(3)(b)3 and E.3.b.(3)(d).

2 Develop, in coordination with the other Military Services, the doctrines, procedures, and equipment employed by Army and Marine Forces in airborne operations. The Army shall have primary

interest in the development of those airborne doctrines, procedures, and equipment that are of common interest to the Army and the Marine Corps.

(d) Provide an organization capable of furnishing adequate, timely, and reliable intelligence for the Army.

(e) Provide forces for the occupations of territories abroad, to include the initial establishment of military government pending the transfer of this responsibility to other authority.

(f) Formulate doctrines and procedures for the organizing, equipping, training, and employment of forces operating on land, except that the formulation of doctrines and procedures for the organization, equipping, training, and employment of Marine Corps' units for amphibious operations shall be a function of the Department of the Navy, coordinating as required by E.3.b.(3)(b)3.

(g) Conduct the following activities:

1 Functions relating to the management and operation of the Panama Canal as assigned by the Secretary or Deputy Secretary of Defense.

2 The authorized civil works program, including projects for improvement of navigation, flood control, beach erosion control, and other water resource developments in the United States, its territories, and its possessions.

3 Certain other civil activities prescribed by law.

(4) The collateral functions of the Army are to train forces to interdict enemy sea and air power and communications through operations on or from land.

b. Functions of the Department of the Navy

(1) The Department of the Navy is responsible for the preparation of Navy and Marine Corps forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated mobilization plans, for the expansion of the peacetime components of the Navy and Marine Corps to meet the needs of war.

(2) Within the Department of the Navy, the Navy includes naval combat and service forces and such aviation as may be organic therein, and the Marine Corps includes not less than three combat divisions and three air wings and such other land combat, aviation, and other services as may be organic therein.

(3) The primary functions of the Navy and the Marine Corps are to:

(a) Organize, train, and equip Navy and Marine Corps forces for the conduct of prompt and sustained combat operations at sea, including operations of sea-based aircraft and land-based naval air components, specifically, forces to seek out and destroy enemy naval forces and to suppress enemy sea commerce, to gain and maintain general naval supremacy, to control vital sea areas, to protect vital sea lines of communication, to establish and maintain local superiority (including air) in an area of naval operations, to seize and defend advanced naval bases, and to conduct such land and air operations as may be essential to the prosecution of a naval compaign.

(b) Maintain the Marine Corps, whose specific functions are to:

1 Provide Fleet Marine forces of combined arms, together with supporting air components, for service with the Fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign. These functions do not contemplate the creation of a second land Army.

2 Provide detachments and organizations for service on armed vessels of the Navy, and security detachments for the protection of naval property at naval stations and bases.

3 Develop, in coordination with the other Military Services, the doctrines, tactics, techniques, and equipment employed by landing forces in amphibious operations. The Marine Corps shall have primary interest in the development of those landing force doctrines, tactics, techniques, and equipment that are of common interest to the Army and the Marine Corps.

4 Train and equip, as required, Marine Forces for airborne operations in coordination with the other Military Services and in accordance with doctrines established by the Joint Chiefs of Staff.

5 Develop, in coordination with the other Military Services, doctrines, procedures, and equipment of interest to the Marine Corps for airborne operations not provided in E.3.a.(3)(c)2.

(c) Organize and equip, in coordination with the other Military Services, and provide naval forces, including naval close air-support forces, for the conduct of joint amphibious operations, and be responsible for the amphibious training of all forces assigned to joint amphibious operations, in accordance with doctrines established by the Joint Chiefs of Staff.

(d) Develop, in coordination with the other Military Services, the doctrines, procedures, and equipment of naval forces for amphibious operations, and the doctrines and procedures for joint amphibious operations.

(e) Furnish adequate, timely, and reliable intelligence for the Navy and Marine Corps.

(f) Organize, train, and equip naval forces for naval reconnaissance, antisubmarine warfare, and the protection of shipping and minelaying, including the air aspects thereof, and controlled minefield operations.

(g) Provide air support essential for naval operations.

(h) Provide sea-based air defense and the sea-based means for coordinating control for defense against air attack, coordinating with the other Military Services in matters of joint concern.

(i) Provide naval forces, including naval air forces, for the defense of the United States against air attack, in accordance with doctrines established by the Joint Chiefs of Staff.

(j) Furnish aerial photography, as necessary, for Navy and Marine Corps operations.

(4) The collateral functions of the Navy and the Marine Corps are to train forces to:

(a) Interdict enemy land and air power and communications through operations at sea.

(b) Conduct close air and naval support for land operations.

(c) Furnish aerial photography for cartographic purposes.

(d) Participate in the overall air effort, when directed.

(e) Establish military government, as directed, pending transfer of this responsibility to other authority.

c. Functions of the Department of the Air Force

(1) The Department of the Air Force is responsible for the preparation of the air forces necessary for the effective prosecution of war, except as otherwise assigned, and, in accordance with integrated mobilization plans, for the expansion of the peacetime components of the Air Force to meet the needs of war.

(2) The Air Force, within the Department of the Air Force, includes aviation forces, both combat and service, not otherwise assigned.

(3) The primary functions of the Air Force are to:

(a) Organize, train, and equip Air Force forces for the conduct of prompt and sustained combat operations in the air, specifically,

forces to defend the United States against air attack in accordance with doctrines established by the Joint Chiefs of Staff, to gain and maintain general air supremacy, to defeat enemy air forces, to control vital air areas, and to establish local air superiority, except as otherwise assigned herein.

(b) Develop doctrines and procedures, in coordination with the other Military Services, for the unified defense of the United States against air attack.

(c) Organize, train, and equip Air Force forces for strategic air warfare.

(d) Organize and equip Air Force forces for joint amphibious and airborne operations, in coordination with the other Military Services, and provide for their training in accordance with doctrines established by the Joint Chiefs of Staff.

(e) Furnish close combat and logistical air support to the Army, to include air lift, support, and resupply of airborne operations, aerial photography, tactical reconnaissance, and interdiction of enemy land power and communications.

(f) Provide air transport for the armed forces, except as otherwise assigned.

(g) Develop, in coordination with the other Military Services, doctrines, procedures, and equipment for air defense from land areas, including the continental United States.

(h) Formulate doctrines and procedures for the organizing, equipping, training, and employment of Air Force forces.

(i) Provide an organization capable of furnishing adequate, timely, and reliable intelligence for the Air Force.

(j) Furnish aerial photography for cartographic purposes.

(k) Develop, in coordination with the other Military Services, tactics, techniques, and equipment of interest to the Air Force for amphibious operations not provided in E.3.b.(3)(b)3 and E.3.b.(3)(d).

(l) Develop, in coordination with the other Military Services, doctrines, procedures, and equipment employed by Air Force forces in airborne operations.

(4) The collateral functions of the Air Force are to train forces to:

(a) Interdict enemy sea power through air operations.

(b) Conduct antisubmarine warfare and protect shipping.

(c) Conduct aerial minelaying operations.

F. FUNCTIONS OF DoD AGENCIES

1. Defense Advanced Research Projects Agency (DARPA). See DoD Directive 5105.41, June 8, 1978.

2. Defense Audit Service (DAS). See DoD Directive 5105.48, October 14, 1976.

3. Defense Andiovisual Agency (DAVA). See DoD Directive 5040.1, June 12, 1979.

4. Defense Communications Agency (DCA). See DoD Directive 5105.19, August 10, 1978.

5. Defense Contract Audit Agency (DCAA). See DoD Directive 5105.36, June 8, 1978.

6. Defense Intelligence Agency (DIA). See DoD Directive 5105.21, May 19, 1977.

7. Defense Investigative Service (DIS). See DoD Directive 5105.42, July 19, 1978.

8. Defense Logistics Agency (DLA). See DoD Directive 5105.22, June 8, 1978.

9. Defense Mapping Agency (DMA). See DoD Directive 5105.40, August 10, 1978.

10. Defense Nuclear Agency (DNA). See DoD Directive 5105.31, November 3, 1971.

11. Defense Security Assistance Agency (DSAA). See DoD Directive 5105.38, August 10, 1978.

12. The National Security Agency and the Central Security Service. See DoD Directive S-5100.20, December 23, 1971.

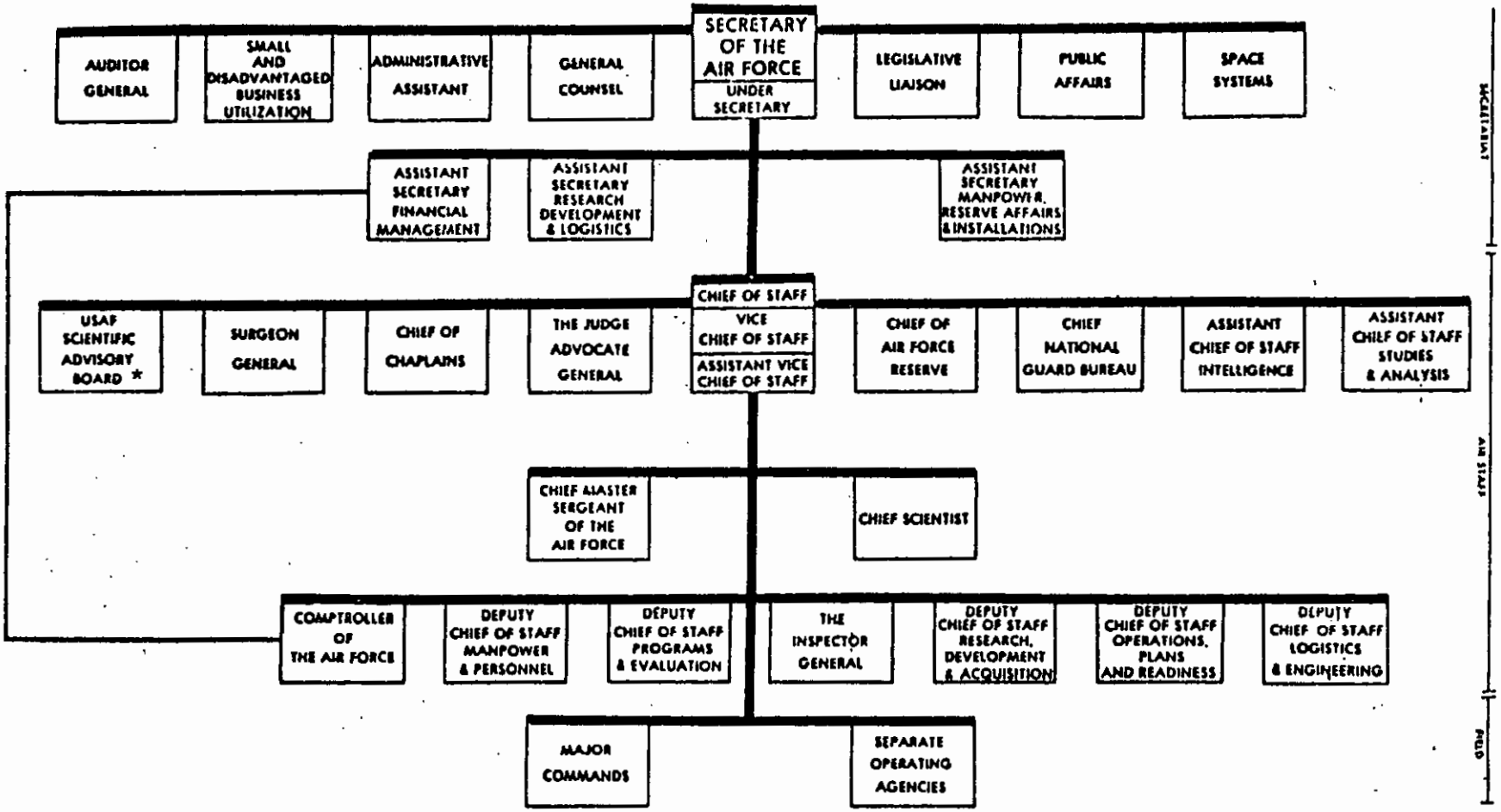
G. EFFECTIVE DATE

This Directive is effective immediately.

W. Graham Claytor, Jr.
Deputy Secretary of Defense

DEPARTMENT OF THE AIR FORCE

Organization Chart
Air Force Mission
Development of the Air Force and its Mission
Functions of the Secretary of the Air Force
Functions of the Air Staff
Functions of the Major Air Commands
Functions of Separate Operating Agencies
The Organizational Doctrine and Procedural Concept of the Air Staff



1947 ADMINISTRATIVE SUPPORT GROUP

*STAFF ASGND TO 1947 ASG

AIR FORCE MISSION

Extract from DOD Directive Number 5100.1

SUBJECT: Functions of the Department of Defense and its Major Components

Functions Of The Military Departments And The Military Services

1. The chain of command for purposes other than the operational direction of Unified and Specified Commands runs from the President to the Secretary of Defense to the Secretaries of the Military Departments.

2. The Military Departments, under their respective Secretaries and in accordance with sections B. and D., shall:

a. Prepare forces and establish reserves of equipment and supplies for the effective prosecution of war, and plan for the expansion of peacetime components to meet the needs of war.

b. Maintain mobile reserve forces in readiness, properly organized, trained, and equipped for employment in an emergency.

c. Provide adequate, timely, and reliable departmental intelligence for use within the Department of Defense.

d. Organize, train, and equip forces for assignment to Unified or Specified Commands.

e. Recommend appropriate logistic guidance to the Secretary of Defense for their respective Military Departments that, if implemented, will result in logistic readiness consistent with approved strategic guidance; and verify the continuing adequacy of approved logistic guidance and the resources available to their respective Military Departments.

f. Prepare and submit budgets to the Secretary of Defense for their respective Departments; justify budget requests before the Congress as approved by the Secretary of Defense; and administer the funds made available for maintaining, equipping, and training the forces of their respective Departments, including those assigned to Unified and Specified Commands. The budget submissions to the Secretary of Defense by the Military Departments shall be prepared, among other considerations, on the basis of the advice of commanders of forces assigned to Unified and Specified Commands. Such advice, in the case of component commanders of Unified Commands, will be in agreement with the plans and programs of the respective Unified commanders.

g. Conduct research; develop tactics, techniques, and organization; and develop and procure weapons, equipment, and supplies essential to fulfill the functions hereafter assigned.

h. Develop, garrison, supply, equip, and maintain bases and other installations, including lines of communication, and provide administrative and logistic support for all forces and bases.

i. Provide, as directed, such forces, military missions, and detachments for service in foreign countries as may be required to support the national interest of the United States.

j. Assist in training and equipping the military forces of foreign nations.

k. Assist each other in the accomplishment of their respective functions, including the provision of personnel, intelligence, training, facilities, equipment, supplies, and services.

3. The forces developed and trained to perform the primary functions set forth hereafter shall be employed to support and supplement the other Military Services in carrying out their primary functions, where and whenever such participation shall result in increased effectiveness and shall contribute to the accomplishment of the overall military objectives. As for collateral functions, while the assignment of such functions may establish further justification for stated force requirements, such assignment shall not be used as the basis for establishing additional force requirements.

Functions of the Department of the Air Force

(1) The Department of the Air Force is responsible for the preparation of the air forces necessary for the effective prosecution of war, except as otherwise assigned, and, in accordance with integrated mobilization plans, for the expansion of the peacetime components of the Air Force to meet the needs of war.

(2) The Air Force, within the Department of the Air Force, includes aviation forces, both combat and service, not otherwise assigned.

(3) The primary functions of the Air Force are to:

(a) Organize, train, and equip Air Force forces for the conduct of prompt and sustained combat operations in the air, specifically, forces to defend the United States against air attack in accordance with doctrines established by the Joint Chiefs of Staff, to gain and maintain general air supremacy, to defeat enemy air forces, to control vital air areas, and to establish local air superiority, except as otherwise assigned herein.

(b) Develop doctrines and procedures, in coordination with the other Military Services, for the unified defense of the United States against air attack.

(c) Organize, train and equip Air Force forces for strategic air warfare.

(d) Organize and equip Air Force forces for joint amphibious and airborne operations, in coordination with the other Military Services, and provide for their training in accordance with doctrines established by the Joint Chiefs of Staff.

(e) Furnish close combat and logistical air support to the Army, to include air lift, support, and resupply of airborne operations, aerial

photography, tactical reconnaissance, and interdiction of enemy land power and communications.

(f) Provide air transport for the armed forces, except as otherwise assigned.

(g) Develop, in coordination with the other Military Services, doctrines, procedures, and equipment for air defense from land areas, including the continental United States.

(h) Formulate doctrines and procedures for the organizing, equipping, training, and employment of Air Force forces.

(i) Provide an organization capable of furnishing adequate, timely, and reliable intelligence for the Air Force.

(j) Furnish aerial photography for cartographic purposes.

(k) Develop, in coordination with the other Military Services, tactics, techniques, and equipment of interest to the Air Force for amphibious operations not provided in E.3.b. (3)(b)3 and E.3.b.(3)(d).

(l) Develop, in coordination with the other Military Services, doctrines, procedures, and equipment employed by Air Force forces in airborne operations.

(4) The collateral functions of the Air Force are to train forces to:

(a) Interdict enemy sea power through air operations.

(b) Conduct antisubmarine warfare and protect shipping.

(c) Conduct aerial minelaying operations.

DEVELOPMENT OF THE AIR FORCE

AND

ITS MISSION

Historic Development and Legislative Authority

1947 - With passage of the National Security Act of 1947, the Congress set up three Departments -- an Army, a Navy, and an Air Force. These were Executive Departments. As heads of Executive Departments, the Secretaries were members of the Cabinet and of the National Security Council. A Department of Defense was not created, instead these three Executive Departments formed an amorphous body known as the National Military Establishment. At its head was a Secretary of Defense, who was to exercise general authority, direction and control, but the statute stated that all powers not specifically given to the Secretary of Defense were reserved to the Secretaries of the Military Departments.

1949 - Because this organization was not responsive to national needs and the intent of Congress, the 1949 Amendments completely altered the picture. The 1949 Amendments provided for a single executive department known as the Department of Defense. The Secretary of Defense was to be the principal assistant to the President for all DOD matters. Executive branch status for the three departments was withdrawn. They were to be separately administered under the direction, control and authority of the Secretary of Defense. The Department Secretaries also lost Cabinet and National Security Council membership.

1953 - Based on lessons learned in the Korean War, President Eisenhower submitted Reorganization Plan No. 6 to Congress in 1953. It was designed to more clearly spell out the authority and responsibilities of the Secretary of Defense for more efficient direction of DOD. The most significant aspect of the changes to the Air Force were brought out in the President's Message to Congress in submitting the Plan. He said that the Secretaries of the Departments were to be "operational managers" under the direction of the Secretary of Defense.

1958 - The 1958 Amendment provided significant additions to the Secretary of Defense's power. He was given increased responsibility in connection with military operations. The statute specified that all forces committed to unified and specified commands were responsible to the Secretary of Defense and the President. The Military Departments were no longer required to be "separately administered," but were to be "separately organized." From the 1958 Amendments emerged the organizational pattern we have today. There are two separate and distinct chains of command over the Armed Forces. There is the "operational" chain of command from the President and the Secretary of Defense (through the JCS) to the unified and specified commands. There is the "service" or "logistic support" chain from the President and Secretary of Defense to the Secretaries of the Military Departments. The Departments organize, train and equip the forces, but their employment in combat is through the "operational" chain command.

SECRETARY OF THE AIR FORCE

The Secretary of the Air Force is responsible for and has the authority to conduct all affairs of the Department of the Air Force. He shall conduct the business of the Department in such manner as the President or the Secretary of Defense may prescribe.

Former Air Force Secretaries

Secretary	Eff date or EDCSA	Termination or sign out date
W. Stuart Symington	18 Sep 47	24 Apr 50
Thomas K. Finletter (Deceased)	24 Apr 50	20 Jan 53
Harold E. Talbott (Deceased)	4 Feb 53	13 Aug 55
Donald A. Quarles (Deceased)	15 Aug 55	30 Apr 57
James H. Douglas, Jr.	1 May 57	10 Dec 59
Dudley C. Sharp	11 Dec 59	20 Jan 61
Eugene M. Zuckert	23 Jan 61	30 Sep 65
Harold Brown	1 Oct 65	14 Feb 69
Robert C. Seamans, Jr.	15 Feb 69	14 May 73
John L. McLucas (Acting)	15 May 73	18 Jul 73
John L. McLucas	19 Jul 73	23 Nov 75
James W. Plummer (Acting)	24 Nov 75	1 Jan 76
Thomas C. Reed	2 Jan 76	5 Apr 77
John C. Stetson	6 Apr 77	18 May 79
Hans M. Mark (Acting)	18 May 79	26 Jul 79
Hans M. Mark	26 Jul 79	

AIR STAFF

The Air Staff shall furnish professional assistance to the Secretary, the Under Secretary, and the Assistant Secretaries of the Air Force and the Chief of Staff.

The Air Staff shall:

Prepare for such employment of the Air Force and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Air Force as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff.

Investigate and report upon the efficiency of the Air Force and its preparation for military operations.

Prepare detailed instructions for the execution of approved plans and instructions.

Act as agent of the Secretary and the Chief of Staff coordinating the action of all organizations of the Department of the Air Force.

Perform such other duties, not otherwise assigned by law, as may be prescribed by the Secretary.

MAJOR COMMANDS

Air Force Communications Command (AFCC)

Mission: To provide base and point-to-point communications, flight facilities and air traffic control services primarily to the Air Force but also other agencies, governmental and civil, national and foreign.

Air Force Logistics Command (AFLC)

Mission: To provide worldwide logistics support to the Air Force. This includes procurement, storage, and distribution of supplies and the performance of or arrangement for the performance of depot level maintenance on material.

Air Force Systems Command (AFSC)

Mission: To advance aerospace technology, adapt it into operational aerospace systems, and acquire qualitatively superior aerospace systems and material needed to accomplish the United States Air Force mission.

Air Training Command (ATC)

Mission: To provide individual training for Air Force officers and airmen, and higher education of officers. This includes basic training, and indoctrination for all Air Force recruits; flying training; and technical field, special, and such other training as directed. Education activities operated include the: Air War College, Command and Staff College, Institute of Technology, Extension Course Institute, Leadership and Management Development Center, and Air Force ROTC. It is also charged with the recruiting function for the USAF.

Alaskan Air Command (AAC)

Mission:

1. To conduct, control, and coordinate offensive air operations according to tasks assigned by the Commander-in-Chief, Alaskan Air Command (CINCAL).

2. To provide combat-ready air defense weapon systems, aircraft control and warning elements, and air defense forces within Alaska for employment under the operational control of the CINC, NORAD/CONAD Region.

Military Airlift Command (MAC)

Mission: Provides air transportation for personnel and cargo for all the military services on a worldwide basis. In addition, MAC furnishes weather, rescue, and audiovisual services for the Air Force.

Pacific Air Forces (PACAF)

Mission: To plan, conduct, control and coordinate offensive and defensive air operations in accordance with tasks assigned by the Commander-in-Chief, Pacific Command (CINCPAC).

Strategic Air Command (SAC)

Mission: To organize, train, equip, administer, and prepare strategic air forces for combat, including bombardment, missile, special mission, and strategic reconnaissance units and to conduct strategic warning mission for the USAF.

Tactical Air Command (TAC)

Mission: To organize, train, and equip forces to participate in tactical air operations. This includes tactical fighter, tactical air reconnaissance, special operations, tactical airlift, close combat air support, logistical air support, and joint amphibious and airborne operations. It is the Air Force component of U.S. Readiness Command and U.S. Atlantic Command. It participates with other services in developing doctrine, procedures, tactics, techniques, training and equipment for joint operations. It provides combat ready air elements to Strike Command.

United States Air Forces In Europe (USAFE)

Mission: To plan, conduct, control, and coordinate offensive and defensive air operations in accordance with tasks assigned by the Commander-in-Chief, United States European Command (USCINCEUR).

Electronic Security Command (ESC)

Mission: Provides command and control countermeasures products and services (active and passive) in support of HQ USAF and Air Force combat commands. Monitors Air Force communications in all parts of the world to insure compliance with established communication security practices and procedures. Additionally, ESC units occasionally conduct research in communication phenomena in support of various elements of the U.S. Government.

SEPARATE OPERATING AGENCIES/DIRECT REPORTING UNITS

Air Force Accounting And Finance Center (AFAFC)

Mission: To provide policy and develop systems requirements for Air Force financial accounting, disbursing, and reporting matters; develop all accounting and finance manuals for the Air Force; delegate as required, specific procedural development to major commands; provide technical supervision, advice, and guidance to Air Force accounting and finance field activities; accomplish centralized Air Force accounting and finance operational functions; and perform functions delegated by higher authority such as the Department of Defense Pay Manual (DODPM).

Air Force Audit Agency (AFAA)

Mission: To provide all levels of Air Force management with an independent, objective, and constructive evaluation of the effectiveness and efficiency with which managerial responsibilities (including financial, operational, and support activities) are carried out.

Air Force Inspection And Safety Center (AFISC)

Mission: To determine the status of operational readiness within the commands; evaluate the effectiveness and efficiency of management systems; define problems impeding the effective accomplishment of the Air Force mission; monitor Air Force-wide aircraft, missile and space, nuclear, explosives and ground accident prevention programs; and provide factual information upon which to base corrective actions.

Air Force Intelligence Service (AFIS)

Mission: To provide specialized operating and support intelligence services and timely and reliable aerospace intelligence of primary interest to Headquarters USAF and USAF commanders, worldwide, through the management control of intelligence, special security and communications systems, and intelligence reserve personnel training and utilization programs; research, processing and dissemination of timely intelligence information and intelligence; and direction and performance of specialized collection activities.

Air Force Manpower And Personnel Center (AFMPC)

Mission:

1. To implement Air Force operating policy on the worldwide distribution and management of military personnel, personnel systems, and military personnel records systems.

2. To review war plans and programs, evaluate personnel impact, and develop the capabilities and direct actions required for personnel management during specified contingency operations.

3. To provide for certain civilian personnel operating activities and to develop and maintain Air Force manpower standards through operation of the Air Force Management Engineering Program.

Air Force Office Of Special Investigations (AFOSI)

Mission: To provide criminal, counter-intelligence, personnel security and special investigative services for all Air Force activities; to collect, analyze, and disseminate information of investigative and counter-intelligence significance; and to collect and report information which is pertinent to base security and is available from human sources in the vicinity of oversea US Air Force installations.

Hq Air Force Reserve (AFRES)

Mission: To participate in the formulation of plans and programs which affect AFRES units and their members, and administer those programs; and to provide for personnel administration of the Air Reserve Forces and mobilization of these reserves when needed.

United States Air Force Academy (USAFA)

Mission: To provide instruction and experience to each cadet so that he or she graduates with the knowledge and character essential to leadership and the motivation to become a career officer in the United States Air Force.

Air Force Engineering And Services Center (AFESC)

Mission: To provide specialized engineering and services, technical assistance, and operating support to Air Force bases and organizations. This includes food, laundry, dry cleaning, and linen exchange services; regional civil engineering, and the interdisciplinary civil engineering functions.

Air Force Commissary Service (AFCOMS)

Mission: To provide subsistence support to appropriated and nonapproriated fund food activities and to authorized individual patrons; operates a resale store system to provide service and facilities for the sale of Department of Defense authorized merchandise at the lowest practical price to authorized patrons.

Air Force Office Of Security Police (AFOSP)

Mission: To implement Air Force programs and provide operational policies and practice for the Security of Air Force resources and information and the delivery of law enforcement services.

Aerospace Defense Center (ADC)

Mission: Is the administrative and resource management organization for organizing, training, and equipping Air Force personnel supporting the North American Air Defense Command and Aerospace Defense Command (the Joint Chiefs of Staff specified command) functions.

Air Force Test And Evaluation Center (AFTEC)

Mission: Manages the Air Force Operational Test and Evaluation (OT&E) program; assesses the operation utility of all major and selected non-major Air

Force systems with using, implementing, and supporting commands as required; and is responsible for recommending policy, and for planning, directing, evaluating, and reporting on the Air Force OT&E program.

Albert F. Simpson Historical Research Center (AFSHRC)

Mission: Provides Air Force and DOD-wide military departments and commanders historical assistance in carrying out their assigned missions and responsibilities. Implements the USAF history program (AFR 210-3).

Air National Guard Support Center (ANGSC)

MISSION: To perform the operational and technical tasks associated with manning, equipping, and training Air National Guard units to required readiness levels.

1947 Administrative Support Group (1947 ASG)

Mission:

1. To develop and implement worldwide US Air Force administration policies.

2. To provide essential direct support to HQ USAF and the Air Force Combat Operations Staff (AFCOS), and provide prescribed support to the other activities throughout the National Capital Region.

3. Includes certain Office of the Secretary of the Air Force and Air Staff support functions that receive technical guidance and direction from their respective departmental agencies.

Air Force Combat Operations Staff (AFCOS)

Mission:

1. Provides a readiness-oriented, combat-related structure to support CSAF, as a member of the Joint Chiefs of Staff (JCS), through the Air Force JCS Operations deputy.

2. Serves as the permanent nucleus of a centralized, highly responsive, and integrated combat support structure.

3. Monitors and reports the day-to-day readiness status (JCS Force Status and Identity Report) of US Air Force combat and combat support forces.

4. Provides facilities, procedures, and immediate action staff for supporting unified and specified command operations during periods of crisis, contingency, and exercise situations.

Air Force Legal Services Center (AFLSC)

Mission: AFLSC provides legal services Air Force-wide in the functional areas of military justice, patents, claims and tort litigation, general litigation, labor law, preventive law, and legal aid. It manages personnel programs for active duty and reserve judge advocates, and airmen and civilians assigned to legal services.

It also administers the federal legal information through electronics (FLITE) program for the Air Force, which is the executive agent for the Department of Defense (DOD).

Air Force Medical Service Center (AFMSC)

Mission:

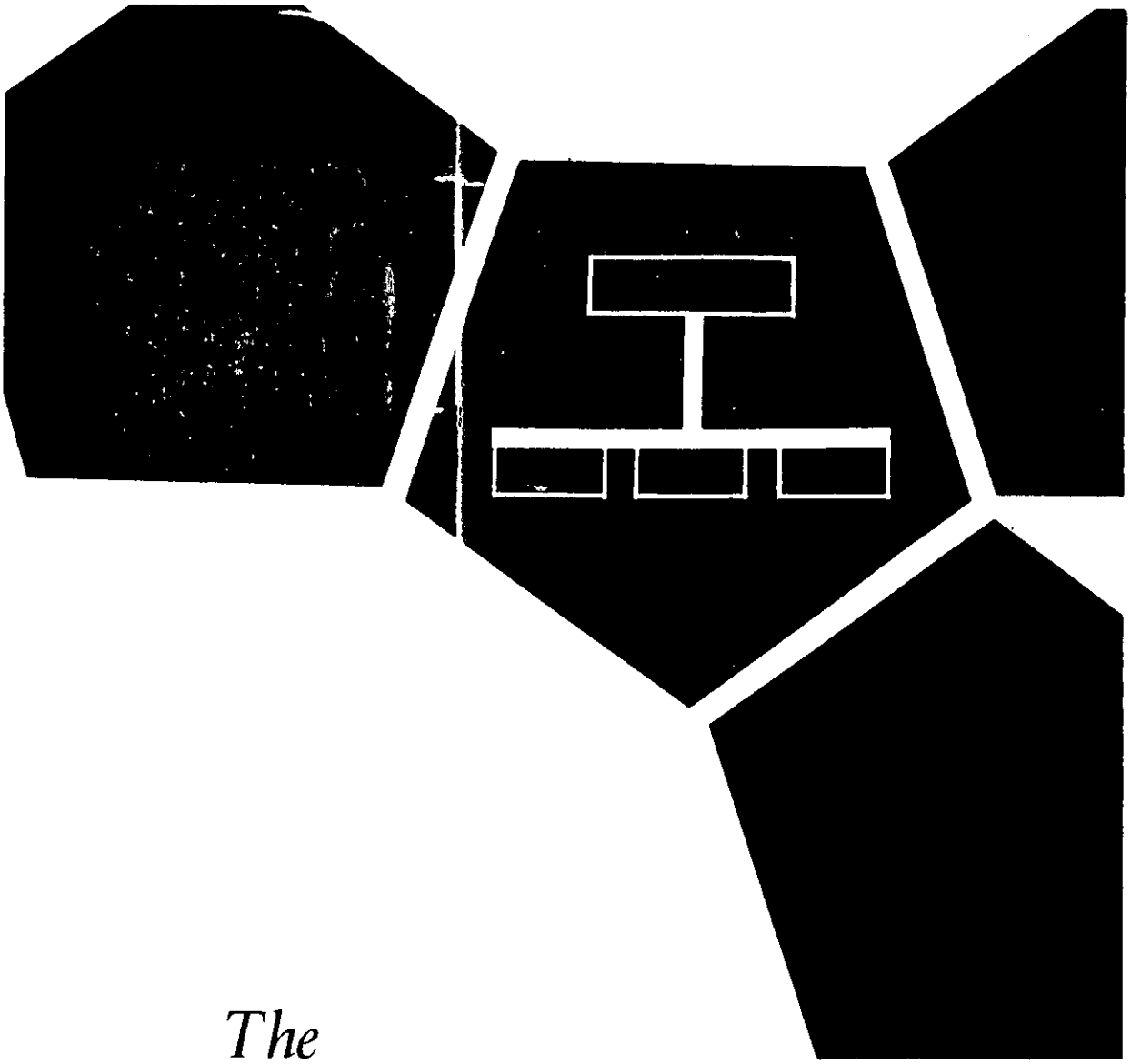
1. Assists the Air Force Surgeon General (HQ USAF/SG) in the development of practices and policies relative to the delivery of currently existing and emergent health care in peacetime and wartime environments.

2. Acts as the Air Force Surgeon General's agent for implementation of HQ USAF/SG approved and directed policies, studies, and management/administrative research.

3. Performs studies and research in support of development and implementation of HQ USAF/SG policies.

Air Force Service Information And News Center (AFSINC)

Mission: The Center provides Air Force-wide services to help Air Force commanders in carrying out their missions by planning and executing the US Air Force Internal Information program.



The Organizational Doctrine and Procedural Concepts of the Air Staff

DEPARTMENT OF THE AIR FORCE

HP 20-1

14 November 1980

The Air Staff

The Air Staff, by law, consists of the Chief of Staff, the Vice Chief, not more than five Deputy Chiefs of Staff, and other military and civilian personnel assigned under directives issued by higher authorities.

This pamphlet confines its primary discussion to Air Staff organizational doctrine and operational procedures.

The Organizational Doctrine and Procedural Concepts of the Air Staff

HEADQUARTERS USAF
1980

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Writer-Editor: M. M. Green

DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
UNITED STATES AIR FORCE
WASHINGTON, D.C. 20330

FOREWORD

This pamphlet is a reference document that explains basic Air Staff organization and procedures.

The principles addressed have proved to be most useful in the conduct of Air Staff business. Adherence to these principles will aid in improving communication, easing coordination, helping our decision making, and fostering unity of purpose and understanding.

M. L. BOSWELL, Lt General, USAF
Assistant Vice Chief of Staff

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INTRODUCTION

This pamphlet discusses the three basic elements of Air Staff organization.

—its legal basis.

—the philosophy, based on the legal charter, that guides it.

—the rules that guide members in their daily jobs.

Many readers have had previous Air Staff duty or background in staff work. For them, this pamphlet is a refresher. For officers without Air Staff experience, it provides helpful insight. It does not provide instructions for solving specific problems. This is done in Air Staff standard directives and Headquarters Operating Instructions (HOIs).

SECTION ONE—THE AIR STAFF UNDER THE LAW

The National Security Act of 1947 is the legal basis for the US Air Force. It made the Air Force an agency of the Department of Defense (DOD). The law is discussed in title 10 U.S.C., sections 8011 through 8079.

The DOD Reorganization Act of 1958 removed the Air Force from the chain of operational command. Its mission now is to organize, train, equip, and support the combat forces in the unified and specified commands. The unified and specified commanders report to the President and the Secretary of Defense, through the Joint Chiefs. In brief, the act left the Air Force the job of resource management and maintenance of combat readiness.

Air Staff members must be familiar with title 10 U.S.C. The Air Force sections are in one volume in the Pentagon library.

SECTION TWO—ORGANIZATION OBJECTIVES AND PRINCIPLES

The Air Force organizational objectives and principles are in AFR 26-2. The Air Staff uses five other principles to guide it.

The principles are functionality, integration, flexibility, simplicity, and decentralization.

Functionality

Jobs are based on well explained specialties.

Organization charts and job descriptions help each member know what he or she must do.

Integration

Air Staff offices depend on one another; therefore, many tasks must be molded into a single management system. Integration helps managers at all levels make decisions.

Flexibility

Flexibility lets the Air Staff respond to change. It also helps to rid us of out-of-date functions and procedures. Flexibility implies that we question old ways.

Simplicity

Simplicity means clear lines of authority, distinct assignment of responsibilities, and a staff large enough for the mission, but no larger. It is the opposite of over-organization.

Decentralization

Decisions are made at the lowest level possible. Today's defense problems demand centralized control at the top, but jobs must be performed at lower levels.

THE AIR STAFF'S ROLE

The Air Staff should retain only jobs that:

—cannot be delegated or decentralized because of law;

—the Secretary of the Air Force and the Chief of Staff need to supervise the Air Force;

—the Chief of Staff needs to represent the Air Force in the Joint Chiefs of Staff (JCS);

—are needed to respond to the Secretary of Defense;

—are required to shape the Air Force of the future.

The Air Staff role (figure 1) is to:

—establish basic policies, programs, and priorities for the Air Force worldwide.

—provide guidance and policy to the major commands.

—analyze resource needs and expenditures.

—obtain, control, and allocate the resources (human, financial, and materiel) needed for supporting the combat forces.

—conduct inspections in the field to find deficiencies, and to make sure they are corrected.

—guide the development, production, and use of Air Force systems.

Figure 1. The Air Staff Role.

SECTION THREE—HOW WE ARE ORGANIZED

BASIC CONCEPT

The five principles mentioned in section two are basic to the "integrated staff concept." The main element is functionality.

Figure 2 shows the integrated staff concept. This structure meets legal requirements and helps the Chief of Staff complete his job.

Directorates have responsibility for day-to-day Air Staff supervision. The Deputy Chiefs of Staff provide guidance and policy for related groups of directorates.

ORGANIZATIONAL LEVELS

Each Air Staff level has a distinct relationship to the Chief of Staff and other Air Staff offices. They are the:

—Chief of Staff and Vice Chief of Staff (including the Assistant Vice Chief of Staff);
—Special Staff Offices;
—Deputy Chiefs of Staff;
—"Assistants For";
—Directorates;
—Divisions;
—Branches; and
—Sections.

The general purpose for each level is discussed below. See HOI 21-10 for details.

Chief of Staff

The Chief of Staff is responsible to the Secretary of the Air Force for the Air Force readiness. The Vice Chief of Staff, whose duties are interchangeable according to the wishes of the Chief, helps him. The only exception is that the Chief of Staff is a member of the JCS. This job requires a special alternate, "Operations Deputy for JCS Matters." It is filled by the Deputy Chief of Staff, Operations, Plans & Readiness.

As a member of the JCS, the Chief is a prime military advisor to the President, the National Security Council, the Secretary of Defense, and the Secretary of the Air Force.

In summary, the Chief of Staff is involved in JCS matters, with outside demands from the public, the Congress, etc. The tasks that are assigned to his position by law cannot be delegated.

Vice Chief of Staff

The Vice Chief assists the Chief of Staff, devoting most of his attention to supervising the Air Force.

He is also Chairman of the Air Force Council.

Assistant Vice Chief of Staff

The Assistant Vice Chief of Staff supervises and makes sure that the Air Staff operates smoothly. He makes decisions delegated to him by the Vice Chief, signs communications, and resolves differences within the Air Staff. He is a member of the Air Force Council. The Director of Administration helps the Assistant Vice Chief and is also responsible for worldwide administrative policies, procedures, and programs. Figure 2 shows the special placement of this official.

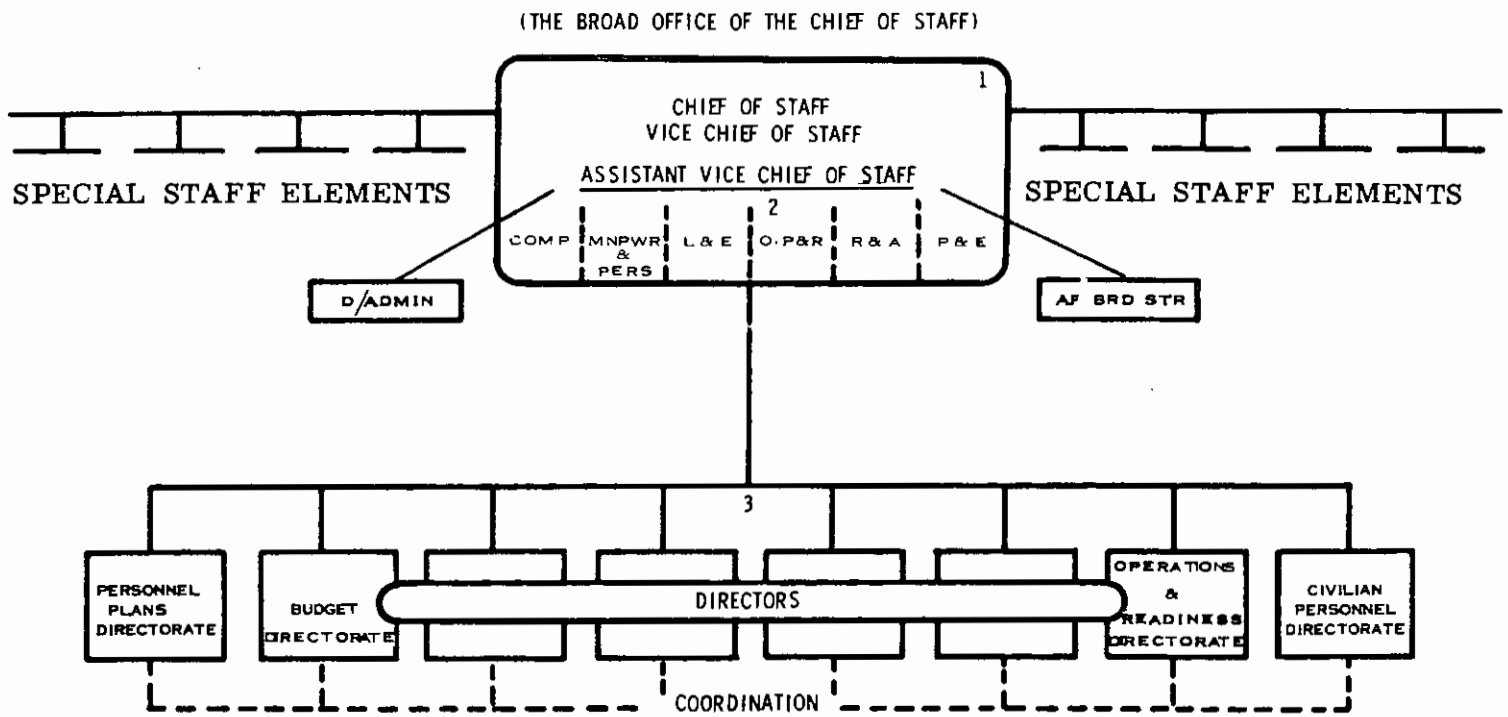
The office that the Chief, the Vice Chief, and the Assistant Vice Chief of Staff occupy is known as the Office of the Chief of Staff (AF/CC).

Deputy Chiefs of Staff

The law allows "no more than five Deputy Chiefs of Staff." They are Deputy Chief of Staff (DCS):

Manpower and Personnel;
Operations, Plans, and Readiness;
Programs and Evaluation;
Research, Development and Acquisition; and
Logistics and Engineering.

The Deputy Chiefs of Staff (DCSs), including the Comptroller, are mostly policy level coordinators. They are not primarily heads of organizations. They make broad policy, and "Chief of Staff decisions" within their areas of responsibility. They also make sure that their deputates coordinate with other deputates.



NOTE: This figure shows Air Staff relationships. It is not meant as an official organization chart. The charts of the Office of the Secretary, the Air Staff, and the Air Force Board Structure are shown in HP 21-1, DAF Organization and Functions Chartbook.

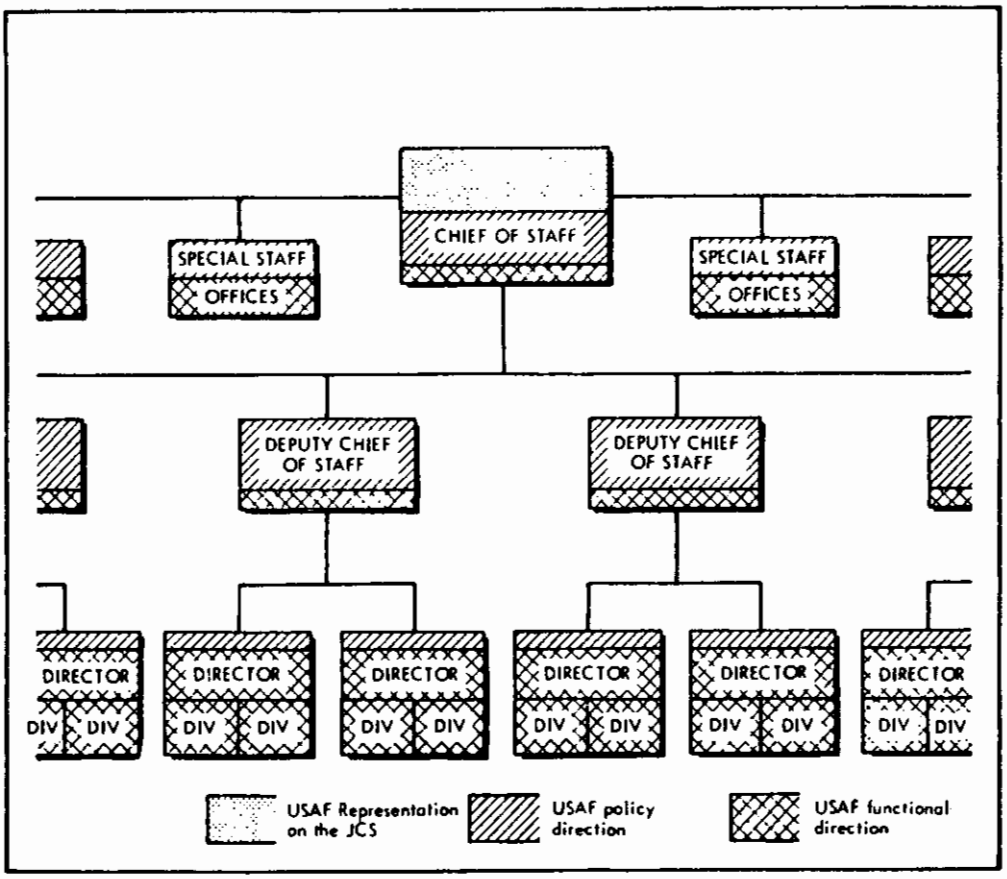


Figure 3. A Schematic of Workload Relationships.

A deputy may refer a matter to the Chief or the Secretary for final resolution. He may also ask the Air Force Council (AFC) to review it.

The Air Staff organization chart shows the deputies' offices between the Chief of Staff and the directors. These offices are not a strict channel of communication (for example, the Chief of Staff's written directives to the Air Staff addressed "TO DEPUTIES, DIRECTORS, AND CHIEFS OF COMPARABLE OFFICES").

Special Staff Components

These offices are adjuncts to the Office of the Chief of Staff, independent of the basic staff structure, and responsible directly to the Chief. They advise and support the Chief of Staff and the Air Staff. They also help the Chief make policy and supervise Air Force activities within their specialties. Special Staffs are sometimes thought of as directorates, but they have neither the stature nor the intrastaff relationships. Their chiefs are similar to both the DCS and the director. Like the deputies, they advise both the Chief of Staff and their subordinate elements. Like the directors, they run their elements. Special Staff Offices include:

Assistant Chief of Staff/Intelligence
Assistant Chief of Staff/Studies & Analyses
Surgeon General
The Judge Advocate General
The Inspector General
Chief of Air Force Reserve
Chief of Chaplains
Chief, National Guard Bureau

Assistant For

An "Assistant For" is part of a DCS. It has a mission that needs temporary emphasis, or is unique and concerns all of the DCS.

Directors

Directorates provide functional management. They make policy, review effectiveness, and determine requirements (manpower, financial, and materiel). They also establish priorities, issue guidance, and develop plans, programs, and budgets.

Since one directorate is seldom able to do the whole job, the Air Staff uses an office of primary responsibility (OPR) and an office (or offices) of collateral responsibility (OCR). The OPR has overall task responsibility. He or she gets help from the OCR (or OCRs). This procedure is explained in section four.

Directors refer only the most important matters to higher levels.

Divisions and Branches

Divisions and branches are formed according to HOI 21-10. As a rule, divisions have 20 or more people. They can be subdivided into branches of 10 or more people. Divisions

may also remain "unstructured." The unstructured division is used in organizations where branches are too small to justify their own overhead.

Air Force Board Structure

Functional staff officials make decisions. However, Air Force complexity has made it necessary to form corporate groups to give advice. These groups include the AFC, the Air Staff Board (ASB), and the committees and panels of the ASB. Figure 4 shows how these groups relate to each other and the functional staff. Two additional corporate groups, the Air Force Policy Council and the Secretary of the Air Force Program Reviews, are discussed in section five.

Air Force Council (AFC)

The AFC advises the Chief of Staff on major matters. It reviews proposals and recommends preferred courses of action. It may refer questions to the Air Staff Board for study or to a DCS or comparable level for further action. The AFC reviews presentations scheduled for Secretary of the Air Force Program Reviews. Membership includes:

Vice Chief of Staff, USAF (Chairperson)
Assistant Vice Chief of Staff
Comptroller of the Air Force
The Inspector General
Surgeon General
Deputy Chief of Staff, Logistics & Engineering
Deputy Chief of Staff, Manpower & Personnel
Deputy Chief of Staff, Operations, Plans & Readiness
Deputy Chief of Staff, Programs & Evaluation
Deputy Chief of Staff, Research, Development & Acquisition
Executive Secretary

The Air Staff Board (ASB)

The ASB reviews, evaluates, and makes recommendations on major Air Force objectives, tasks, and programs. It gives advice at the director level and expedites coordination of complex issues. The ASB may refer an issue to the AFC, a director, or one of its subelements. Membership includes:

Director of Programs (Chairperson)
Director of Budget
Director of Logistics Plans & Programs
Director of Medical Plans & Resources
Director of Operational Requirements
Director of Personnel Programs
Director of Plans
ASC/Studies & Analyses
Executive Secretary

The ASB has three committees and 13 panels (figure 5). They are:

a. Force Structure Committee. Projects critical enemy strengths and recommends the composition of forces required.

b. Program Review Committee. Analyzes the impact of resource limitations on major programs.

c. Security Assistance Committee. Makes recommendations regarding the release of Air Force resources under the Foreign Military Sales program.

d. Panels. Study and recommend Air Force programs within their specialty. (See figure 5 for subject areas.)

Director, Air Force Board Structure

The Director of the Air Force Board Structure provides administrative support to all elements of the Board Structure. The Vice Chief of Staff supervises the Director.

Summary

The Air Force Board Structure organization is in HP 21-1. The official relationships, responsibilities, procedures, and composition of these groups are covered in HOI 21-18. Air Staff personnel must be familiar with HOI 21-18 and understand that:

—Corporate groups do not make decisions—they make recommendations only.

—Corporate groups do not operate externally—all of their relationships are internal to the Secretary of the Air Force or the Air Staff.

SECTION FOUR—AIR STAFF METHODS

Air Staff action officers must rely on each other. This interdependence does not subordinate an individual. It helps staff officers do their jobs and reach goals more easily.

Air Staff methods assign one office the primary responsibility for each task, regardless of how many offices may be involved. The responsible office deals with the total Air Staff on the matter. It is the office of primary responsibility (OPR). An office is automatically the OPR for tasks that involve its assigned function. When there is no clear functional interest, the Chief of Staff's office assigns an OPR.

The office of collateral responsibility (OCR) is an Air Staff office that has less interest in a specific task. When an office becomes an OCR, it must assist the OPR.

The OPR and OCR concept helps assign responsibility and clarifies working relationships.

Procedures

The examples below show how the OPR or OCR concept works. Example 1 shows the procedures used to "staff" an Air Force plan, and example 2 shows how the OPR and OCR relationship can shift. It also shows how the Air Staff supports the Secretary of the Air Force and the Chief of Staff. Example 3 shows how JCS matters are staffed and the Chief of Staff is supported in his role as a member of the Joint Chiefs of Staff.

Example 1. Suppose the Air Staff is making plans for a new training program for the Air Force Reserve. Figure 6 outlines how the Air Staff would organize to staff such a program.

It is an Air Force Reserve program, so the office of the Chief of the Air Force Reserve is the OPR. The OPR must:

a. Take action to prepare the program.

b. Get the assistance from OCRs.

c. Staff a "Chief of Staff viewpoint" for the program.

As OCR in this example:

a. The Budget Directorate must review funding action.

b. Supply must issue guidance to support the proposed program.

THE AIR FORCE BOARD STRUCTURE

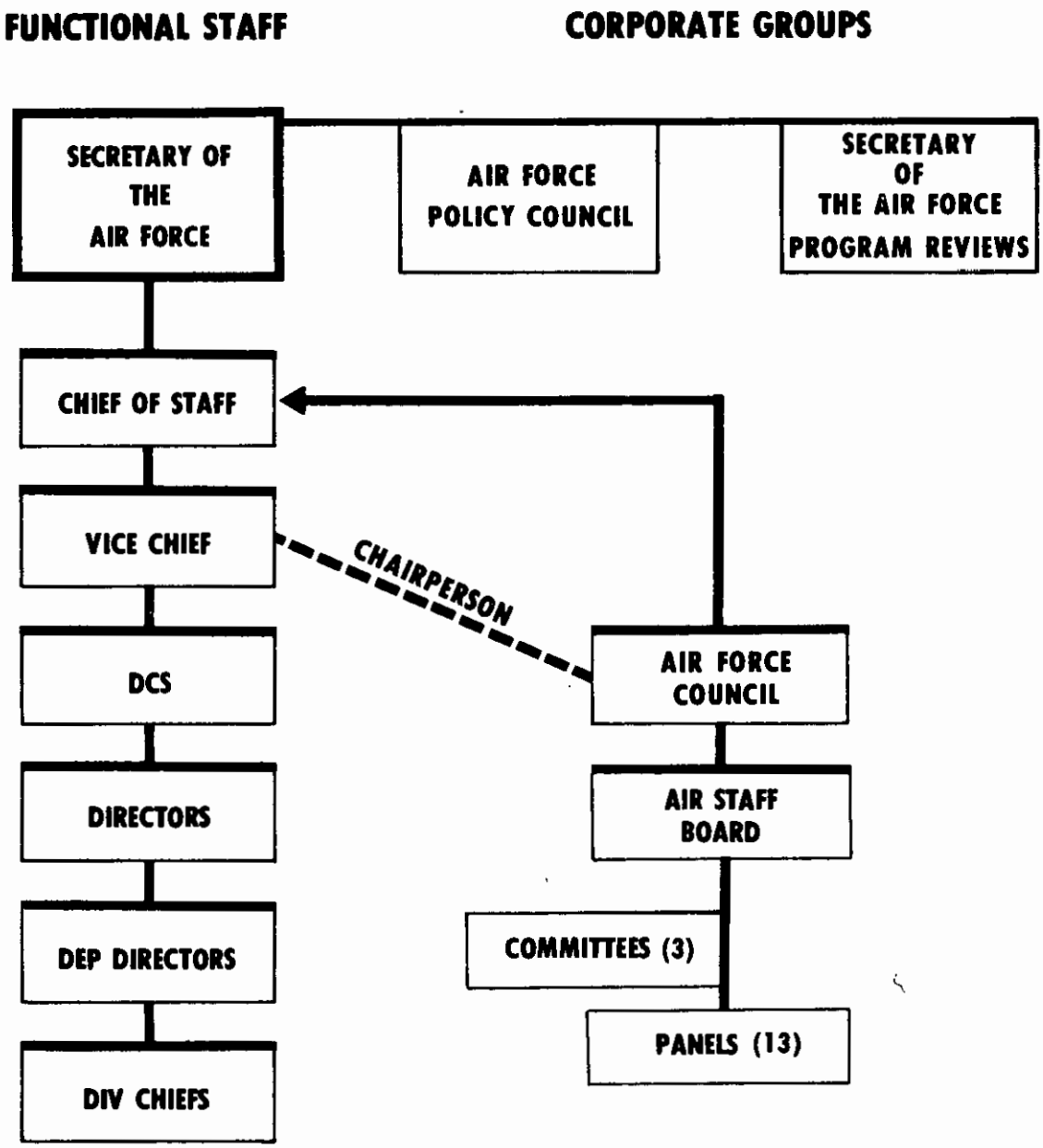


Figure 4. The Air Force Board Structure.

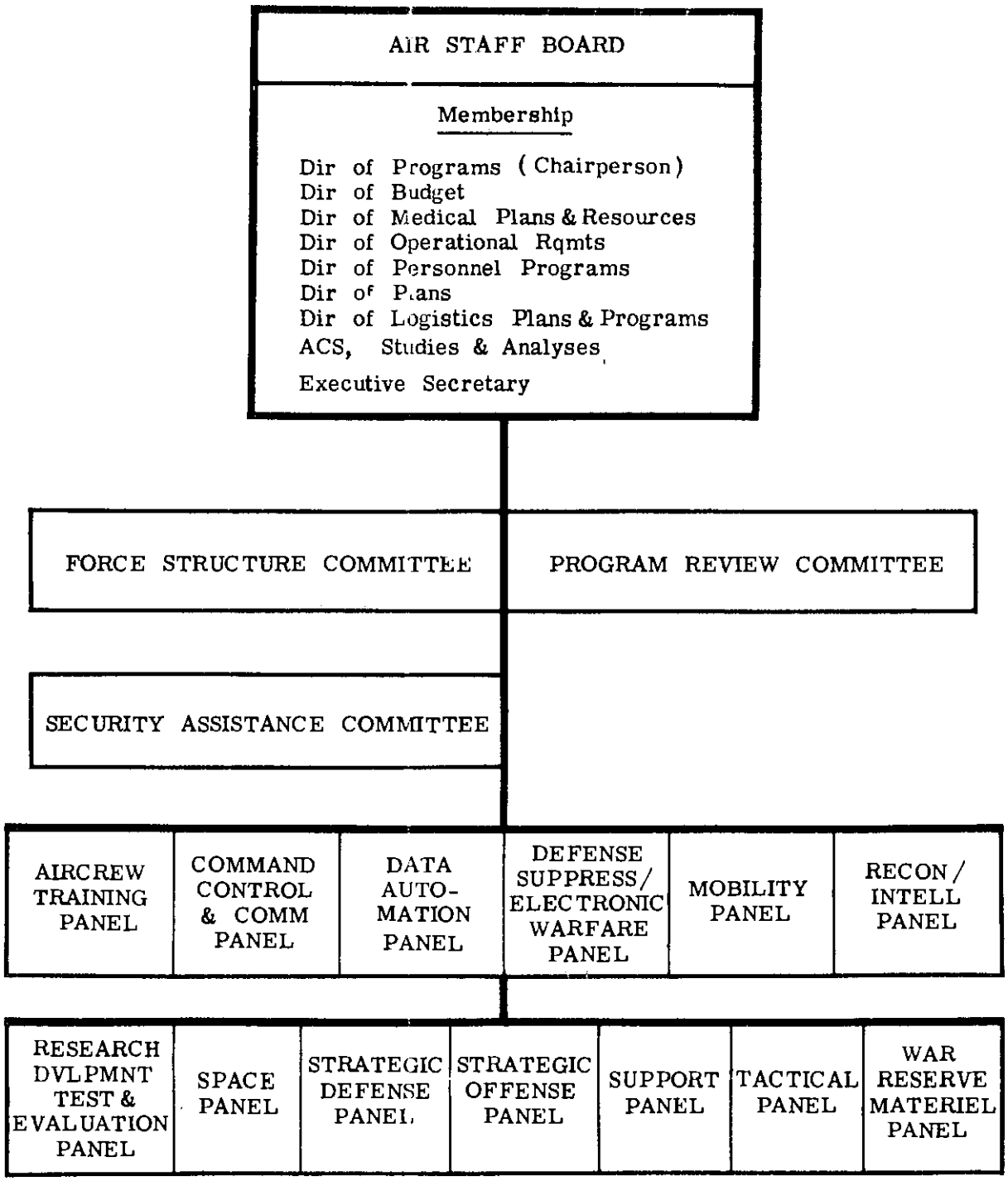


Figure 5. The Air Staff Board.

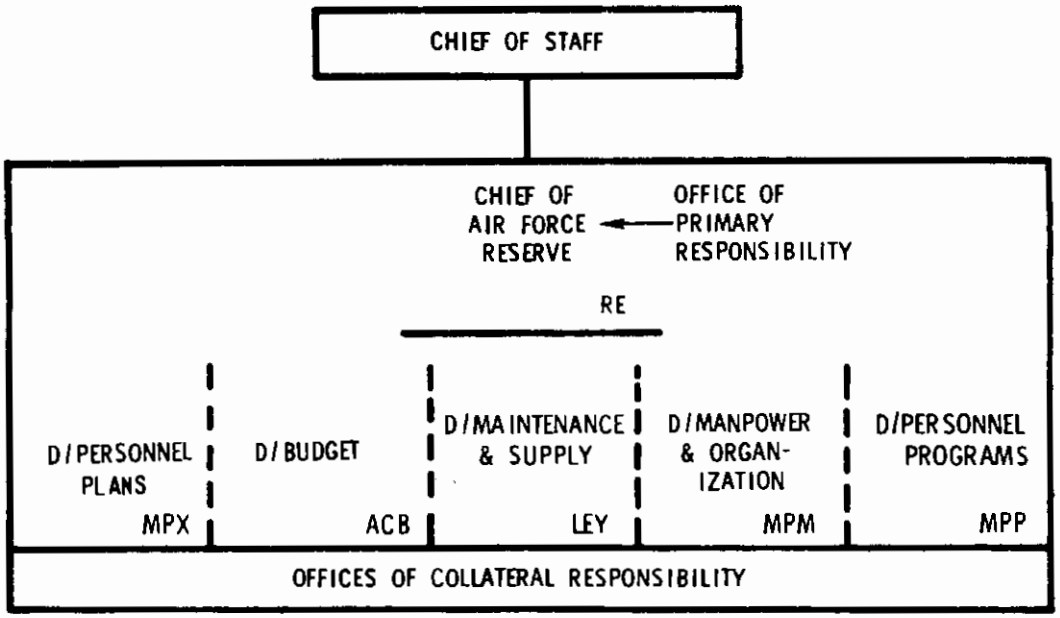


Figure 6. Sample Air Staff Organization for Air Force Reserve Training Program.

c. Manpower and Organization must review manpower requirements, allocate manpower, and plan the organization.

d. Personnel Plans must review long-range Air Force personnel and training objectives.

The number of OCRs varies from problem to problem. If a program is simple, it could be put in effect by a division chief. In this example, the program is nationwide in scope. Also, reserve matters are of concern to the public, Congress, national organizations, and the states. So, the division chief would submit the plan to the Chief of Air Force Reserve for approval. Any one of the three following officials could approve the program: the Chief of Air Force Reserve, the Vice Chief of Staff, or the Chief of Staff.

Example 2. If a new DOD directive is issued while the proposed program is being staffed, it affects the kinds of equipment used to train reservists. Therefore, the Directorate of Maintenance and Supply, AF/LEY, would become OPR. AF/LEY would review the program and revise it in line with the new directive. It would then recoordinate it among all concerned staff elements. Figure 7 shows the new OPR and OCR line-up.

The Air Staff may become involve din JCS actions in many ways. For example, a study may be proposed by some element of the Joint Staff; the Secretary of Defense may request a JCS position; and a military service or unified or specified command may propose a program to the JCS. Many of these actions are done without a formal report to the JCS; however, an action may result in a report for the JCS by the "flimsy-buff-green" process. This is a staffing pattern that will be explained as we go along. It usually involves the Air Staff and the Chief of Staff. The Deputy Chief of Staff, Operations, Plans & Readiness (AF/XO) is the single point of contact within the Air Staff for all JCS matters. The Assistant Director of Plans for Joint and NSC Matters (AF/XOXJ) is designated the focal point (guidance on matters under JCS consideration is in HOI 11-68).

The next example shows the Chief of Staff support, as a member of the JCS.

Example 3. If the Secretary of Defense should ask for a JCS position on whether the armed forces should adopt a standard aircraft hangar that would come in three sizes from off-the-shelf blueprints, the Director, Joint Staff, would ask the responsible Joint Staff Directorate to prepare a staffed paper. In this example, the Logistics Directorate (J-4) receives the action. Figure 8 shows the OPR and OCR relationships.

The Director of Engineering and Services (AF/LEE), who is responsible for building specifications and standards, is the Air Staff OPR. The Director of Operations and Readiness is OCR because of the responsibility for proper shelter for "alert" aircraft. The Director of Maintenance and Supply is OCR because of the responsibility for aircraft maintenance throughout the Air Force. The Director of Budget is concerned about cost.

First, a preliminary, informal draft report must be developed. The J-4 Action Officer does this. This first JCS report is called a "flimsy." The Air Staff Action Officer (AO) assigned to the OPR helps write the flimsy.

After the J-4 Director approves the flimsy, it is published as a "buff." The Air Staff AO must now write a formal Air Staff position on the "buff." To do this, the AO coordinates with all interested Air Staff agencies.

The "buff" may not conflict with previous JCS positions, may not be important enough to require the attention of the JCS, and may be concurred in by all services. If so, the Joint Staff can carry out the action in the name of the JCS. If a service position disagrees with the "buff," the "planners" (senior officer from the services and the Joint Staff) try to negotiate. The objective is to produce a coordinated report that can turn "green." If the planners cannot reach an agreed position, the service (or services) still disagreeing must submit a formal statement of noncurrence (SONC). The SONC is appended to the "green." Both are sent for JCS consideration (see figure 9).

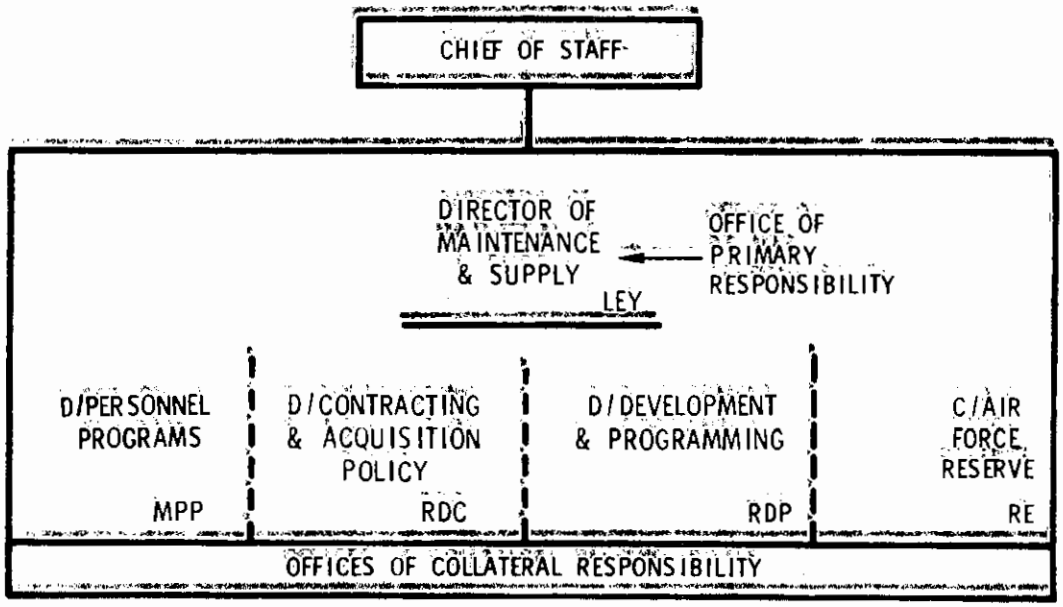


Figure 7. New OPR and OCR Organizational Structure.

Thorough staff work is required when a service nonconcurs. Research, staff study, discussion, and briefings give the Chief of Staff, the Deputy Chief of Staff/Operations, Plans and Readiness, and the Director of Plans the reason the Air Force nonconcurs. They also learn the disadvantages or shortcomings of the Joint Staff paper. "Air Staff coordination on joint matters normally takes precedence over other duties" according to HOI 11-68.

ACCEPTED WAYS OF DOING BUSINESS ON THE AIR STAFF

Smooth Air Staff operation depends on certain ways of doing business.

Teamwork

Most Air Staff work involves more than one office. Staff officers must function as a team, with the OPR acting as "team captain."

Coordination

Coordination promotes integration within the Air Staff. To be successful, action officers must coordinate at the lowest level which has enough information to act on the matter. They must also determine which staff offices have an interest and make sure that all are included in coordination. An OCR must advise the OPR of other offices with secondary interest.

The coordination process in the Air Staff is described in HOI 11-2.

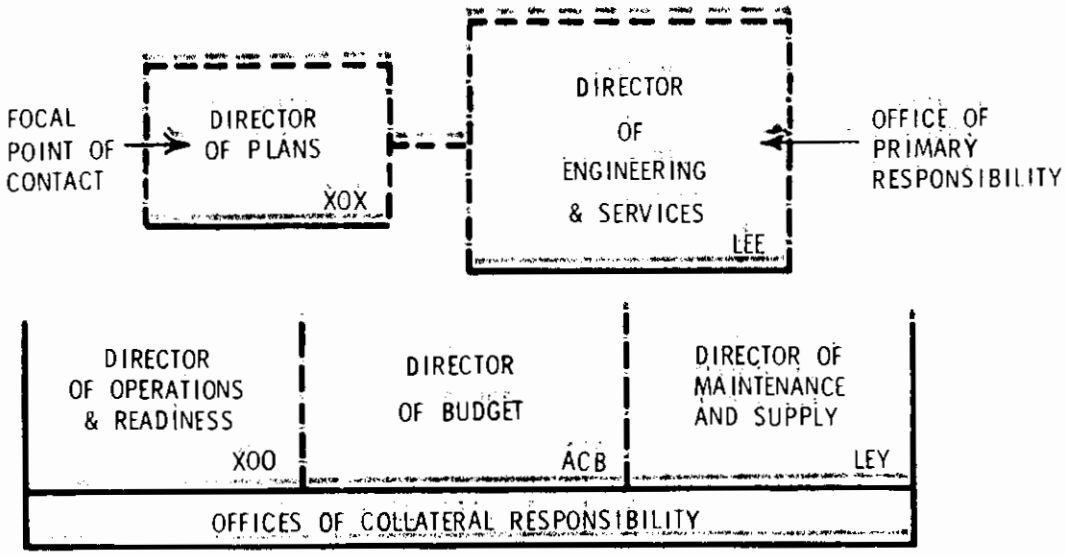
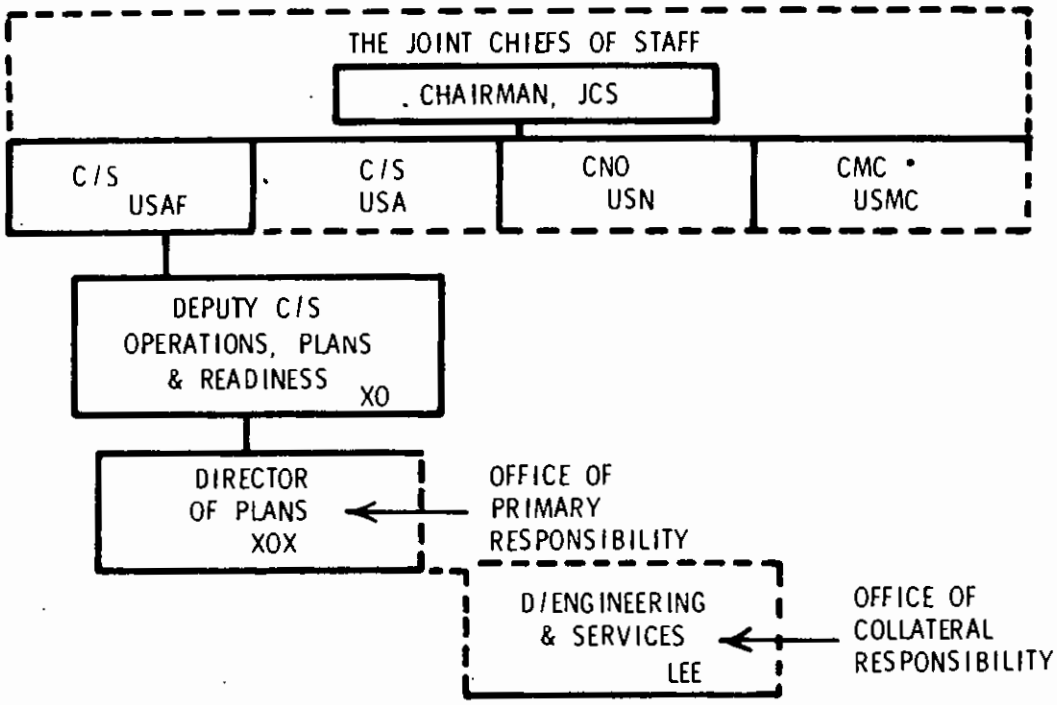


Figure 8. Sample OPR and OCR Relationship for JCS Action.



* A voting member of the JCS on items of direct interest to the Marine Corps.

Figure 9. Organization for Staffing JCS Actions.

Delegation of Authority

Delegation of authority is basic to decentralization. It applies to both Air Staff management and Air Staff or major command problems. Delegation of authority allows action to be completed at the lowest possible level. Guidance on delegating the authority to sign correspondence is in HOI 11-1.

Disagreement and Nonconcurrence

Disagreement is bound to occur. Differences of opinion on major policy are healthy. However, internal disagreement should not be disclosed outside the Air Staff.

When an office nonconcurs, the OPR must make every effort to resolve the differences. If the disagreement cannot be resolved, the OPR should send the proposal, and all facts of the nonconcurrence, to the proper level for decision. A nonconcurring official must never detain a staff paper. The OPR must make sure that a paper is staffed with dispatch, even if there are nonconcurrences. After a decision has been made, all concerned must support its implementation.

Cross Functional Help

A directorate must help other functions when necessary. For example, the Directorate of Manpower and Organization (AF/MPM) is OPR for organization throughout the Air Force. AF/MPM has the talent and resources peculiar to this function. The Director, therefore, cannot ask another staff element to make a detailed organizational plan without offering assistance. AF/MPM experts should work with the other office to develop a total "Chief of Staff" position.

Support Services

Directorates must use central support services. Central support must not be duplicated.

Internal Air Force Relationships

Talk with field activities freely, but always with a "Chief of Staff viewpoint." Confine communication through technical channels (direct contact with counterparts at lower Air Force echelons) to advise, assist, or exchange information. Always communicate policy, for the Chief of Staff, through command channels.

The commander of each field organization is responsible for its activities. Staff members are responsible to the commander, not their counterparts on the Air Staff. Air Force field commanders are responsible to the Chief of Staff.

Communications

The Chief of Staff cannot sign all Air Staff communications. Staff officers who are authorized to sign communications do so as agents.

Decentralization of authority requires that all staff officers keep current on the status of important Air Staff proposals, problems, and positions.

The "Daily Staff Digest" is a tool that moves information both laterally and vertically within the Air Staff.

Summary

The Air Staff method provides:

a. A way of doing business (OPR or OCR) that is used in all staff actions.

b. A single manager responsible for each staff transaction.

c. A means of coordinating staff actions with ease and dispatch.

d. Rapid communication up, down, and across the Air

Staff.

e. A means for resolving honest differences of opinion.

f. Cross-functional help.

g. The "Chief of Staff Viewpoint" in all relationships.

h. Freedom to communicate freely while maintaining unity of command.

SECTION FIVE—SECRETARY OF THE AIR FORCE

The Office of the Secretary of the Air Force (OSAF) and the Air Staff are the executive part of the Department of the Air Force.

The Office

The Secretary's responsibilities are shared by the immediate staff. The law provides an Under Secretary and THREE ~~up to four~~ Assistant Secretaries. They are appointed by the President, with advice and consent of the Senate. There are Assistant Secretaries for Financial Management; Manpower, Reserve Affairs & Installations; and Research, Development & Logistics. OSAF also includes:

The General Counsel
Office of Space Systems
Office of Legislative Liaison
Office of Public Affairs
Administrative Assistant

The office is organized in a functional manner.

The Secretary's policy requires that the Air Staff be used to the maximum, which prepares background data, analyses, and alternatives on studies and responses for OSAF and Office of the Secretary of Defense (OSD).

The Secretary personally supervises activities that have vital relationships with the Congress, the Secretary of Defense, other government officials, and the public. The Secretary delegates authority for other matters to civilian assistants and the Chief of Staff. The Secretary's relationships with the Air Staff is limited to broad policy, plans, and programs.

The Under Secretary may act as Secretary during the Secretary's absence and is therefore kept fully informed on all matters. If the Secretary wishes, the Under Secretary and the other principal civilian assistants deal directly with the Air Staff.

Key members of the Air Staff have a day-to-day relationship with these officials. The Comptroller of the Air Force has a very close relationship because of the unique legal position (10 U.S.C., Section 8014).

The Secretary or the assistants help present Air Force proposals to the Secretary of Defense, the Congress, and the public. They also help interpret the views and objectives of the Secretary of Defense to the Air Force.

Staff officers may submit routine information to OSAF personnel, but major policy matters must be processed through AF/CC.

There are detailed instructions for submitting paperwork and presenting oral briefings to OSAF. They are in HOIs 10-2 and 11-24.

Two corporate groups of the Air Force Board Structure support the Secretary of the Air Force.

The Air Force Policy Council (AFPC)

The AFPC helps the Secretary of the Air Force resolve policy questions. It complements the other services' policy groups, and supports the DOD Armed Forces Policy Council. Membership includes:

Secretary of the Air Force (Chairperson)
Chief of Staff, USAF
Under Secretary of the Air Force
Vice Chief of Staff, USAF
Asst Secretary, Financial Management
Asst Secretary, Manpower, Reserve Affairs, & Installations
Asst Secretary, Research, Development & Logistics
Asst Vice Chief of Staff, USAF
Comptroller of the Air Force
Dep Chief of Staff, Logistics & Engineering
Dep Chief of Staff, Manpower & Personnel
Dep Chief of Staff, Operations, Plans & Readiness
Dep Chief of Staff, Programs & Evaluation
Dep Chief of Staff, Research, Development & Acquisition
The General Counsel
Executive Secretary

Secretary of the Air Force Program Reviews (SPR)

This group provides the Secretary of the Air Force with an in-depth evaluation of selected major systems. It reviews all aspects of program development. Authorized attendees are as follows:

Secretary of the Air Force
Chief of Staff, USAF
Under Secretary of the Air Force
Vice Chief of Staff, USAF
Commander, Air Force Systems Command
Commander, Air Force Logistics Command
Asst Secretary, Financial Management
Asst Secretary, Manpower, Reserve Affairs & Installations
Asst Secretary, Research, Development & Logistics
Comptroller of the Air Force
Dep Chief of Staff, Operations, Plans & Readiness
Dep Chief of Staff, Programs & Evaluation
Dep Chief of Staff, Research, Development & Acquisition
Dep Chief of Staff, Logistics & Engineering
The General Counsel
Director of Public Affairs
Director of Legislative Liaison
The Chief Scientist
Director of Air Force Board Structure
Executive Secretary
Program Managers
  Program Element Monitors (PEMs)
  AFSC Systems Officer & A System Program Office (SPO) Officer

SECTION SIX—EXTERNAL RELATIONSHIPS

Secretary of Defense

DOD is part of the Executive Branch of the federal government. It consists of the OSD, the JCS and Joint Staff, and the three military departments (including the Marine Corps). The unified and specified commands and the Defense agencies are also a part of DOD.

Routine information can be circulated between members of the Air Staff, OSAF, and OSD. Orders are always issued from OSD through the Secretary of the Air Force and the Chief of Staff to the Air Staff. The Air Staff responds to OSD through the same channels, except the Director of Research and Engineering, OSD.

The Director may issue orders direct to the military departments and also direct (R&E) activities that require centralized control (10 U.S.C., section 135). This includes assigning such activities among the three departments.

Instructions for submitting paperwork and presenting oral briefings to the Secretary of Defense (including correspondence for signature) are the same as for the Secretary of the Air Force (see HOIs 10-2 and 11-24).

Staff studies and proposals that are sent to OSD must be prepared according to HOI 10-8. Studies that may change an Air Force program are prepared according to HOI 28-5.

Joint Chiefs of Staff (JCS)

Unified and specified commanders receive combat orders from the President, through the Secretary of Defense and the JCS. Such orders are issued only by the President or the Secretary of Defense. The military departments are not included in the chain of command.

Air Staff relationships with the JCS and Joint Staff are explained in section four, example 3.

Defense Agencies

The Defense Nuclear, Defense Communications, Defense Mapping, and Defense Intelligence Agencies support all military departments. Their heads report to the Secretary of Defense, through JCS. All other agency heads report to the Secretary.

Air Staff contact with Defense agencies is like contact with the Office of the Secretary of Defense. There are focal points within the Air Staff for each agency—for example, the Assistant Chief of Staff/Intelligence is the focal point for actions with Defense Intelligence Agency (DIA).

Others

We do business with other agencies and organizations that are not mentioned in this pamphlet. However, the proper channel for all Air Staff:

a. Budget matters with the Office of Management and Budget, the Congress, and OSD is done through the Director of Budget. Instructions are in HOI 172-4.

b. Legislative liaison matters that relate to OSD or the Congress is through the Director of Legislative Liaison, OSAF. Procedures are in HOI 11-30.

SECTION SEVEN—CONCLUSION

Staff officers are assigned to all levels of the Air Staff. They must be objective when preparing staff studies for their superiors, and loyal in supporting the policies of the Secretary of the Air Force and Chief of Staff. Effective staff officers must be skilled and confident within their assigned function and helpful as team members.

Chiefs of Air Staff offices depend on their staffs to present completed staff work. Their time should be free of details and routine actions so that they can consider important decisions.

Staff work is complete when it includes the study of a problem, the presentation of a solution, potential dividends, and recommended action. In some circumstances, which are spelled out in HOI 10-8, completed staff work calls for optional solutions. The solution or proposal is presented in a complete "package"—not in piecemeal fashion.

Guidance is important. Seek it when you are in doubt about instructions. When the assignment is clear, don't expect the Chief to provide answers. This is the staff officer's job. Ask advice only when a complete turnabout occurs or you are faced with an exception to a well established norm.

This does not mean that the action officer can't present a rough draft of a paper. It does preclude "half-baked" ideas. A draft should be logical, objective, and complete in every respect. Never use a draft to shift the burden of solving the problem to the boss.

The test of completed staff work is this: if you were the Chief, would you sign this paper and stake your reputation on it being correct? If the answer is "no," rework the paper until it is complete.

Finally, avoid common pitfalls in your recommendations:

—don't overorganize—it wastes people.

—don't overcentralize—if a function can be carried out in the field, leave it there.

—don't use technical channels to direct action—it violates the authority of the field commanders. Use technical channels only to relay information.

—don't block communication. It hurts productivity, hinders teamwork, impairs morale, fosters misconceptions and results in Air Staff decisions based on incomplete and inadequate information.

FOR THE CHIEF OF STAFF

M. L. BOSWELL, Lt General, USAF
Assistant Vice Chief of Staff

OFFICIAL

VAN L. CRAWFORD, JR., Colonel, USAF
Director of Administration

SUMMARY OF CHANGES

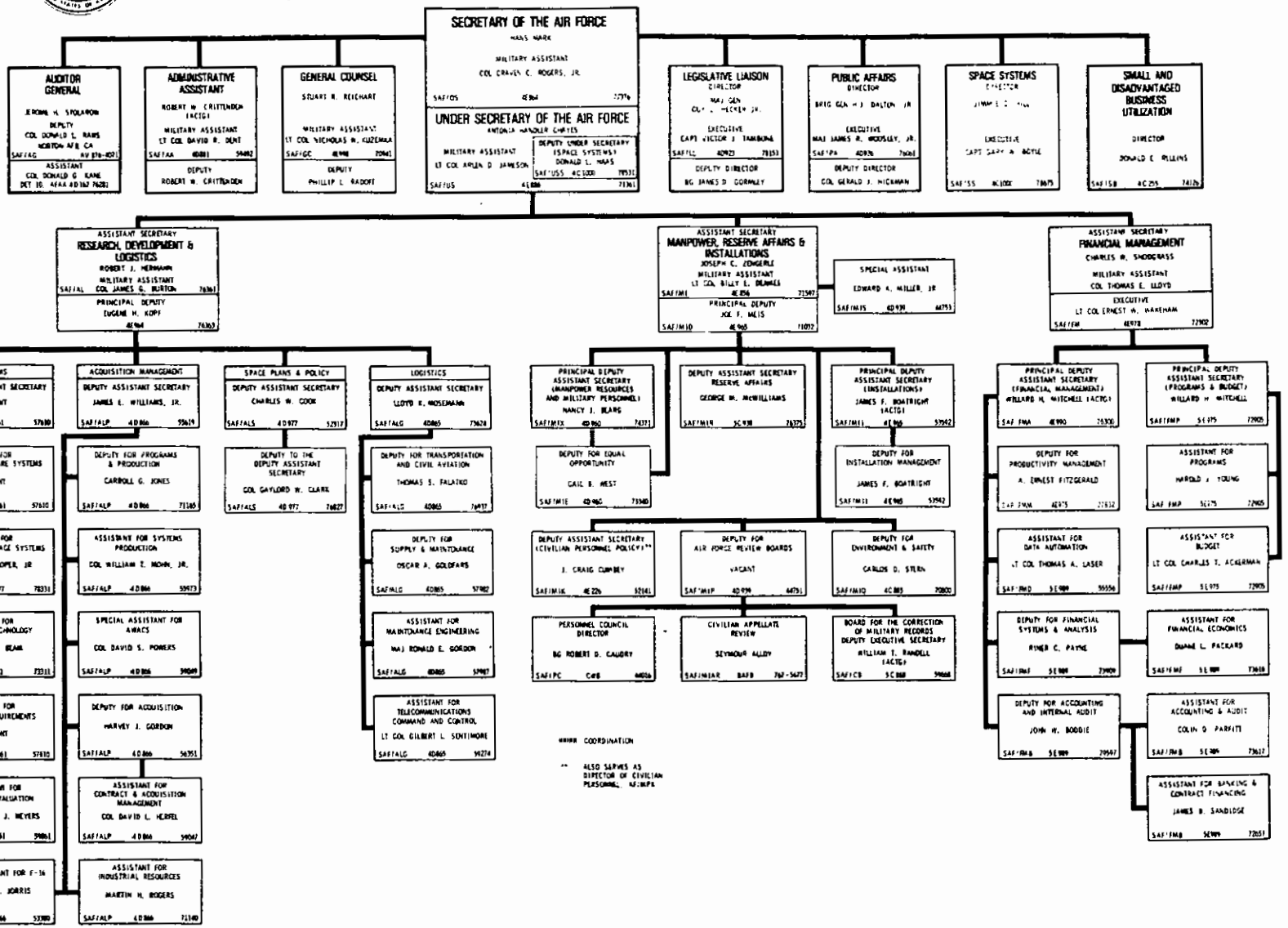
This revision updates HQ USAF organizational titles and relationships.

OFFICE OF THE SECRETARY OF THE AIR FORCE

OSAF Organization Chart
The Basic Statutes
The OSAF Order System
Functions of the Office of the Secretary and Assistant Secretaries
General Counsel
The Administrative Assistant
Office of Public Affairs
Office of Space Systems
Office of Legislative Liaison
Auditor General
Office of Small and Disadvantaged Business Utilization

OFFICE OF THE SECRETARY OF THE AIR FORCE

20 JUNE 1980



***** COORDINATION

** ALSO SERVES AS DIRECTOR OF CIVILIAN PERSONNEL, AF/MPK

ORGANIZATION AND OPERATION OF THE DEPARTMENT OF THE AIR FORCE -- THE BASIC STATUTES

The basis for the internal organization of the Department of the Air Force and for Air Force relationships with the Department of Defense is established by several laws of which the Air Force Organization Act of 1951 and the National Security Act of 1947, as amended, are the most important. The key provisions of those laws may be summarized as follows:

1. The Department of the Air Force is one of the three military departments within the Department of Defense, which is an executive department headed by the Secretary of Defense (10 U.S.C. §§101(5), 101(7), 131, 133).

2. The Department is separately organized under the Secretary of the Air Force and operates under the authority, direction and control of the Secretary of Defense (10 U.S.C. §8010).

3. The Secretary of the Air Force is responsible for and has the authority necessary to conduct the affairs of the Department in such manner as the President or the Secretary of Defense may prescribe, and he is responsible to the Secretary of Defense for the operation and efficiency of the Department (10 U.S.C. §8012).

4. The Chief of Staff performs his duties under the direction of the Secretary of the Air Force. He is directly responsible to the Secretary for the efficiency of the Air Force and its preparedness for military operations. He presides over the Air Staff and presents Air Staff plans and recommendations to the Secretary. After Secretarial approval he acts as agent of the Secretary in carrying them into effect (10 U.S.C. §8034).

5. **The Legal Authority of the Secretary.** As an official of a government of limited powers the Secretary's authority to perform an act must be grounded ultimately on a grant of authority in the Constitution or an act of Congress. The basic statutory definition of the responsibilities and authority of the Secretary of the Air Force is set forth in 10 U.S.C. §8012 which provides in part:

The Secretary is responsible for and has the authority necessary to conduct all affairs of the Department of the Air Force, including —

(1) functions necessary or appropriate for the training, operations, administration, logistical support and maintenance, welfare, preparedness, and effectiveness of the Air Force, including research and development; and

(2) such other activities as may be prescribed by the President or the Secretary of Defense as authorized by law.

There are, in addition, other statutory grants of authority for the Secretary to perform various functions. These include the statutes granting authority to procure services and supplies and to issue regulations governing the Department. The Secretary may also exercise, under an express or implied delegation, authority relating to Air Force affairs that is vested by the Constitution or statutes in the President. Numerous opinions of the courts, the Comptroller

General, and the Attorney General construe the grants of authority in the Constitution and relevant statutes, and these opinions must be taken into account in determining the extent of the authority of the Secretary to act in a particular matter. Directives issued by other agencies may also control the exercise of the authority of the Secretary, e.g., directives of the Office of Management and Budget, the Secretary of Defense, and the Office of Personnel Management.

Departmental staffing procedures are designed to ensure that before any proposal is submitted to the Secretary of the Air Force for decision, a determination has been made that the Secretary has legal authority to take the proposed action.

6. **Delegation of Authority.** The Secretary of the Air Force does not have plenary power to delegate his authority to subordinates below the Assistant Secretary level. Many statutes, however, permit the Secretary to delegate all or part of his authority with regard to specific functions. In addition, the Secretary is authorized to "assign such of his functions, powers, and duties as he considers appropriate" to the Under Secretary or an Assistant Secretary of the Air Force (10 U.S.C. §8012(c)). The functions currently assigned to the Under and Assistant Secretaries are spelled out in SAFO 100.1.

THE OSAF ORDER SYSTEM

Secretary of the Air Force Orders are formal documents by which the Secretary of the Air Force makes specific delegations and assignments of authority and responsibility. They are used in lieu of informal papers (such as memoranda) in cases where the delegations and assignments are not contained in other official publications issued by, or by order of, the Secretary. When appropriate the provisions of Secretary of the Air Force Orders will be incorporated in applicable official Air Force publications.

Secretary of the Air Force Orders will be issued over the signature of the Secretary or the statutory official in the Office of the Secretary of the Air Force having cognizance over the subject matter of such order.

Each order will be reviewed by the General Counsel of the Department of the Air Force, and any special limitations or provisions affecting the delegation will be fully stated in the published order.

The Administrative Assistant to the Secretary of the Air Force will be responsible for the administration of the Secretary of the Air Force Order system.

A current index of OSAF Orders is attached.

- INDEX -
SECRETARY OF THE AIR FORCE ORDERS

OCTOBER 1980

OPR: SAF/AA
Extension 56333

INDEX OF SAF ORDERS

Number	Subject	Date	Office of Primary Responsibility
20.1	Continuation of Official Actions	6 Apr 77	SAF/OS
20.6	Establishment of the Department of the Air Force Systems Acquisition Review Council	2 Nov 77	SAF/AL
100.1 (Interim Change)	Functions of the Secretary, Under Secretary and the Assistant Secretaries of the Air Force	11 Dec 78 27 May 77	SAF/OS
110.1	Authorities and Duties of the Administrative Assistant to the Secretary of the Air Force	17 Jul 80	SAF/OS
111.1	Functions and Duties of the General Counsel	24 May 55	SAF/GC
111.2	Civil Administration of Wake Island	19 Jun 72	SAF/GC
112.1	Organization and Functions of the Office of Legislative Liaison	5 May 80	SAF/LL
113.1	Organization and Functions of the Office of Public Affairs	23 Oct 79	SAF/PA
115.1	Organization and Functions of the Office of Space Systems	26 Jan 62	SAF/SS
116.1	The Director of Special Projects	3 Jun 80	SAF/SP
118.1	Designation of a Director of Equal Employment Opportunity	12 Aug 80	SAF/MI
125.1	Processing of Complaints Forwarded by the FAA, the National Transportation Safety Board, or the Civil Aeronautics Board, Under the Federal Aviation Act of 1958	4 Nov 71	SAF/GC
125.2	Reporting Procedures for the Inspector General	18 Jan 73	SAF/OS

Number	Subject	Date	Office of Primary Responsibility
151.1	Delegation of Authority for the Transfer of Functions Relating to Flight Inspection of Air Navigation Facilities	9 Sep 71	SAF/AL
153.1	Contract Airlift Rate Adjustment Board	10 Sep 80	SAF/AL
180.1	Supervisory Authority of the Chief of Staff, USAF	25 Nov 58	SAF/OS
221.5	Transfer of Regular and Reserve Commissioned Officers to the AF from the other Armed Services	14 Mar 75	SAF/MI
222.2	Settlement of Complaints made Pursuant to Article 138, Uniform Code of Military Justice	9 Feb 71	SAF/GC
222.3	Approval of Sentences of Dismissal of a Cadet of the Air Force Academy	21 Jun 76	SAF/MI
228.2	Decorations and Awards - Military	21 Apr 75	SAF/MI
228.3	Decorations and Awards - Civilian	27 Aug 70	SAF/AA
235.1	Marital Allowances	28 Aug 53	SAF/GC
235.4	Cost-of-living Allowances Outside the US Upon Reassignment to a Restricted Area	5 Dec 57	SAF/MI
240.8	Resignations and Applications for Release from Active Duty or for Voluntary Retirement	6 Oct 77	SAF/MI
248.1	Determination of Status of Missing and Deceased Personnel	9 Aug 67	SAF/MI
250.2	Employment of Retired Members of the Uniformed Services	29 Dec 64	SAF/MI
253.1	Correction of Certain Military Records	10 Sep 74	SAF/MI

Number	Subject	Date	Office of Primary Responsibility
285.1	Designation of Officials to Determine that Exigencies of Public Business Caused Employees to Lose Annual Leave	1 Oct 74	SAF/AA
350.3	Settlement of Claims Pertaining to Patent and Copyright Matters	3 Nov 69	SAF/GC
350.15	Authority to Take Certain Actions on Claims Due US	18 Mar 75	SAF/FM
350.16	Investigation Directed by the Special Counsel	23 Oct 79	SAF/GC
475.7	Release of Classified Information Concerning Budget Matters to Members of Appropriations Committee	29 Sep 80	SAF/FM
476.1	Delegation of Authority to Designate Original Secret Classification Authorities	20 Sep 73	SAF/OS
501.3	Appointment of the Comptroller and Deputy Comptroller	22 Aug 78	SAF/FM
502.1	Air Force Audit Agency	24 Jul 78	SAF/FM
510.2	Certification of Reports of Obligations Required by DOD Dir 7220.6	27 May 55	SAF/FM
520.12	Delegation of Certain Authorities Vested in the Secretary of the Air Force	18 Mar 75	SAF/FM

Number	Subject	Date	Office of Primary Responsibility
522.4	Certificates of Eligibility - Contract Financing (Guaranteed Loans)	28 Jul 78	SAF/AL
522.6	Contract Financing	16 May 77	SAF/FM
530.4	Contingency Funds of the Secretary of the Air Force	19 Nov 74	SAF/AA
550.1	Latin American Cooperation	15 Oct 70	SAF/FM
560.1	The Automated Data Processing Program	4 Dec 78	SAF/FM
606.1	Procurement of Public Utility Services	14 Sep 78	SAF/AL
615.3	Delegation of Priorities and Allocations Authorities: DO and DX Ratings, Allotment Authority and Rescheduling of Delivery Authority	15 Aug 77	SAF/AL
620.1	Providing Transportation for Personnel Attached to or Employed by the Department of the Air Force	9 Dec 57	SAF/AL
630.2	Sales of Foreign Excess Personal Property by Negotiation	16 Sep 57	SAF/AL
640.6	Air Force Gratuities Board; Delegation of Authority; Procedures Under Gratuities Clause	14 Sep 78	SAF/AL
640.11	Amendment of Contracts Without Consideration, Correction of Mistakes in Contracts and Formalization of Informal Commitments Under PL 85-804	14 Sep 78	SAF/AL
640.13	Approval of Selections of Architect-Engineer Firms	24 Feb 64	SAF/MI
640.14	Indemnification Against Unusually Hazardous Risks Under US Code 2354	10 May 74	SAF/AL

Number	Subject	Date	Office of Primary Responsibility
650.1	Issuance of AF Supplements to the Armed Services Procurement Regulation	31 Aug 78	SAF/AL
650.2	Establishment of the Office of Small and Disadvantaged Business Utilization	18 May 79	SAF/AL
650.4	General Procurement Authority	1 Jul 78	SAF/AL
650.5	Publication of Advertisements	16 Oct 80	SAF/AL
650.6	Emergency Purchases Abroad	14 Sep 78	SAF/AL
650.7	Weight Ranges for "Contractor's Assumption of Contract Risks" Under Modified Weighted Guidelines	14 Sep 78	SAF/AL
658.1	Sec 724 of FY 73 Defense Appropriations Act (P.L. 92-570)	16 Sep 74	SAF/AL
700.4	Authorization to Acquire Land and Interest in Land Pursuant to the Act of 3 Aug 56 (70 Stat 991, 1015) as Amended by the Act of 20 Aug 58 (72 Stat 636, 662)	5 Mar 74	SAF/MI
700.5	Delegation of Authority to Approve Minor Construction Projects, Related to Family Housing, Performed Pursuant to 10 U.S.C. 2674	17 Jun 77	SAF/MI
700.6	Authority to Request Condemnation of Real Property and Execute Declarations of Taking	26 Feb 74	SAF/MI
700.7	Delegation of Authority with Respect to Repair of Real Property Facilities	17 Dec 79	SAF/MI

Number	Subject	Date	Office of Primary Responsibility
703.1	Authority to Approve Directives to the Chief of Engineers, Dept of the Army, to Acquire Leasehold Interest in Real Property (other than Industrial Real Property)	5 Mar 74	SAF/MI
703.2	Approval and Execution of Leases & Easements	5 Mar 74	SAF/MI
703.4	Authority to Approve Real Estate Acquisition Directives	5 Mar 74	SAF/MI
703.5	Leases of Real Property Under Title 10, USC, Section 2667	3 May 62	SAF/MI
703.6	Grants of Easements with Respect to Govt-owned Land Under the Jurisdiction, Custody, and Control of the Dept of the Air Force	24 Feb 64	SAF/MI
703.7	Authorization to Negotiate, Approve and Execute Leases of Real Property in Foreign Areas	23 Aug 76	SAF/MI
703.9	Delegation to the Chief of Engineers, Dept of the Army to Execute Permits to Other Federal Agencies, and Licenses to use Dept of AF Real Property	5 Jan 59	SAF/MI
703.10	Leases of Commercial Facilities Acquired Under Title 42, USC, Sec 1594a, Edwards AFB	5 Mar 74	SAF/MI
703.11	Approval & Execution of Deeds of Conveyance	22 Jul 71	SAF/MI
704.1	Delegation of Authority to Approve Exceptions to the Air Conditioning Policy	24 Jul 67	SAF/MI
704.5	Authority to Announce Determinations Pursuant to Provisions of Sec 603(b), PL 94-107 (89 Stat 563)	12 Dec 75	SAF/MI

Number	Subject	Date	Office of Primary Responsibility
705.6	Certifications - Rentals, Alterations, Improvements & Repairs of Leased Premises	5 Mar 74	SAF/MI
705.8	Authority to Approve Real Estate Directives Involving Real Property	22 Sep 69	SAF/AL
705.10	Authority for Announcement of Determinations Pursuant to Provisions of 10 USC 2674	8 Mar 79	SAF/MI
705.11	Authority to Announce Determinations Pursuant to Provisions of Sec 603(e), PL 93-552	18 Mar 75	SAF/MI
707.1	Secretarial Determination Under 23, USC, Sec 210(h), Concerning Highway Damage	24 Feb 64	SAF/MI
708.1	Real Property Maintenance & Repair Accomplished by Contract in Overseas Area	20 Dec 74	SAF/MI
709.1	Transfers of Military Real Property Pursuant to Title 10, USC, Sec 2761(a)	9 May 68	SAF/MI
714.1	Delegation of Authority with Respect to Facilities for Reserve Components of the AF	29 May 79	SAF/MI
714.2	Delegation of Authority with Respect to Approved Facilities for the Air National Guard of the US & the AF Reserve	5 Mar 74	SAF/MI
715.1	Authority to Approve Projects Involving Industrial Facilities	2 Mar 79	SAF/AL
750.2	Section 204 of FY 71 Military Procurement Authorization Act	4 May 71	SAF/AL
751.1	Authority to Make Grants and Cooperative Agreements for Basic Research and to Vest Title to Equipment Purchased Under Contracts, Grants and Cooperative Agreements	7 May 79	SAF/AL

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

HANS M. MARK

Dr. Hans M. Mark became secretary of the Air Force in July 1979. Prior to his appointment, Dr. Mark was under secretary of the Air Force.

Dr. Mark was born on June 17, 1929, in Mannheim, Germany. He came to the United States in 1940 and became a U.S. citizen in 1945. He attended primary and secandary schools in New York City, earned a bachelor of arts in physics at the University of California, Berkeley, in 1951 and his doctar of physics in 1954 from the Massachusetts Institute of Technology.

Active in teaching since 1952, Dr. Mark taught courses in physics and engineering at Boston University, the Mossachusetts Institute of Technology, the University of California at Berkeley and Davis and Stanford University. Concurrently, he was active in research and held a number of administrative appointments. Following completion of his graduate studies, Dr. Mark remained at the Massachusetts Institute of Technology as a research associate and acting head of the Neutron Physics Group, Laboratory for Nuclear Science, until 1955. He then returned to the University of California as a research physicist at the Berkeley campus, then at the university's Lawrence Radiation Labaratory in Livermore, where he served until 1958.

After two years as an assistant professor of physics at the Massachusetts Institute of Technology, Dr. Mark returned to the Lawrence Radiation Laboratory in Livermore to continue physics research and to head the Laboratory's Experimental Physics Division (1960-1964). During that period he was also first an associate professor (1961-1966) and then professor of nuclear engineering (1966-1969) at the University af California's Berkeley campus. He served as chairman of the Department of Nuclear Engineering and administrator of the Berkeley Research Reactor from 1964 to 1969.

In 1969 Dr. Mark accepted the position of director of the Ames Research Center of the National Aeronautics and Space Administration. As director he managed the center's research and applications efforts in aeronautics, space science, life science and space technology. He also continued his association with the academic community, first as a lecturer in applied science at the University of California, Davis campus, from 1969 to 1973 and since 1973 os a consulting professor of engineering at Stanford University.

OVER

(Current as of July 1979)

Dr. Mark has also been a consultant to government, industry and business. He served as a consultant for, among others, the Institute for Defense Analyses (1958-1961); the National Science Foundation (1966-1969); the U.S. Air Force Scientific Advisory Board (1969-1976); the vice president of the United States (1974-1976); The President's Advisory Group on Science and Technology (1975-1976) and the Defense Science Board (since 1975).

Dr. Mark has written extensively; his articles have appeared in a number of professional and technical journals. He also co-authored a volume on "Experiments in Modern Physics," served as co-editor of "The Properties of Matter Under Unusual Conditions," and was a co-author of "Power and Security."

His major scientific accomplishments include contributions to the precise determination of the wave lengths af nuclear gamma rays, ta the development of X-ray astronomy, to various fields of nuclear instrumentatian and to the development of more accurate atomic wave functions.

Dr. Mark is a member of Tau Beta Pi, Sigma Xi, Phi Beta Kappa and the National Academy of Engineering. He is a fellow of the American Physical Society and the American Institute of Aeranautics and Astronautics. He also belongs ta a number of other professional associations including the American Nuclear Society, the American Geophysical Union, the American Association of University Professors and the Society for Engineering Science, of which he was a director from 1972 to 1976. Dr. Mark halds an honorary doctorate of science degree awarded in 1978 by Flarida Institute of Technology.

Dr. Mark is married to the former Marion G. Thorpe. They have two children, Jane and Rufus.

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

ANTONIA HANDLER CHAYES, UNDER SECRETARY, U.S. AIR FORCE

Antonia Handler Chayes became Under Secretary of the Air Force on July 26, 1979. She is the first woman Under Secretary to serve the Armed Forces.

Ms. Chayes has been Assistant Secretary of the Air Force for Manpower, Reserve Affairs and Installations since July 1977. She has administered a military construction budget of almost $700 million and has been actively involved in the planning and implementation of the Isroeli Air Base construction program in support of the Egypt-Israel peace treaty.

At her direction, the Air Force adopted new quality of life and environmental initiatives. Chayes supervised the environmental impact anolysis of the M-X missile system ond alternative siting options. In order to make criteria for bose closings as objective as possible, she directed the development of socio-economic models to predict and assess the impact of Air Force bases on civilian communities.

Because her office has lead responsibility for the "people issues" in the Air Force, Chayes took action to upgrode fomily housing and dormitory facilities for military personnel, instituted new Air Force-wide safety measures and opened the missile and aircrew operations career fields to women. Ms. Chayes initiated complete revision and reformulation of the Air Force affirmative action plans and improved appellate review procedure for EEO grievances. She played a key role in the passage of the GI Bill Improvement Act which conferred veteran status on Women Airforce Service Pilots who performed military duty during WW II but were never recognized as part of the military.

Chayes has been an articulate spokeswoman for such administration proposals as SALT II, the Panama Canal and lifting the Turkish Arms Embargo. She has participoted in several initiatives to increase Japanese and German sharing of support costs of US forces overseas.

Prior to her Air Force appointment, Ms. Chayes was a partner in the Boston law firm of Csaplar and Bok. Her previous professional experience includes the Deanship of Jackson College, Tufts University where she was also an Associate Professor of Political Science. She lectured in law at Yale and Boston University Law Schools and served as Law Clerk to the Honorable Charles E. Wyzanski, Senior Judge, District of Massachusetts.

OVER

(Current as of August 1979)

Ms. Chayes served as Director of Education and Urban Development in the Action for Boston Community Development Agency, and Liaison to the Boston Model Cities Administration from 1966 to 1968. From 1964-1965 she served as a member of the planning staff of the National Institute for Mental Health. In 1963-64 she was a Phillips Foundation Fellow in academic administration; in 1962-63 Director of the Committee on Education, President's Committee on the Status of Women; in 1961-62 a member of the White House staff; and Executive Assistant to Dean Erwin Griswold of the Harvard Law School, 1959-61.

Ms. Chayes, a native of New York City, was born on July 21, 1929. She received her A.B. from Radcliffe College of Harvard University in 1949, graduating magna cum laude with Phi Beta Kappa honors. She attended the Yale Law School from 1949 to 1951 and completed her legal education at George Washington University Law School in 1953, receiving her J.D. with highest honors.

She is a trustee of Wesleyan University, a member of the American Law Institute and the Council on Foreign Relations.

Ms. Chayes is the wife of Abram Chayes, Professor of Law at Harvard University and former Legal Adviser to the United States Department of State. The Chayes have one son and four daughters.

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NO: 100.1
DATE: 27 May 1977

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Functions of the Secretary, Under Secretary and the Assistant Secretaries of the Air Force

1. The Secretary of the Air Force, pursuant to 10 U.S.C. 8012, is responsible for and has the authority necessary to conduct all affairs of the Department of the Air Force. Subject to his direction and control, the Under Secretary, and the Assistant Secretaries are authorized to act for and with the authority of the Secretary of the Air Force on any matters within the areas assigned herein. This authority extends not only to actions within the Department of the Air Force, but also to relationships and transactions with the Congress and other governmental and nongovernmental organizations and individuals.

2. Officers and officials of the Air Force will report to the Under Secretary and the Assistant Secretaries regarding matters within their respective cognizance as herein assigned.

3. Pursuant to 10 U.S.C. 8017, the Under Secretary, in the absence of the Secretary, will perform the duties of the Secretary; in the absence of the Secretary and Under Secretary, the Assistant Secretaries in order of their length of service as such will perform the duties of the Secretary.

4. The Under Secretary of the Air Force, as principal assistant to the Secretary, acts with full authority of the Secretary on all affairs of the Department. He is specifically responsible for overall direction, guidance, and supervision of space programs and space activities of the Air Force.

5. The Assistant Secretary of the Air Force (Research, Development and Logistics) is responsible for conceptual efforts on new major programs and for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to:

a. Scientific and technical matters;

b. Basic and applied research, exploratory development and advanced technology;

c. Integration of technology with, and determination of, qualitative Air Force requirements;

d. Research, development, test and evaluation of weapons, weapon systems and defense materiel;

e. Technical management of systems engineering and integration;

f. Production and contract management of weapons systems;

g. Industrial defense program;

h. Industrial resources and preparedness;

i. Procurement activities, including required determinations and findings, contracting, and administration and termination of contracts;

j. Contractors' Equal Employment Opportunity Programs;

k. Renegotiation affairs, contract appeals, and related activities;

l. Contract Adjustment Board matters;

m. Small business matters;

n. International Cooperation in research, engineering, production and the Canadian Production and Development Sharing Program;

o. Supply management, including initial and replenishment requirements determinations, storage, distribution, reutilization and disposal of all materiel;

p. Equipment maintenance and modification management;

q. International Logistics Program;

r. Materiel and logistics planning and programming;

s. Resources Conservation Program;

t. Standardization and technical data;

u. Civil aviation, including the Department of Defense Advisory Committee on Federal Aviation, and the Interagency Group on International Aviation;

v. Transportation, communications, and other related service activities;

w. Economic utilization policy; and

x. Commercial or Industrial Activities Program. Under the provisions of OMB Circular A-76 and DOD Directive 4100.15, authority to make decisions:

(1) To continue, discontinue, or curtail activities within the Department of the Air Force covered by the Commercial or Industrial Activities Program.

(2) To approve or disapprove new starts except industrial facility modernization and expansion projects which require Office of the Secretary of Defense approval in accordance with DOD Directive 4275.5, Industrial Facility Expansion and Placement.

The Assistant Secretary of the Air Force (Research, Development and Logistics) has responsibility for directing and supervising those space programs and space activities of the Air Force assigned to him. He also is the Air Force Acquisition Executive.

6. The Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations) shall have as its principal duty the overall supervision of manpower and reserve component affairs and installations management of the Department of the Air Force. General responsibilities include direction, guidance, and supervision over all matters pertaining to the formulation, review and execution of plans, policies and programs relative to:

a. Air Force Reserve component affairs;

b. Manpower and organization;

c. Military and civilian personnel, including procurement, assignment, training, promotion, career development, pay and benefits, utilization, separation, medical care, and all factors affecting morale and well being;

d. Programs to prohibit discrimination because of age, race, creed, color, sex, or national origin, except programs applicable to contractors;

e. Civil Air Patrol;

f. Reserve Officers Training Corps;

g. Air National Guard;

h. Contracts for personal services and training;

i. Travel and per diem allowances;

j. Air Force Board for Correction of Military Records;

k. Secretary of the Air Force Personnel Council and its component boards, including the Air Force Discharge Review Board, the Air Force Board of Review, the Air Force Personnel Board, the Air Force Disability Review Board, the Air Force Physical Disability Appeal Board, the Air Force Decorations Board, and the Air Force clemency and parole functions;

l. Manpower management programs and techniques, to include manpower mix policies and military essentiality issues;

m. Installations planning, programming, utilization, and annexation of installations by municipalities;

n. Acquisition and disposal of real estate;

o. Construction of bases and facilities;

p. Family housing resources acquisition, construction, maintenance and disposal;

q. Maintenance of real property and provision of utilities services;

r. Environmental quality; and

s. Occupational Safety and Health.

The Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations) serves as a member of the Reserve Forces Policy Board established by 10 U.S.C. 175(a)(2). The incumbent also serves as a member of the Per Diem, Travel and Transportation Allowance Committee.

7. The Assistant Secretary of the Air Force (Financial Management) is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and program relative to:

a. The Air Force programming processes and the preparation and validation of all program documentation;

b. Budgeting and fund management;

c. Accounting and accounting systems;

d. Cost control, cost analysis, and cost estimating;

e. Economic analysis of programs, forces and weapons systems;

f. Finance, including disbursement and collection of funds;

g. Contract financing;

h. The design, standardization, installation and application of management information and control systems including resource management systems, and progress and statistical reporting;

i. Auditing;

j. Contracts for services in the financial management area;

k. Automatic Data Processing Programs, and is the Air Force Senior ADP Policy Official in this area serving as the focal point for ADP policy and for the administration of the ADP Programs within the Department, including the development and control of programs for the design, improvement, and standardization of automated data systems in consonance with approved OSD guidelines, and the selection, acquisition, management and use of Automatic Data Processing Equipment and associated software (ADPE/S);

l. Productivity enhancement and measurement; and

m. Management by Objectives program.

The Assistant Secretary of the Air Force (Financial Management) is responsible for directing and supervising the Controller of the Air Force. While the Comptroller is directly responsible to the Assistant Secretary (Financial Management), he has a concurrent responsibility to the Chief of Staff.

Direct channels of communication are authorized between the Assistant Secretary (Financial Management) and (1) the Auditor General, (2) the Assistant Chief of Staff, Communications and Computer Resources, and (3) the Director of Data Automation.

8. In addition to the Under Secretary, each of the Assistant Secretaries is authorized to act for and with the authority of the Secretary of the Air Force as to any matter referred to him which is within the cognizance of another Assistant Secretary when such official is absent or otherwise unavailable to perform the function.

NO: 100.1

DATE: 27 May 1977

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9. This Order is issued in accordance with Air Force Regulation 11-18, dated 18 July 1963, subject: "Delegating or Assigning Statutory Authority."

10. Secretary of the Air Force Order No. 100.1 dated 10 June 1976, is hereby superseded.

John C. Stetson
Secretary of the Air Force

NO: 100.1
DATE: DEC 1 1 1978

SECRETARY OF THE AIR FORCE
ORDER

INTERIM CHANGE TO SAF ORDER 100.1

SUBJECT: Functions of the Secretary, Under Secretary and the Assistant Secretaries

SAF Order 100.1, dated 27 May 1977, is changed as follows:

* * *

7. The Assistant Secretary of the Air Force (Financial Management)

a. Responsibilities. Is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review and execution of plans, policies, and programs relative to:

(1) Budgeting and funds management;

(2) Economic analysis;

(3) Cost estimating and cost analysis;

(4) Management information and control systems;

(5) Internal auditing (see para 7b(4) below for special relationships);

(6) Accounting and finance;

(7) Banking and contract financing;

(8) Credit unions;

(9) Contracts for services in the financial management area;

(10) The Air Force programming processes;

(11) Productivity enhancement and measurement;

(12) Management by Objectives program; and

(13) Automatic Data Processing (ADP).

b. Relationships.

(1) The Air Force Comptroller. The Assistant Secretary of the Air Force (Financial Management) is responsible for directing and supervising the Comptroller of the Air Force. While the Comptroller is directly responsible to the Assistant Secretary (Financial Management), he has a concurrent responsibility to the Chief of Staff.

(2) Deputy Chiefs of Staff. Direct channels of communication are authorized between the Assistant Secretary of the Air Force (Financial Management) and the Deputy Chiefs of Staff when necessary to accomplish specific areas of responsibility.

(3) Director of Computer Resources. Direct channels of communication are authorized between the Assistant Secretary (Financial Management), who is the Senior ADP Policy Official, and the Director of Computer Resources (see also SAFO 560.1).

(4) The Auditor General. The Auditor General, who directs the Air Force Audit Agency, reports to the Secretary of the Air Force and is authorized direct access to the Chief of Staff. The Assistant Secretary (Financial Management) provides supervision on audit policy and management matters.

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John C. Stetson
Secretary of the Air Force

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

ROBERT J. HERMANN

Dr. Robert J. Hermann is assistant secretary of the Air Force for research, development and logistics.

Dr. Hermann was born April 6, 1933, in Sheldahl, Iowa. He received a bachelor of science degree from Iowa State University in 1954, a master of science degree in 1959 and a doctor of philosophy degree in 1963.

He served in the U.S. Air Force from July 1955 to June 1957 as an electrical engineer assigned to the National Security Agency. Following his tour of duty in the Air Force, Dr. Hermann returned to Iowa State University as an instructor in the electrical engineering department. During this time he also served as a consultant to the National Security Agency.

In 1959 he returned to the National Security Agency as chief of the Research and Development Field Laboratory in Frankfurt, Germany. From September 1962 to August 1963, he attended Iowa State University as a member of the agency's fellowship program. From 1963 to 1965, he served as an electrical engineer on the Technical Planning Staff and later in the Office of the Director, Defense Research and Engineering. In 1965 he became chief, Office ot Systems Engineering, and in February 1969 was appointed the agency's deputy assistant director for science and technology and acting chief of the Office of Systems Management.

Dr. Hermann served as chief of Systems Engineering and Electronic Intelligence at the National Security Agency from October 1970 to July 1973 when he became the agency's deputy director for research and engineering. In 1974 he was appointed special assistant to the director of the National Security Agency to study signals intelligence support to military operations.

In 1975 Dr. Hermann was assigned as special assistant to General Alexander Haig, supreme allied commander, Europe, for strategic warning and combat information systems. He became deputy under secretary of defense for communications, command, control and intelligence in July 1977 and assumed his current position in July 1979.

Dr. Hermann is married to the former Darlene Lowman; they have a son, Scott, and a daughter, Sherie.

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(Current as of April 1980)

CURRENT ISSUES:

- F-16 Follow-on Buy with The Netherlands
- Defining a credible digital communications system for Tactical Air Force
- Survivability/endurance of strategic aircraft
- Planning for high-energy lasers
- Warning system architecture
- Emphasizing logistics considerations in the acquisition of new weapon systems and support equipment
- Survivable C^3
- Short and long-range planning for the modernization of logistics ADPE and telecommunications
- Developing antisatellite weapons policy
- Establishing an overall depot maintenance posture plan as a vehicle for capital investment and mission assignment
- Spacecraft nuclear power systems
- Space Shuttle transition, future launch and backup strategies, and long-term goals for Shuttle operations in support of the DOD
- Feasibility of accelerating development of space laser systems
- Funding of NATO ACW&C program by the thirteen participating nations
- Balancing the F-16 industrial offset among the participating European countries.
- Inability of the industrial base to provide timely support for our current acquisition and potential surge requirements
- Tailored acquisitions for space systems
- Determining the composition and capability of the future TAC fighter force
- Improving the Strategic Airlift capability
- Source selection of the C-X aircraft

PRINCIPAL FUNCTIONS

The Assistant Secretary of the Air Force (Research, Development and Logistics) is responsible for the formulation and execution of Air Force research, development, and logistics policies and programs. As the Air Force Acquisition Executive, he is responsible to the Secretary of the Air Force for all decisions relating to the acquisition of major weapon systems.

Deputy Assistant Secretary of the Air Force (Systems). The Deputy Assistant Secretary of the Air Force (Systems) is responsible for making recommendations to and acting in behalf of the Assistant Secretary of the Air Force (Research, Development and Logistics) with regard to:

1. The qualities and quantities of weapon systems needed for Air Force operations.

2. The integration of technology into Air Force weapon systems.

3. The effectiveness of acquired Air Force weapon systems.

4. General research, development, scientific and technology matters.

5. The assessment of development, test and evaluation results relative to weapon system acquisition decisions.

Deputy Assistant Secretary of the Air Force (Acquisition Management). The Deputy Assistant Secretary of the Air Force (Acquisition Management) is responsible for making recommendations to and acting in behalf of the Assistant Secretary of the Air Force (Research, Development and Logistics) with regard to:

1. The acquisition process.

2. Air Force acquisition strategies.

3. Air Force weapon system production programs.

4. The assessment of operational test and evaluation results relative to weapon system acquisition decisions.

5. Industrial resources, preparedness and defense programs.

6. Procurement actions, including determinations and findings, contracts, and the administration and termination of contracts.

7. Renegotiation affairs, contract appeals, and related activities.

8. Contract Adjustment Board matters.

9. Small business matters.

Deputy Assistant Secretary (Logistics): The Deputy Assistant Secretary (Logistics) is responsible for making recommendations to and

acting in behalf of the Assistant Secretary of the Air Force (Research, Development and Logistics) with regard to:

1. Integrated logistics support planning in the development, acquisition and maintenance of Air Force weapon systems.

2. The integration of logistics planning/programming with force development.

3. The supply management process, including initial and replenishment requirements determinations, storage, distribution, reutilization and disposal of all materiel.

4. Equipment maintenance and modification management.

5. International logistics programs.

6. Transportation management and interfaces with civil aviation.

7. Communications management.

Deputy Assistant Secretary of the Air Force (Space Plans and Policy). The Deputy Assistant Secretary of the Air Force (Space Plans and Policy) is responsible for making recommendations to and acting in behalf of the Assistant Secretary of the Air Force (Research, Development and Logistics) with regard to:

1. Provides technical assistance, policy and operational recommendations to the Secretary of the Air Force in his capacity as the Chairman of the Defense Space Operations Committee (DSOC).

2. Provides staff cognizance for the development of an overall Air Force space program to include:

(a) Resources

(b) Operational concepts and procedures

(c) Organizational approaches

(d) Transition strategies for operations, systems and organizational changes

(e) Interfaces with other government space programs.

3. Provides staff cognizance for the development and definition of the desired relationships between space and conventional activities.

4. Serves as the primary point of contact between the Air Force Secretariat and other agencies or departments with space activities.

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

MR. JOSEPH C. ZENGERLE

Mr. Joseph C. Zengerle is Assistant Secretary of the Air Force for Manpower, Reserve Affairs and Installations, responsible for policies affecting all the military and civilian personnel of the Air Force, all matters pertaining to the Air Notional Guard and Air Force Reserve, and all the bases and facilities of the Air Force worldwide. He came to this position from the Washington, D.C., law firm of Shea & Gardner.

Mr. Zengerle has been active in promoting fair treatment of Vietnam veterans for the last two and one-half years, and in that connection co-founded a unique national membership organization, the Vietnam Veterans of America. His numerous articles and nationwide television and radio appearances have helped to create public awareness of and consequent improvement in the status of veterans of the Vietnam war era.

Born August 16, 1942, in Jamaica, N.Y., Mr. Zengerle attended elementary and high schools in Pitman, N.J. Upon graduating from the U.S. Military Academy, West Point, N.Y., in 1964, Mr. Zengerle was commissioned as an infantry officer and trained at the U.S. Army's Airborne and Ranger Schools at Fort Benning, Ga., where he was named the outstanding leader of his class.

Mr. Zengerle's military service continued with several assignments in Germany: commond of an infantry platoon and company, and adjutant of an infantry battalion, in Augsburg and Berlin; and a tour of duty as the American chief of an allied intelligence organization in Nuremberg.

As a special assistant to the U.S. Commander, Vietnam, in 1968, Mr. Zengerle was an advisor to General William Westmoreland during the Tet offensive and later served in the same capacity for General Creighton Abrams. He completed his Vietnam tour as a unit commander in I Corps.

Mr. Zengerle's last military assignment was with the Office of the Assistant Chief of Staff for Intelligence, Department of the Army, at the Pentagon in 1969. He is a recipient of the Bronze Star Medal.

Married in 1966, Mr. Zengerle and his wife, Lynda, attended law school together at the University of Michigan, Ann Arbor, Mich., from which they both graduated with honors in December 1971. Mr. Zengerle was Note and Comment editor of the Michigan Law Review. In 1972, Mr. Zengerle joined the Washington, D.C., law firm of Arnold & Porter. During this time he also served on the Domestic Task Force of Senator Edmund Muskie's presidential campaign.

Mr. Zengerle next served as law clerk to the Honorable Carl McGowan, Circuit Judge of the U.S. Court of Appeals for the District of Columbia Circuit, in 1972-73. In the following year, Mr. Zengerle was law clerk to the Honorable Warren Burger, Chief Justice of the United States.

April 7, 1980

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His service in this capacity occurred during the 1973-74 term, when the Supreme Court decided the case of United States v. Nixon.

Since late 1974, Mr. Zengerle has been with Shea & Gardner. In 1976, he helped to form and was acting chairman of the Washington Finance Committee for President Carter's election campaign. In 1977, he converted an occasional involvement on behalf of Vietnam veterans into a full-scale undertaking, pro bono publico. Mr. Zengerle's law practice was otherwise divided evenly among the specialities of corporate litigation, banking and administrative law.

He was sworn in as Assistant Secretary of the Air Force by Secretary of Defense Harold Brown on Feb. 15, 1980, with Judge McGowan administering the oath of office.

Mr. Zengerle and his wife, a partner working part-time in the Washington, D.C., law firm of Leighton, Conklin, Lemov & Jacobs, live in Washington with their two young sons, Jason and Tucker.

CURRENT ISSUES

- **M-X**
  - Environmental Impact Statement
  - Land Acquisition & Construction

- **Rapid Deployment Force**
  - Basing Requirements
  - Israeli Airbase Construction

- **Military Construction**
  - Base Realignment Actions
  - Overseas Family Housing Deficiencies

- **Military Personnel**
  - Compensation
  - Quality of Life Initiatives
  - Retention
  - Total Force Mix

- **Civilian Personnel**
  - Strength Reduction
    - Hiring Freeze
  - High Grade Reductions
  - Pay Reform and Pay Cap
  - Merit Pay Program

- **Reserve Affairs**
  - Force Modernization
  - Militarization Study

- **Environment & Safety**
  - Epidemeological Studies (Agent Orange)
  - Pollution Abatement Issues
  - Space Shuttle Noise Impact Studies

- **Air Force Boards**
  - Reducing case backlogs

PRINCIPAL FUNCTIONS

Assistant Secretary of the Air Force
(Manpower, Reserve Affairs & Installations)

Serves as a member of the Reserve Forces Policy Board established by 10 USC 175 (a) (2).

Serves as a member of the Per Diem, Travel and Transportation Allowance Committee.

Provides direction, guidance and supervision over all matters pertaining to the formulation, review and execution of plans, policies and programs.

Principal Deputy Assistant Secretary
(Manpower, Reserve Affairs & Installations)

Acts for and in the absence of the Assistant Secretary in all the professional and technical areas of manpower and organization, reserve component affairs and installations management. In so acting, performs the full range of duties delegated to the Assistant Secretary by law or Secretarial order.

Functions as principal executive and advisor to the Assistant Secretary.

Coordinate planning, programming and budgeting actions.

Special Assistant

Responsible for public interface activities supporting major Air Force programs.

Research projects and other functions as assigned.

Principal Deputy Assistant Secretary
(Manpower Resources & Military Personnel)

Formulation, implementation and management of Air Force policies and programs in areas of military personnel, manpower and organization, education and training, and equal opportunity.

Monitor Air Force programs for military recruitment, assignment, promotion career development, pay and benefits, separations, retirement, medical care, and all factors affecting morale and welfare.

Formulation of appropriate Air Force manpower mix and development of productivity initiatives.

Principal Deputy Assistant Secretary
(Installations)

Responsible to Assistant Secretary for all aspects of the Air Force installations program. Policy determination and SAF coordination and review for: installations planning and programming; acquisition and disposal of real estate; construction of bases, missile sites and other facilities; programming, construction, maintenance, operation, and management of real property. Secretariat focal point for base realignments and economic adjustment impacts.

Deputy Assistant Secretary
(Reserve Affairs)

Assists in the planning, establishing, directing and implementing the formulation of policy in the areas of Reserve Force personnel management, programming, manpower, force structure, readiness planning, budgeting, organization, training, and education.

Responsible for the mobilization and deployment functions within the office of the Secretary of the Air Force.

Provide administrative support to the Air Reserve Forces Policy Committee (ARFP).

Advise the Secretary of the Air Force on all policy matters directly affecting the Air National Guard and Air Force Reserve.

Administer the Title 10 USC Section 265, 9033 ad 8496 officer program.

Deputy Assistant Secretary
(Civilian Personnel Policy)

Formulate civilian personnel policy goals and objectives; to issue Departmental policies, and to monitor and control policy execution through program review and evaluation.

Provide oversight, leadership, and policy guidance for the administration of civilian personnel within the Department of the Air Force for both appropriated and non-appropriated fund personnel.

Serve as Air Force spokesman for civilian personnel administration in communicating and advocating the Administration's views and interests before Congress, other agencies, and the public.

Represent the Department of the Air Force in its dealings with other Federal agencies and instrumentalities as well as in its relations with non-governmental organizations, such as labor groups, for purposes of formulating and modifying Department-wide policies and directions.

Deputy for Equal Opportunity

Responsible for policy planning, program guidance and executive direction for all matters within the Department of the Air Force pertaining to

minority and women's rights, equal employment opportunity and treatment/human relations education for military personnel.

Deputy for Environment and Safety

Serves as the Air Force Safety and Occupational Health Official, designated by the Secretary of the Air Force in accordance with DODD 1000.3. Responsible for implementing the requirements of the Occupational Safety DOD Directives.

Serves as the Air Force single point of contact for the quality of the human environment, designated by the Secretary of the Air Force per DODD 6050.1. Responsible for implementing requirements of the National Environmental Policy Act of 1969, environmental and natural resource protection laws, Executive Orders, and DOD policy.

While not presently a formal responsibility, developing requirements for Secretariat-level involvement in energy-related matters have flowed to SAF/MIQ through various SAF/US memoranda and verbal quidance.

Deputy for Air Force Review Boards

Coordinate activities of the Air Force Personnel Council, Air Force Board for Correction of Military Records and the AF Civilian Appellate Review Agency. A brief description of these boards is given below.

Review all cases received from the review boards for final decision by the Assistant Secretary to insure due process and fair and impartial adjudication.

Coordinate individual case personnel actions, congressionals or personal complaints made to the Secretary or Assistant Secretary of the Air Force.

Insure central point for coordination of all cases having Presidential, Congressional, Secretarial and other interests concerning individual cases or policies affecting Air Force members or their dependents and civilian employees. Essentially, act as Secretarial ombudsman.

The Secretary of the Air Force Personnel Council

An administrative agency established under the Assistant Secretary of the Air Force for Manpower, Reserve Affairs and Installations, to assist in the review and recommendation of final actions to the Secretary and to announce final determinations and decisions of the Secretary in certain specifically defined personnel matters wherein the Secretary is charged by law with the final authority. It's functions include:

(1) **Discharge Review Board**

Upon application, examines the property and equity of an applicant's discharge and effects changes, where necessary.

(2) **Clemency and Parole Board**

Considers persons confined at the U.S. Disciplinary Barracks for clemency and parole. In addition, former members confined in the Federal prison system or on parole from the Federal prison/Disciplinary Barracks are considered for parole only.

(3) **DOD Civilian/Military Service Review Board**

Reviews and recommends final action to the Secretary to determine if civilian or contractual service rendered by groups to the Armed Forces of the United States shall be considered active military service for the purposes of all laws administered by the Veterans Administration.

(4) **Substitution in Lieu of Board for Correction of Military Records**

Assists the Air Force Board for Correction of Military Records by reviewing and acting on some functions assigned to the Board but for which the composition and expertise of the Council is equipped (i.e., change of reenlistment code requests, and discharge review cases which exceed statutory time limitations of the Discharge Review Board).

(5) **Personnel Board**

Process for a final determination or recommendation to the Secretary a variety of personnel actions in which current policy parameters are exceeded. Includes separation of Air Force Academy cadets; interservice transfer of officers; Regular Air Force appointments; grade determinations, retention of Reserve officers on active status; deferment of mandatory retirement; Survivor Benefit Program determinations; transfers to retired Reserve; dropping officers from the roles of the Air Force; voluntary officer separations through retirement, resignation or early release; certain designated physical disability cases involving both officer and enlisted personnel; and reenlistment code changes.

(6) **Decorations Board**

Acts on individual military awards, unit and organizational awards and civilian awards submitted to the Secretary of the Air Force.

(7) **Physical Disability Appeal Board**

Adjudicates and makes a final determination on physical disability cases in which the individual contests any major findings made by the physical Review Board or the Personnel Board.

(8) **Board of Review**

Examines the cases of officers who have been recommended for removal from the Regular active list by Boards of Inquiry. Officers are

considered for removal for reasons of moral/professional dereliction, in the interests of national security, or for substandard performance of duty.

The Air Force Board for Correction of Military Records

Section 1552, Title 10, U.S. Code authorized the Secretary of the Air Force, under procedures established by him and approved by the Secretary of Defense, and acting through a board of civilians of the Executive part of the Department known as the Air Force Board for Correction of Military Records, to correct any military records of present or former members of the Air Force when he considers it necessary to correct an error or remove an injustce. The Board, which is composed of 29 members, is tasked with the review of all applications that becomes before it to determine whether to:

(1) authorize a personal hearing, (2) recommend to the Secretary that the records be corrected without a hearing, or (3) deny the application without a hearing. There is nothing in the personnel, legal or medical spectrum barred from consideration by the Board. The Board Secretariat staff duties are primarily that of advisors and administrative support to the Board.

Air Force Civilian Appellate Review Agency

Executive Secretariat for Secretary of the Air Force is processing discrimination complaints, appeals and grievances submitted by civilian employees. Decides personal representation disputes, and disputes over acceptability of employee petitions for review. Acts on other matters related to the civilian appellate program as designated by the Office of the Secretary.

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

CHARLES W. SNODGRASS

Mr. Charles W. Snodgrass was appointed assistant secretary of the Air Force for financial management June 18, 1980.

Mr. Snodgrass was born in Marietta, Ohio, Aug. 7, 1940, and attended primary and secondary schools there. In 1965, following military service with the U.S. Navy, he received his bachelor of arts degree in history and political science from Marietta College. He was selected the best graduating student in the history department. He was awarded a master of arts degree in public administration from The American University, Washington, D.C., in 1971.

Mr. Snodgrass entered the Department of Health, Education and Welfare's management intern program in 1965. This three year management development program included intern assignments with the National Institute of Health, Vocational Rehabilitation Administration and the Office of the Secretary of Health, Education and Welfare. He then joined the Office of Management and Budget as a budget examiner in 1968. In addition to evaluating various Department of Labor programs he worked with the White House staff on the project to reform unemployment insurance laws.

Mr. Snodgrass served the House Appropriations committee as a staff assistant to the Agriculture Subcommittee from 1971 to 1974 and was responsible for reviewing budget requests of the Federal Trade Commission, Food and Drug Administration and the Office of Consumer Affairs. From 1974 until his present appointment he served as a staff assistant for the Defense Subcommittee of the House Appropriations Committee with responsibility for reviewing budget requests for all Department of Defense communications and intelligence programs, including budgets of the Central Intelligence Agency and National Security Agency.

Mr. Snodgrass is married to the former Catharina Malmberg of Stockholm, Sweden, and they have two sons Charles Eric and Jay Alexander. They reside in Washington, D.C.

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(Current as of July 1980)

CURRENT ISSUES

- Paperwork Reduction Act
- MX funding
- FY 82 budget
- FY 83 Program Objective Memorandum preparation
- Air Force Symposium on Force Projection
- Depot Maintenance Cost Accounting
- Air Force Regulation on Productivity
- Proposed Productivity Statute (H.R. 8306)
- General Accounting Office approval of accounting systems
- Implementation of system for audit followup and resolution of disagreements
- Integrated plan and audit evaluation of design of Air Force internal control systems
- Developing visibility of weapon systems operating and support costs
- Revised funding policies/multi-year procurement/tailored acquisition
- Preparation/coordination of "think piece" on separate appropriation for satellites/space vehicles
- Extension of Selected Acquisition Report (SAR) coverage to include Global Positioning System (GPS) and Joint Tactical Information Distribution System (JTIDS)
- Evaluation and disposition of Boeing Co. complaints about implementation of Cost/Schedule Control Systems Criteria (C/SCSC) on their Air Force programs
- Development of computer programs to facilitate the analysis of Air Force financial data bases
- Phase IV acquisition to replace 275 base level computers
- Near term acquisition/implementation of Air Force Logistics Command's IBM 360/65 computers
- Long term modernization of all management information system computers in Air Force Logistics Command
- Modification of Air Force Global Weather Central computers (long term)

- Pursue initiatives of the Automatic Data Processing Acquisition Improvement Group
- 82-86 Program Objective Memorandum (POM); relationship between spares, depot programmed equipment maintenance, and overall logistics readiness

PRINCIPAL FUNCTIONS

Principal Deputy Assistant Secretary (Financial Management)

Acts for and assists the Assistant Secretary (Financial Management) by providing direction, guidance and supervision over all matters pertaining to the formulation, review and execution of plans, policies and programs in all areas of financial management. Provides continuity of Air Force financial management operations from one Administration to another.

Principal Deputy Assistant Secretary (Programs and Budget)

Direct, guide, and supervise all matters pertaining to formulation, review and execution of Air Force long range planning, Air Force Program, and Air Force budget and fund management system.

Develop and coordinate SecAF/Chief of Staff Guidance Memorandum for preparation of the Air Force Program Objective Memorandum (POM).

Supervise and coordinate Secretariat review of Air Force Program and Budget submissions to include all preliminary phases of review and reclamas to Office of Secretary of Defense program and budget decisions.

Develop improved process for Secretariat/Command Section review of Air Force Program Objective Memorandum, Department of Defense program issues and budget.

Accomplish studies and/or program reviews in support of Planning, Programming and Budgeting System (PPBS).

Develop long range planning process for Air Force in making program guidance and resource allocation decisions.

Deputy for Productivity Management

Air Force Productivity program

Management by Objectives program

Deputy for Financial Systems and Analysis

Management information and control systems (i.e., Selected Acquisition Reports (SAR); Cost/Schedule Control Systems Criteria (C/SCSC); Program Acquisition Report/Secretary's Program Review (PAR/SPR).

Cost estimating and cost analysis

Economie analysis

Deputy for Accounting and Internal Audit

Internal auditing

Banking; credit unions

Accounting and finance

Contract financing

Assistant for Data Automation

The Air Force Automatic Data Processing (ADP) Program encompasses planning, development, selection, acquisition, utilization/reutilization, management, operation and review of all Air Force ADP systems.

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

STUART R. REICHART

Mr. Stuart R. Reichart is the general counsel of the U.S. Air Force. He is the final authority on all Air Force legal matters except military justice.

Mr. Reichart was born Nov. 18, 1924, in New York City. He graduated from Thomas Jefferson High School in New York City and was attending Memphis State College in Tennessee when he entered the U.S. Army Air Forces as an aviation cadet in December 1942. In June 1944 he was commissioned as a second lieutenant upon completing bombardier training at Victorville, Calif. After receiving his commission Mr. Reichart served in the Army Air Forces as a navigator-bombardier with Twentieth Air Force's 73rd Bombardment Wing on Saipan where he participated in 41 B-29 missions. He was released from active duty in November 1945.

After leaving the service Mr. Reichart received a bachelor of laws degree from Brooklyn Law School in 1948 and a master of laws degree from New York University Law School in 1951. He was admitted to practice law in New York state in 1949, the U.S. Supreme Court in 1963, the U.S. Court of Military Appeals in 1963 and the District of Columbia in 1971. From 1949 to 1951, he was a partner in the New York City law firm of Hermon, Herzog and Reichart.

In 1951 Mr. Reichart returned to active duty with the newly established U.S. Air Force, and for the next 20 years he served as a judge advocate. His assignments included duties as staff judge advocate, Eastern Air Procurement District, 1951 to 1952; chief, Civil Law, Far East Air Logistics Force, Japan, 1952 to 1955; chief, Procurement Law Division, San Antonio Air Material Area, 1955 to 1958; chief, Review Branch, Procurement Law Division, Air Force Logistics Command, 1958 to 1963; and director of contract law, United States Air Forces in Europe, 1963 to 1966. In addition he served as a member of the Armed Services Board of Contract Appeals from 1966 to 1972.

Mr. Reichart has been an honorary faculty member and has lectured extensively on government contracts at the U.S. Army Logistics Management Center at Fort Lee, Va., since 1961. He also has taught at the University of Dayton in Ohio from 1960 to 1963; Ohio State University from 1960 to 1963; and the University of Maryland from 1967 to 1971.

Mr. Reichart came to the Pentagon in 1972 as assistant general counsel (procurement), Office of the Secretary of the Air Force. In January 1976 he was promoted to the position of deputy general counsel of the Air Force where he served until his appointment as acting general counsel of the Air Force in November 1978. He assumed his current position in April 1979.

During his military service he was awarded the Legion of Merit, Distinguished Flying Cross, Air Medal with five oak leaf clusters and Air Force Commendation Medal with one oak leaf cluster.

(Current as of April 1980)

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Mr. Reichart was married to the late Josephine Alice Klarr of New York City and has one son, Steven.

OFFICE OF THE GENERAL COUNSEL OF THE AIR FORCE

I. INTRODUCTION

The Office of the General Counsel (SAFGC) was established by the first Secretary of the Air Force during his first week in office in September 1947. The statement of functions and responsibilities of the office is set out in a Secretary of the Air Force Order, No. 111.1, dated May 24, 1955, a copy of which is attached. That Order provides in part:

> 1. The general counsel is the final legal authority on all matters arising within or referred to the Department of the Air Force, except those relating to the administration of military justice and such other matters as may be assigned to The Judge Advocate General by Secretary of the Air Force Orders.

The Office provides advice and assistance to all elements of the Air Force, but the keystone of its functions and responsibilities is a close relationship with the Secretary and his principal assistants. As the law office of the Secretary, it takes a broad view of its responsibility in handling matters presented to it. The office seeks to provide carefully considered, practical advice aimed at producing effective solutions. The end product of the work of the office takes many forms and much of its advice and counsel is given orally. In written form, it may involve a formal legal opinion, draft correspondence, draft directives or policy statements, or guidance or decisions on individual cases.

Currently, the office consists of the General Counsel, one Deputy General Counsel, four Assistant General Counsels, plus a staff of 19 lawyers. While it is frequently difficult to pigeon-hole the individual questions or cases referred to the office, since many of them cut across functional lines, normally the work of the office falls into one of the following areas:

Procurement and Research and Development

Personnel — EEO, Labor-Management Relations, Conflict of Interest
Administration
Fiscal & Financial Management
Privacy and Release of Information
Legislation and Congressional Matters
Air Force Investigative and Intelligence Matters
International Matters and Civil Aviation

Installations
Environmental Matters
Communications

The following sections of this paper contain brief descriptions of the work in these areas and provide illustrations of particular interest, including those matters for which the office has been assigned primary responsibility for action within the Air Force. Where pertinent, the JAG interface/corollary responsibilities are also addressed.

II. Procurement and Research and Development

General Description of Responsibilities

This office advises the Secretariat, the Air Staff and field organizations and commands on procurement and R&D matters in the Air Force. The lawyers specializing in procurement and R&D (1) review all procurement actions on which Secretarial approval is required by statute or regulations; (2) assist in the formulation of procurement policy; (3) render legal advice on source selection and other matters related to major procurements; (4) provide legal advice in contract formation, negotiation and administration matters; (5) assist in the preparation of replies to protests against contract award, frequently filed by unsuccessful offerors with the GAO, (6) prepare and edit replies to GAO reports on procurement matters, as well as Congressional inquiries; (7) participate in the negotiation of intergovernmental agreements for joint projects; (8) render advice on tax matters affecting procurement and approve all non-standard contract provisions regarding taxes; and (9) provide legal advice on other procurement and R&D matters as requested by the Secretariat or the Air Staff. Carrying out these responsibilities frequently involves dealing with OSD and the other military services, and with other Government departments and agencies such as NASA, GAO, Department of Labor, Department of Justice, Department of Commerce and the Federal Aviation Agency. The office also assists in drafting legislation affecting procurement as well as the preparation of material required for Congressional hearings with respect to procurement and R&D matters. The office provides two members of the Contract Adjustment Board as well as the counsel for that Board, a member of the Debarment and Suspension Board as well as the counsel to that Board, a member of the Armed Services Tax Group, an advisor to the Air Force Systems Acquisition Review Council (AFSARC) and an "authorized attendee" at the Secretary of Air Force Program Review (SPR). The office also provides the full time Air Force Legal Member on the Defense Acquisition Regulation (DAR) Council. In support of major systems acquisitions, the office participates in Acquisition Strategy Panels, Solicitation Review Boards, and Source Selection Advisory Councils.

Examples of Current Projects

Significant procurement and R&D projects include:

1. Participating on the Source Selection Advisory Councils (SSAC) for:

    a. C-X Aircraft;

    b. Joint Tactical Information Display System (JTIDS);

    c. NAVSTAR-GPS Ground Segment soon to be selected;

2. Providing advice on other major systems procurements including: MX missile; Air Launched Cruise Missile; Civil Reserve Air Fleet (CRAF) Enhancement; Space Transportation System; F-16 — both USAF and European Participating Government (EPG) purchases; and, other procurement contracts in furtherance of FMS.

3. Representing the Air Force in the defense of all protests against award lodged with the GAO.

4. Consulting with the Air Force Judge Advocate General's Department on significant procurement-related litigation before various courts and boards.

5. Assisting the Department of Justice in the prosecution of significant procurement-related litigation including:

a. Defense of a request to enjoin the continuation of the LANTIRN contract;

b. Appeal of an ASBCA decision on the application of Cost Accounting Standard 403.

III. Personnel and Fiscal

A. Personnel

1. Military personnel (Regular, Reserve, and National Guard personnel)

This office gives advice and assistance on the whole range of military personnel matters such as appointments, promotions, demotions, status, rights, liabilities, retirement, and separation. Review of discharge actions is an important aspect of the military personnel practice. The discharge process is complex and of all the various types of personnel actions, the involuntary discharge is most likely to result in prolonged litigation. Courts now review not only the character of the discharge, but the fact of discharge itself, holding in some cases that the member has been arbitrarily and illegally discharged and is therefore entitled to back pay. Recent cases reviewed by this office include discharges under AFR 36-2 and AFM 39-12 for homosexual acts, drug/alcohol abuse, and civil conviction. The office has recently been involved in defending the Air Force policy on homosexuality and in revising regulations on this subject.

For the past several years, the Air Force has been attempting to resolve the status of members classified as MIA or POW in Southeast Asia. This office reviews proposed status changes for legal sufficiency and assists the Justice Department in defending lawsuits brought by next-of-kin to prevent status changes.

The personnel practice of this office also includes providing final legal guidance for the Air Force Board for the Correction of Military Records. The statutory board is empowered to change any error or injustice present in an individual serviceman's records due either to administrative oversight or unjust decisions by superiors. This office aids the Correction Board in taking all action it desires, within the law. Each year many hundreds of cases are considered and

recent Court of Claims decisions indicate that court's willingness to alter any Correction Board decisions found to be contrary to the weight of the evidence. This office also provides two attorneys to serve as members of the Board for the Correction of Military Records.

2. **Civilian Personnel and Labor-Management Relations**

Civilian personnel matters include both individual cases involving an adverse action (e.g., suspension, separation) and implementation of civilian personnel programs (e.g., the new Senior Executive Service and merit pay for GS 13-15 managers and supervisors, both established by the Civil Service Reform Act of 1978.) We have also been active in developing new Air Force procedures for cases before the Merit Systems Protection Board (MSPB) and for matters related to prohibited personnel practices and whistle-blowers under the jurisdiction of the Special Counsel of the MSPB.

We provide advice to SAF/MI and the Directorate of Civilian Personnel (AF/MPK) on all aspects of labor-management relations. Currently the office is working on the Air Force response to a request by the American Federation of Government Employees to consolidate its bargaining units at the national level.

3. **Security Programs**

This office has played an active part in the development of Air Force programs, both military and civilian. In addition to assisting in the disposition of individual cases, we also assist in the development of overall policies including the preparation of DoD directives and Air Force regulations. In light of recent court decisions, any attempt to separate a person or take other adverse action on security grounds without providing full confrontation and other elements of "due process" may create serious legal and practical problems.

4. **Standards of Conduct/Conflict of Interest**

This office has responsibility for coordination and final disposition of all standards of conduct and conflict of interest problems that cannot be resolved at lower echelons. Pursuant to the Ethics in Government Act of 1978, the General Counsel was selected by the Secretary as the "Designated Agency Ethics Official" with overall responsibility for the Air Force conflict of interest and financial disclosure reporting programs. This office actively participated in preparing current DoD and Air Force directives as well as providing extensive comments to the Office of Government Ethics on proposed new regulations implementing the Ethics in Government Act. We also provide advice on individual cases where standards of conduct or conflict of interest problems arise.

Senior officials (Statutory appointees, SES members and General Officers) must file annual detailed financial disclosure reports (SF 278) which are publicly available at a central Pentagon office. Various other officials also file confidential statements of financial interests (DD Form 1555). This office reviews all forms for members of the Secretariat and maintains custody of the DD Form 1555s.

5. **Equal Employment Opportunity**

The General Counsel's role in Equal Employment Opportunity matters is quite expansive. The office reviews many of the Air Force's final agency decisions in cases involving individual complaints of discrimination and reprisal and all of the requests for attorneys fees. In addition, the office plays an important role in the planning aspects of Equal Employment Opportunity, working closely with SAF/MI to develop programs and plans that will yield an effective Affirmative Action Program without creating reverse discrimination claims. The planning aspect of this office's responsibilities requires a close liaison with both the Office of Personnel Management and the Equal Employment Opportunity Commission.

B. **Administration of the Department**

Work on this subject encompasses a wide range of matters pertaining to the administration and organization of the Department of the Air Force, including delegations of authority to and by the Secretary (such as Secretary of the Air Force Orders); claims; gifts to the Department; civilian auxiliaries of the Air Force such as the Civil Air Patrol; and the organizational relationship of the Secretary of the Air Force with the Secretary of Defense and with the Chief of Staff.

C. **Fiscal Matters and Financial Management**

In its fiscal practice the office advises the Secretary, the Assistant Secretary for Financial Management and his Deputies, and the Air Staff, particularly the Comptroller,[1] concerning a wide range of questions relating to the receipt, obligation and disbursement of funds. There are few problems that do not, directly or indirectly, involve fiscal questions, and consequently the fiscal practice often cuts across other areas of responsibility within the office.

Some of the more important activities that fall within the office's fiscal practice are: (1) interpreting the annual appropriation acts, and related legislation, to determine the purposes for which appropriated funds may be used and to determine which appropriation should be charged for specific items of expense; (2) aiding in preparing Air Force responses on the use of funds and, when necessary, seeking GAO opinions on fiscal matters; (3) providing advice concerning the preparation and presentation to Congress of appropriation legislation; (4) interpreting the statutes and internal regulations that deal with administrative control of funds (R.S. 3679, 31 U.S.C. 665) and with recording of obligations; (5) rendering advice on accounting and finance policies generally; (6) advising on various contract financing matters, such as advance payments and off-set procedures; and (7) answering questions related to the use and control of nonappropriated funds.

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[1] 10 U.S.C. 8014 establishes the position of Comptroller of the Air Force and specifies his functions. The statute provides that the Comptroller is directly responsible to the Secretary or an Assistant Secretary (presently, under SAFO 100.1, the Assistant Secretary for Financial Management), and may be responsible concurrently to the Chief of Staff.

D. Privacy Act Program and Release of Information

SAFGC bears ultimate responsibility for determining the legality of releasing or withholding various types of information concerning Air Force personnel and activities. Of particular importance is our role in interpreting the requirements of the Freedom of Information Act, 5 U.S.C. §552. Questions as to the propriety of withholding information under the Act are frequently reviewed at the request of various Secretariat offices. This office is responsible for providing legal advice and review concerning the policies and procedures governing the collection, safeguarding, maintenance, public notice, use, access, amendment, and dissemination of personal information in systems of records maintained by the Air Force pursuant to the Privacy Act of 1974, 5 U.S.C. §552a. In addition, all appeals to the Secretary regarding access or correction of personal records under AFR 12-35, "Air Force Privacy Program," and the release of information under AFR 12-30, "Disclosure of Air Force Records," are reviewed by this office, with recommendations concerning such appeals being made to SAFAA.

This office also provides assistance to various Air Staff agencies and Secretariat offices in dealing with requests for information from Congressional sources, including the GAO. In extreme cases, these requests could trigger an invocation of "executive privilege," although White House directives currently provide that only the President may assert the privilege as a basis for denying information requested by the Congress.

The Federal Advisory Committee Act requests that meetings of all advisory committees be open to the public unless it is determined that the meetings concern matters listed as exceptions in the Freedom of Information Act. Currently, the determination to close meetings of a particular advisory committee is coordinated with this office.

E. Legislation and Congressional Matters

Within the Executive Branch, the Office of Management and Budget (OMB) has primary responsibility for securing departmental and agency coordination on proposed legislation, Executive Orders, and Presidential Proclamations. Within the Department of Defense, the Office of the General Counsel, OSD, is the focal point in this coordination process, while within the Air Force, the Office of Legislative Liaison, Office of the Secretary of the Air Force (SAFLL), exercises this responsibility. This office provides legal advice and assistance to SAFLL in this process, and to other members of the Secretariat and the Air Staff when requested. A legislative proposal is examined in the context of existing statutes and regulations to ascertain whether it is needed and advisable and to determine its probable effect on existing statutes and regulations.

Although not a primary responsibility of this office, we may assist from time to time in preparing Air Force or DoD witnesses for their appearance before Congressional Committees. This assistance may take the form of drafting prepared statements or briefing witnesses prior to their appearances before a Committee. As appropriate, a member of the office may accompany an Air Force or DoD witness at a hearing and may also appear as a witness.

The office also assists in the preparation of replies to individual members of Congress in response to their inquiries concerning proposed legislation before the Congress or other matters involving the Air Force or DoD.

F. Air Force Investigative Matters

This office has actively participated in DoD-wide reviews of the DoD investigative community. This effort was initially prompted by widespread charges that military investigative personnel were engaged in active surveillance programs in the civilian community and were monitoring certain kinds of political activities. DoD Directive 5200.27 establishes policies prohibiting the acquisition or retention by DoD components of information concerning persons and organizations not affiliated with the Department of Defense. This office periodically reviews OSI activities to insure continuing compliance with legal and policy requirements. The General Counsel serves as the Air Force approval authority on requests for electronic surveillance in criminal investigations.

G. Intelligence

Executive Order 12036, "United States Intelligence Activities," issued January 26, 1978, requires General Counsels and Inspectors General of agencies within the Intelligence Community to formulate practices and procedures for discovering and reporting to the Intelligence Oversight Board intelligence activities that raise questions of legality or propriety. The General Counsel serves as the senior member of the Air Force Oversight Intelligence Panel. The office provides legal advice to Air Force intelligence components, assists the Inspector General's Intelligence Inspection Team in periodic reviews of Air Force intelligence activities, and serves as liaison with the national Intelligence Oversight Board and with the Defense Inspector General for Intelligence.

IV. International and Civil Aviation

The General Counsel provides legal advice and assistance to the Secretariat and Air Staff on international matters of interest to the Air Force, such as: (a) operating rights, base rights and status of forces matters; (b) security assistance; (c) international cooperative research and development programs; (d) NATO RSI and other international cooperative acquisition programs, including coproduction and licensing arrangements (e.g., F-16 and NATO AWACS programs); (e) the use and disposition of Air Force property in foreign areas; (f) international aviation matters; (g) law of the sea; (h) military construction overseas; (i) environmental policy overseas; (j) offshore procurement; (k) foreign taxation; (l) international humanitarian assistance; and (m) control and monitoring of nuclear weapons testing.

In the areas of base rights and status of forces agreements (SOFA), our role consists mainly of interpreting existing agreements and related U.S. laws, advising on the authority to negotiate and conclude various forms of agreements, and drafting the text of proposed new agreements and instructions to U.S. embassies and delegations. Agreements include comprehensive base rights and status of forces agreements applicable to all U.S. defense activities in a foreign country (such as the 1979 amendments to the Philippines Military Bases Agreement, and the 1980 Defense Agreement with Turkey), as well as agreements applicable to particular Air Force facilities or providing limited access rights to foreign facilities (such as the recently concluded agreements in the Indian Ocean area).

All Foreign Military Sales (FMS) letters of offer and acceptance (DD Form 1513) prepared in the Air Staff (AF/PAI) are reviewed in this office prior to transmittal to the purchasing foreign government or international organization. Loans of Air Force property to foreign governments under Section 503 of the Foreign Assistance Act (MAP loan) and leases of Air Force property under 10 U.S.C. §2667 are prepared with the assistance of this office. We assist the Air Staff in the drafting and negotiation of cooperative R&D and coproduction agreements, and prepare the legal memoranda required to obtain authority from OSD to negotiate and conclude such agreements. Other types of agreements we work with include officer exchange agreements, scientist and engineer exchange agreements, data and information exchange agreements, unique security assistance agreements such as the Israel air base construction agreements and the NATO Joint Jet Pilot Training Memorandum of Understanding, and multilateral treaties of interest to the Air Force such as the Law of the Sea Convention and the Moon Treaty.

V. Installations, Environmental, & Communication

A. Installations

The office provides legal advice to the Secretary, and the Air Staff on matters relating to installations and the entire field of civil engineering. Cases in this area involve (1) interpretation of the Military Construction Authorization and Appropriations Acts; (2) problems arising out of the military construction program; (3) acquisition, use, and disposal of real property; (4) condemnation of private property by the Federal Government; (5) annexation of military bases and by municipalities; (6) Federal jurisdiction over military installations; (7) zoning and land use problems concerning military bases and adjacent areas; (8) family housing programs in the United States and in foreign areas; (8) negotiation of agreements with local airport boards and municipalities for joint use of installations by military and civil aircraft. The office is called upon to give formal legal opinions as well as practical advice on the foregoing matters, investigate problems in the field and make recommendations, and represent the Air Force in negotiations in this area. All proposed real estate actions are coordinated with this office.

By way of illustration, the following are some of the problems on which the office is currently working:

1. Zoning Near Air Force Bases

The noise of jet aircraft and the growing population around many Air Force bases have resulted in many problems. One method of resolving conflicts between the Air Force and adjacent landowners is to acquire an aviation easement, by which the owner is compensated for the diminution in value of his land resulting from the noise and potential danger of low and frequent flights. Another possible method of resolving these conflicts is to zone the land only for uses compatible with aviation. This office conceived the idea of an Air Force-wide program of encouraging local governments to zone for compatible uses, with Air Force purchase of a limited amount of land off the ends of the runways where accident potential bars most uses. Some of the problems encountered are the types of use to be recommended to local zoning commissions, the extent to which the Air Force will be formally represented at zoning hearings, and the limitations that are imposed on Air Force activities by the need to avoid unintentional

takings of property without due process of law. This program has been adopted by the Department of Defense and approved by the Congress.

2. **Real Estate Systems**

The office examines the form of documents and considers both the legal and policy implications of five to ten real estate actions per week. These include in-leases and out-leases, condemnation assemblies, easements, and property disposals.

3. **Joint Use Agreements**

With the increasing difficulty of finding sites for civil airports there have been a number of proposals made to the Air Force for civilian use of military airfields jointly with military traffic. This office developed a standard approach to such requests, under which land is leased to the local government at fair market value for construction of civil facilities and a joint use agreement is entered into setting out the terms and conditions of civil use of the flight facilities. We have prepared and negotiated several sets of these agreements and others are in the works.

4. **Base Closures and Realignments**

Military bases are a major contributor to a local economy. Closing or realignments resulting in reduced missions and manpower are traumatic and resisted by every possible means. When opposition fails, difficult transitional problems result. We have spent countless hours devising and negotiating arrangements for speedy civil re-use of closed facilities, advising on property disposal, and working our arrangements with other Federal agencies to assist new civil users.

B. **Environmental Matters**

The upsurge of interest in problems of the environment has had a major impact on the Air Force, which is the proprietor of millions of acres of land, over a thousand major and minor installations, and some 10,000 aircraft. Environmental legal problems, once uncommon, have come to play a significant part in the office's workload.

The National Environmental Policy Act (NEPA) has spawned an entirely new body of administrative law. It provides opportunities for both public involvement in Air Force decision-making and a limited form of judicial review. The courts' involvement has been effectively limited to review of procedural matters, including adequacy of environmental impact statements as well as the steps employed in preparing them and conducting public dialogue. However, even this limited review provides opportunities for injunctive relief against Air Force actions that would otherwise be unreviewable and un-enjoinable. Meshing public review into formerly closed decision-making processes continues to be a major problem. NEPA problems have arisen in connection with procurement of aircraft, leasing of new aircraft, base closures, and construction projects, to cite just a few examples. The office has worked closely with OSAF and the Air Staff on developing and refining the Air Force procedures and practices for NEPA implementation. We recently accomplished a complete review and revision of the Air Force's basic directive on compliance with NEPA, AFR 19-2. Even more

effort goes into day-to-day advice on specific problems of legal compliance, including review of environmental impact statements and responses to public challenges to Air Force actions. We also manage, and sometimes participate in litigation involving the Air Force in the enviromental field.

Recent pollution control legislation makes the Air Force subject to substantial state and Federal regulation, though its scope is not always clear. We work extensively with the Clean Air Act, the Federal Water Pollution Control Act, the Noise Control Act, the Resource Conservation and Recovery Act, and the Safe Drinking Water Standards Act; advising on their legal and practical implications and dealing with other government agencies and state and local governments in connection with pollution abatement facilities and enforcement actions. We also advise on military Occupational Safety & Health Act applications and regulatory programs including participating heavily in legal aspects of Air Force policy-making regarding the recently expanded OSHA program for Federal Agencies. Members of the office have lectured and spoken widely throughout the Air Force on environmental legal matters in an effort to increase awareness of the effects of new legislation, regulations, and judicial interpretations on Air Force activities.

Deployment of the MX missile system in the Western United States sums up much of this group's work. It involves 200 mobile missiles capable of being housed in 4600 underground shelters, connected by 8-10,000 miles of roads. Two major support bases, with 15-20,000 people on each one, will be required. The system may all be in one contiguous area in Nevada and Utah or West Texas and Eastern New Mexico, or split between the two. We have worked on three major environmental impact statements: devised strategies for land purchase and withdrawal from the public domain; and participated in developing an unprecedented approach to water rights acquisitions, under state, rather than federal, law and procedures. Work on the MX system has become a virtually full-time function for two attorneys in our office and involves all of the others on a frequent basis.

C. Communications

The office provides advice and counsel with regard to a number of matters in the communications field. This assistance is provided both to officials in the Secretariat and to the Communications Directorate of the Air Staff. The Air Force operates a worldwide communications network, and many of the problems relating to its use present complex legal questions. At the present time, our primary job is rendering advice on day-to-day communication operations, such as proper control of the Government network and lease or disposal of Government communications facilities.

One major continuing matter has been disposal of the White Alice Communications System (WACS) in Alaska. This system consists of an Air Force owned state-wide communication network. At one time the Air Force, through the Alaska Communication System (ACS), was in effect the common carrier for Alaska, providing military and civil communications. With the sale of a portion of the ACS, Air Force involvement with civil communications diminished, but through WACS we continued to provide the long distance service for most small communities in the state. Because of problems concerning ownership of land arising under the Alaska Native Claims Settlement Act, our office devised a plan to lease the system to RCA Alascom, purchaser of ACS and the present common carrier for the state, pending eventual sale.

The five-year lease now in effect provides for RCA either to purchase the land and facilities, making its own arrangements for clear title with any native claimants, or to turn them back to the Air Force for disposal as excess property. Problems under this lease and with the eventual site-by-site sales make this a continuing area of office involvement.

NO: 111.1
DATE: MAY 24 1955

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Functions and Duties of the General Counsel

1. The General Counsel is the final legal authority on all matters arising within or referred to the Department of the Air Force, except those relating to the administration of military justice and such other matters as may be assigned to the Judge Advocate General by Secretary of the Air Force Order.

2. The General Counsel is responsible for furnishing all necessary legal advice and assistance to the Office of the Secretary of the Air Force. The General Counsel is also responsible for providing legal advice and assistance to the Air Staff on all matters relating to:

a. Procurement and disposal of supplies, materials, and equipment, including industrial mobilization and the Mutual Security Program.

b. Procurement of services by contract.

c. Research and development.

d. Acquisition and disposal of real property and its utilization by agencies and persons outside the Department of the Air Force.

e. Construction of military public works.

f. Family housing programs.

g. Budgetary, appropriation accounting, and related fiscal matters, including preparation and presentation to Congress of appropriation legislation.

NO: 111.1

DATE: MAY 24 1955

h. Civil aviation (except representation in proceedings before administrative bodies provided by the Judge Advocate General).

i. Personnel security programs (except representation on security boards and committees provided by the Judge Advocate General).

3. The General Counsel represents the Secretary of the Air Force in dealing with other departments and agencies of the Government on all matters relating to the negotiation of international agreements affecting the Air Force.

H. E. Talbott

HAROLD E. TALBOTT
Secretary of the Air Force

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

ROBERT J. McCORMICK

Robert J. McCormick is the Administrative Assistant to the Secretary of the Air Force. As the Administrative Assistant, Mr. McCormick is responsible for: administrative and financial support activities for the Office of the Secretary; assuring functional continuity during the transition of senior officials; for variaus administrative, security, and advisory responsibilities of the Secretary; and for contingency operations. Mr. McCormick was appointed Administrative Assistant to the Secretary of the Air Force on 24 August 1980.

During the five years priar to his return to the Air Farce, Mr. McCormick was a member of the National Aeronautics and Space Administration; first as Executive Assistant to the Associate Administrator for Aeronautics and Space Technology, then as Executive Assistant to the NASA Deputy Administrator; and from September 1977 to August 1980, he was the Executive Assistant to the Administrator of NASA.

A native of Boone, Iowa, Mr. McCormick obtained a Bachelor of Science degree in Mechanical Engineering and did graduate work at Texas Technological University, Lubbock, Texas. Mr. McCormick retired from the U.S. Air Force in 1975 after having piloted o variety of aircroft while on assignments in Japan, Korea, France, Vietnam and the U.S. The last ten years of his active duty career were spent in research and development program management.

Mr. McCormick is married to the former Shirley Zerbe of Phoenix, Arizona. They have five children: Elaine, Kathleen, Michael, Tara and Tammy.

BIOGRAPHY
United States Air Force

SECRETARY OF THE AIR FORCE OFFICE OF PUBLIC AFFAIRS WASHINGTON, D. C. 20330

ROBERT W. CRITTENDEN

Robert W. Crittenden is the deputy administrative assistant to the secretary of the Air Force, Washington, D.C. He is responsible for providing assistance in the management and administration of the Office of the Secretary of the Air Force and supervising the performance of internal activities within the office of the administrative assistant.

Mr. Crittenden was born Aug. 14, 1931, in Waco, Texas. He attended San Jose State College in California where he received a bachelor of arts degree in political science in 1962. He is a graduate of the Federal Executive Institute.

During the Korean War he was on active duty as an enlisted member of the U.S. Navy and served on the USS Henrico and the USS Talladega in operations both in Korea and Japan.

His federal service began with the U.S. Air Force in 1962 as a personnel technician at McClellan Air Force Base, Calif. Subsequently he served in a variety of assignments with the Air Force including positions at Headquarters U.S. Air Force, Washington, D.C., and Headquarters Air Force Systems Command, Andrews Air Force Base, Md. He was appointed chief of the Personnel Programs Branch for the Interstate Commerce Commission in 1973 and later moved to the Community Services Administration (the anti-poverty agency) as director of personnel in 1976. Mr. Crittenden participated actively in the Classification and Compensation Society as an elected officer for more than five years and served as president of the society during 1976.

Mr. Crittenden is married to the former Marilyn Perkins of Whitman, Mass. They have two children, Amy and Robert.

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(Current as of December 1979)

THE ADMINISTRATIVE ASSISTANT

The Administrative Assistant is responsible for the management and administration of the Office of the Secretary of the Air Force. His office assures administrative continuity in the Office of the Secretary during changes of administration or top officials.

The office is designed to provide central support in a variety of functions. It provides worldwide administrative oversight for the Air Force, and the Administrative Assistant and his Deputy serve as senior Air Force officials for the personnel security and information security programs. Contingency funds including official representation funds are managed by this office. In addition, the Administrative Assistant and his Deputy make final determinations on claims against the Air Force, make medical designee determinations, and are the appellate authority for appeals under the Freedom of Information Act and the Privacy Act. Specialized services are provided as follows:

The Civilian Personnel and Personnel Services Branch is responsible for the implementation of all policies and administrative actions relative to the assignment and utilization of civilian personnel assigned to OSAF, including Field Activities, the White House and various committees.

The Military Personnel Branch is responsible for the implementation of all policies and administrative actions relative to the assignment and utilization of military personnel assigned to OSAF including Field Activities, the White House and various committees.

The Travel Branch is responsible for all matters relating to the temporary duty travel of military and civilian personnel assigned to OSAF, its support and field offices, and personnel assigned to the White House, the Vice President's Office and various councils and committees.

The Office Services and Supply Branch is responsible for office space management and for providing required items of equipment and supplies, and furnishing office services to all activities within OSAF.

The Administrative Management Division is responsible for providing administrative planning, systems advice, and support to OSAF functional managers. It also provides a Word Processing Center which is responsible for correspondence preparation for all OSAF personnel assigned in the Pentagon.

The DOD News Clipping and Analysis Service (the Air Force is the Executive Agent) serves the Secretary of the Air Force, the Secretary of Defense, and all elements of DOD as a source of factual and historical information related to their official responsibilities. Conducts special studies and analyses on a wide range of national security issues.

NO: 110.
DATE: JUL 17 1980

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Authorities and Duties of the Administrative Assistant to the Secretary of the Air Force

1. The Administrative Assistant is responsible for:

a. Management and administration of the Office of the Secretary of the Air Force including advisory services on Departmental management and administative matters; assures administrative continuity in the Office of the Secretary during changes of top officials; performs various functions and special projects involving matters in the Department as directed by the Secretary; and, conducts studies, inquiries and surveys in response to the needs of the Secretary and his principal assistants.

b. Direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies and programs relative to the Air Force information security program and to the military, civilian, and industrial personnel security and investigative programs.

2. Specific duties of the Administrative Assistant include:

a. administering the contingency funds of the Secretary;

b. developing and maintaining the continuity of operations plan for the Office of the Secretary;

c. under policy guidance of the Office of the Assistant Secretary of Defense (Public Affairs), administering the Department of Defense news clipping service, maintaining research files and providing informational and historical research and news analysis for all elements of the Department of Defense;

d. conducting special projects for the Secretary of the Air Force;

e. controlling the Secretary of the Air Force Order system;

f. providing a focal point for monitoring, coordinating or consolidating Air Force responses or inputs on certain reports for the White House, Secretary of Defense, and other Federal agencies;

g. providing custody and control over use of the Air Force Seal and other authentication devices;

h. reviewing miscellaneous claims against the Air Force including those under the Military Claims Act, and announcing the decision for the Secretary of the Air Force;

i. providing security services for the Office of the Secretary including advisory services on Departmental security matters;

j. as the representative of the Secretary, serving on various boards and committees, such as the Federal Executive Officers Group, the continuity Planning Committee, and the OSD Space Committee for the area encompassing the Seat of Government;

k. announcing medical designations for the Secretary in accordance with AFR 168-6;

l. determining the disposition of appeals to the Secretary under the provisions of the Freedom of Information Act;

m. serving as the final decisional authority on appeals under the Privacy Act;

n. providing administrative and management services for the Office of the Secretary of the Air Force involving:

organization, manpower, financial management, military and civilian personnel administration, travel and local transportation services and office space allocation and utilization;

o. reviewing and coordinating for the Office of the Secretary significant Air Staff Directorate of Administration proposals concerning Air Force-wide administrative matters.

Serves as a channel of communications and provides representation within the Secretariat, with OSD and other governmental agencies on administrative programs.

3. This Order is issued in accordance with Air Force Regulation 11-18, dated 18 July 1963, subject: "Delegating or Assigning Statutory Authority."

4. Secretary of the Air Force Order No. 110.1, dated April 20, 1976, is hereby superseded.

Hans Mark

Hans Mark
Secretary of the Air Force

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

COLONEL RICHARD F. ABEL

Colonel Richard F. Abel is director of public affairs, Office of the Secretary of the Air Force, Washington, D.C.

Colonel Abel was born Oct. 28, 1933, in Akron, Ohio, and graduated from Saint Ignatius High School in 1951. He graduated from the University of Detroit in 1956 with a bachelor of science degree in business administration and a commission as a second lieutenant in the Air Force through the Reserve Officers' Training Corps program. The colonel completed Squadron Officer School at Maxwell Air Force Base, Ala., in 1962. He also attended graduate school at Boston University.

After receiving his pilot wings in May 1957 at Laredo Air Force Base, Texas, Colonel Abel was assigned to Lackland Air Force Base, Texas, as a training officer and academic instructor in the aviation cadet program; aide-de-camp to Major General Robert Stillman; and leader of the "Warhawk" jet aerobatic team. In June 1962 Colonel Abel was assigned to Williams Air Force Base, Ariz., as an instructor pilot.

He was assigned as an air officer commanding at the Air Force Academy, Colo., from January 1963 to May 1965 when he began his public affairs career as an information services officer. From May 1966 until June 1968, he was assigned as deputy chief of community relations and chief of the Public Affairs Division at the academy. The colonel also was assistant football coach of the Air Force Academy Falcons during this time.

In July 1968 the colonel was assigned to the 7th Air Force in Saigon, Republic of Vietnam, as chief of the Combat News Division in the Directorate of Information. One year later he became a public affairs officer for the commander in chief of the U.S. Pacific Command at Camp H.M. Smith, Hawaii.

Colonel Abel returned to the Air Force Academy in August 1972 as director of the Admissions Liaison Office. From February to March 1973 he was sent to the Pacific area to assist with Operation Homecoming. Colonel Abel made five trips to Hanoi as a public affairs officer to escort returning American prisoners of war from the North Vietnamese prison camps.

From September 1973 to July 1978, he was director of public affairs for the Pacific Command at Camp H.M. Smith. He remained there until July 1978 when he was assigned as special assistant to the chairman, Joint Chiefs of Staff, in Washington, D.C. He assumed his present duties in August 1980.

His military decorations and awards include the Defense Superior Service Medal, Bronze Star Medal, Defense Meritorious Service Medal, Meritorious Service Medal with one oak leaf cluster, Joint Service Commendation Medal with one oak leaf cluster and Air Force Commendation Medal.

(Current as of September 1980)

OVER

The colonel is a member of the National Board of Trustees of the Fellowship of Christian Athletes and the National Public Information Committee for the United Services Organization.

He was promoted to colonel Sept. 1, 1977, with date of rank April 30, 1977.

Colonel Abel is married to the former Ann Voelcker of San Antonio, Texas. They have three daughters and a son.

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PRINCIPAL FUNCTIONS

1. Public Affairs Evolution

The Air Force Public Affairs program, like the United States Air Force, had its beginnings many years before the Department was formed in 1947.

a. The Air Force's first news release announced the creation, on August 1, 1907, of an Aeronautical Division in the office of the Army Chief Signal Officer.

b. Illustrious leaders in Air Force history have served at times in key public affairs positions. Among them was Major H. H. Arnold, Chief of the Information Division in 1925, who later headed the United States Army Air Corps during World War II as a 5-star general.

c. When the United States Air Force was formed as a separate service in 1947, Stephen R. Leo, a former Maine newspaperman, served as the first Director of Public Relations for the new office. The Directorate consisted of the Air Information Division under Major General Emmett O'Donnell, Jr., and Legislative Liaison Division under Brig. General John K. Gerhart.

d. In 1952, the Directorate of Public Relations was redesignated the Office of Public Information. A year later, Air Force Vice Chief of Staff General Thomas D. White signed a letter reorganizing a new office called Information Services. This reorganization, for the first time, combined the internal, community relations, and media relations functions.

e. The title became the Office of Information on October 1, 1959.

f. Twenty years later, on October 1, 1979, the Office of Information was redesignated the Office of Public Affairs.

2. Public Affairs Objectives

a. **Increase Public Understanding.** The Air Force Public Affairs program was established to increase the public's understanding and knowledge of the Air Force mission and needs. The public includes members of the Air Force--citizens in uniform. Recognition of public interests and attitudes is essential, since the role of aerospace power in our national defense eventually must be resolved by the citizens of the United States.

This public understanding cannot be achieved without a similar understanding within the Air Force. Each individual in the Air Force, both military and civilian, therefore, must be familiar with the Air Force roles and mission and become a source of reliable information.

b. **Primary Objectives.** To fulfill its obligations to the American people and to the personnel of the Air Force, the public affairs program has the following primary objectives:

(1) To assist the American people, including Air Force members, in their understanding of:

(a) Threats to the United States and the Free World, and the need for the Air Force to be alert against potential aggression.

(b) The relationship of the Air Force to the other armed services of the United States.

(c) The day-to-day activities of the Air Force and its capability as an instrument of national policy.

(d) The need for continual research, development and modernization of Air Force systems.

(e) The need to attract and retain qualified Air Force personnel.

(f) The essential role of United States aerospace power in foreign relations.

(2) To insure consistency by Air Force personnel when speaking officially or writing about service policy, doctrine or concepts.

c. **Functional Objectives.** To carry out the primary Air Force public affairs objectives, the Air Force public affairs program is divided into three major functions: internal information, media relations, and community relations. Additionally, plans and resources management, and security and policy review activities are vital to successful public affairs functions.

(1) **Internal Information.** The internal information program is administered by the Air Force Service Information and News Center, Kelly AFB, Texas.

(a) The program is designed to: keep Air Force personnel informed about Air Force missions, and about key Air Force, DOD, and national policies, decisions and actions; stress the importance and emphasize their responsibilities as Air Force members; and develop an awareness in all Air Force members of their responsibilities as United States citizens.

(b) Products include the following:

1 Base Newspapers

2 Air Force News Service

3 Base Radio/Television Stations (American Forces Radio and Television Service)

4 Mini-Television

5 Commander's Call

6 "Air Force Now"

7 Air Force Policy Letter for Commanders and Supplement thereto

8 Airman Magazine

9 Editorial Products (biographies, fact sheets, speech inserts, pamphlets, brochures, lithographs)

10 Hometown News Releases (through consolidated Army and Air Force Center)

11 Magazine and Book support.

(2) **Media Relations.** Media relations involves collecting, analyzing, and disseminating to the public and news media unclassified, releasable written and audiovisual information about the Air Force and its activities. It:

(a) Makes available, consistent with security restrictions, the full record of the Air Force to the American people.

(b) Reports how the Air Force uses its manpower, material, and money.

(3) **Community Relations.** The community relations function consists of planning, conducting, and evaluating programs and actions which integrate the Air Force into community life. An effective community relations program creates mutual acceptance, respect, appreciation, and cooperation between the Air Force and the community by:

(a) Maintaining effective two-way communication.

(b) Informing members of the community about the Air Force and increasing awareness, understanding, and support of the Air Force mission and the contributions of its people in the community.

(c) Providing Air Force members with information concerning the community—including resources, attractions, customs, and problems—and encouraging participation in civic affairs.

(d) Assisting the Air Force personnel recruiting and retention programs.

(4) **Plans and Resource Management.** This supporting function consists of developing, implementing, and evaluating plans and programs for effective and efficient management of public affairs resources. It involves:

(a) Organization-wide management of resources.

(b) Analyzing all factors which affect the public affairs function at all levels, identifying trends and evaluating courses of action to assure best use of public affairs resources, and developing program guidance.

(c) Monitoring professional career development.

(d) Developing, conducting, and evaluating special public affairs projects.

(5) **Security and Policy Review.** The security and policy review function ensures that information proposed for release through any media meets criteria and provisions for safeguarding national security matters and is in consonance with established departmental and governmental policies and programs. The review function:

(a) Protects Air Force members from inadvertently violating security or policy requirements in official and unofficial releases.

(b) Delegates clearance authority to the lowest echelon competent to evaluate content and implication of the information proposed for release.

(c) Certifies releasability of information proposed for release.

3. **Public Affairs Organization**

a. **Director of Public Affairs (SAF/PA).** The Office of Public Affairs is a staff agency of the Secretary of the Air Force. The Director of Public Affairs is directly responsible to the Secretary of the Air Force for operating the Air Force public affairs program. He also serves as public affairs advisor to the Chief of Staff and the Air Staff. This includes planning for, and the direction and supervision of, the Media Relations and Community Relations Divisions, the Office for Security Review, and the Office for Plans and Resources, all located in the Pentagon, Washington, D.C. The Director of Public Affairs also directs and supervises the Commander, Air Force Service Information and News Center (AFSINC), located at Kelly AFB, Texas, and three operating locations of public affairs located in New York City, Los Angeles and Chicago.

(1) **Air Force Service and Information News Center (AFSINC).** In August 1977, the Secretary of the Air Force and the Chief of Staff announced manpower reductions in Air Force departmental staffs to improve management responsibilities. Studies recommended combining special information activities in a single separate operating agency (SOA). The consolidation and relocation to Kelly AFB of the Internal Information Division, Command Services Unit, Hometown News Center, Magazine and Book Branch, and support for metropolitan information functions was approved in April 1978. In 1980, the Magazine and Book Branch was located with the USAF Still Photo Depository at 1221 S. Fern St. in Arlington, Virginia.

(a) AFSINC provides Air Force-wide service to help Air Force commanders carry out their mission by planning and executing the U. S. Air Force internal information program. AFSINC develops, produces, and distributes major print and audiovisual products in support of Air Force information, orientation, motivation and the retention goals.

(b) AFSINC also builds morale and public awareness of the Air Force mission by promptly relating accurate information about Air Force people, systems, and missions to hometown news media and national commercial magazine and book publishers.

(2) **Air Force Public Affairs Operating Locations.** Three operating locations serve the major media centers of New York (AFOPA-NY), Los Angeles (AFOPA-LA), and Chicago/Midwest (AFOPA-MW). These offices are central

points of contact to expedite responses to media and members of the public. Although not chargeable as a cost of Air Force recruiting, the activities of the metropolitan offices contribute significantly to Air Force recruiting efforts through close liaison and direct support. They also provide liaison and advisory support to Public Affairs Reserve Squadrons and Flights.

(a) AFOPA-NY responds to media requests in the New York area, providing photography, written materials, and liaison with newspapers, book and magazine publishers, national news bureaus and networks, and radio and television services. The office also monitors and conducts news conferences and interviews for top Air Force officials, and supports the International Liaison Division, HQ USAF, with protocol missions involving visits of foreign dignitaries.

(b) AFOPA-LA assists the theatrical industry concentrated on the West Coast, both motion picture and radio-television; assists national news media in the Los Angeles area by providing photography and obtaining cleared material; plans and conducts news media tours; and monitors and conducts news conferences and interviews for top Air Force officials. Also, AFOPA-LA coordinates Air Force public affairs activities, both active and reserve, in Southern California.

(c) AFOPA-MW assists Chicago area broadcast and print media; obtains cleared material for national and local news media: plans and conducts news conferences and interviews for top Air Force officials; and accomplishes special public affairs projects as needed. AFOPA-MW also coordinates public affairs activities, both active and reserve, in other major cities of the Mid-West.

b. **The National Guard Bureau, Office of Public Affairs.** This office develops public affairs programs for use by the state National Guard units, and maintains liaison with Air Force, Army, and Department of Defense offices.

c. **Office of Air Force Reserve, Public Affairs Division.** This office provides policy guidance to Headquarters Air Force Reserve and the Air Reserve Personnel Center for their public affairs programs. It serves as the Reserve focal point for liaison with Reserve components of other services, and provides policy guidance and technical assistance for the Air Force Reserve advertising program. The Chief of the Public Affairs Division is the SAF/PA Special Assistant for Air Force Reserve Affairs.

d. **Special Assistants (for Public Affairs).** These officers are assigned to 15 deputates and offices within Headquarters USAF to provide two-way communication on public affairs matters. Special assistants frequently become involved in the planning and preparation of public affairs news releases, responses to query, security review, and coverage of major Air Force programs and projects within their assignment area of responsibility.

e. **Special Public Affairs Units.** SAF/PA provides policy guidance and supervision of several special public affairs units. Among these are:

(1) **Air Force Orientation Group (AFOG).** Located at Wright-Patterson AFB, Ohio, this organization is the official Air Force exhibition unit. It designs, constructs, maintains, transports, and presents exhibits, displays, and other audiovisual materials depicting Air Force progress, activities, missions, equipment, and personnel. AFOG is assigned to the Air Force Logistics Command

(AFLC) for administrative support, but is under the operational control of SAF/PA.

(a) AFOG devotes maximum effort to motivating qualified youth for voluntary service in the USAF. AFOG displays portray the advancement of aerospace power, including its significance and responsibility for the security of the nation, as well as the heritage and tradition of the service.

(b) SAF/PA establishes general policies for budgeting and manning AFOG, and maintains operational control of exhibits and displays.

(2) **Air Force Bands.** SAF/PA establishes overall management policies for Air Force bands. The Bands Branch, part of the Community Relations Division, manages all aspects of the program.

(a) Currently 20 bands: 17 in CONUS and 3 overseas (down from 35 in FY 68). The special band at U. S. Air Force Academy has 96 pieces; most field bands consist of 60, 45 or 35 pieces.

(b) The U. S. Air Force Band at Bolling AFB is under command authority of Hq 76th Airlift Wing (MAC), Andrews AFB. SAF/PA schedules and oversees technical proficiency. It consists of: Air Force Concert Band, Ceremonial Band, Singing Sergeants, Strolling Strings, Airmen of Note, and Mach One.

(3) **USAF Air Demonstration Squadron (Thunderbirds).** Established as the official Air Force air demonstration team, the Thunderbirds--located at Nellis AFB, Nevada—are under the operational, administrative, and logistic control of the Tactical Air Command (TAC).

(a) The team presents precision aerial maneuvers exhibiting the capabilities of modern high performance aircraft and the high degree of professional skill required to operate these aircraft. Its primary objectives are to support Air Force recruiting and retention programs and reinforce public confidence in the U. S. Air Force while demonstrating the professional competence of morale and esprit among Air Force personnel, and support U. S. Air Force community relations programs.

(b) The Community Relations Division reviews all requests for Thunderbird demonstrations for overall community relations desirability, suitability, and timeliness; coordinates with DOD and other agencies; and schedules demonstrations.

(4) **Air Force Museum.** The Air Force Museum, located at Wright-Patterson Air Force Base, Ohio, is under the operational control of the Commander, Air Force Logistics Command. The Secretary of the Air Force, through the Office of Public Affairs, provides policy guidance for the program. The Air Force Museum's mission is to portray the history of th United States Air Force. It does this by exhibiting items associated with historic events, notable achievements, and important technical developments of flight and of the Air Force. There also are 10 local and base level museums which are responsible to the Air Force Museum.

4. Relationship To DoD Public Affairs

a. **DoD Principles of Public Information.** The Air Force Public Affairs program is based directly on the DOD Principles of Public Information. The ultimate goal of the principles is an open government, with communications flowing freely between the Air Force and American public it serves. Quoted in brief, the principles state:

(1) It will be the Department's basic policy to make available timely, accurate information about plans, budgets, and activities so that the public, the Congress, the press, radio, and television may assess and understand Defense programs. Requests for information from organizations and private citizens will be answered responsively and as rapidly as possible. When necessary, coordination with other Departments and agencies will be accomplished without undue delay. In carrying out this basic policy, the following principles apply:

(a) Information will be made fully and readily available unless its release is precluded by statute (as in application of the Privacy Act or the Freedom of Information Act) or is precluded by current and valid security classification.

(b) Information will be withheld when disclosure would adversely affect national security or threaten the privacy or personal safety of men and women of the Armed Forces.

(c) Information will not be classified or otherwise withheld to avoid criticism or embarrassment.

(2) In some instances, the Department's obligation to provide the public with accurate, timely information on its major programs will require detailed public information planning and coordination within the Department and with other government agencies. The sole purpose of such planning and coordination is to expedite the flow of information to the public; propaganda has no place in Department of Defense public information programs.

(3) The Assistant Secretary of Defense (Public Affairs) is assigned the primary responsibility to carry out this commitment. As such, he serves as the principal assistant for public information and community relations.

b. **DOD Public Affairs System.** the Department of Defense public affairs program seeks to provide the American people maximum information about the Department of Defense, consistent with national security. It tries to contribute to good relations between DOD and all segments of the public at home and abroad. In overseas areas, these activities are carried out in collaboration with the Department of State and the International Communication Agency (ICA), which formerly was the United States Information Agency.

(1) Within the Department of Defense, the combat forces of the United States are organized into specified and unified commands.

(2) Air Force units stationed within unified command thus are subject to both Air Force and unified command guidance, as passed through the major command. Overseas public affairs direction flows from the Assistant Secretary of Defense (Public Affairs) directly to unified commands, bypassing the service directors of public affairs, who also forward guidance and policy to service major commands and separate operating agencies.

(3) Each U. S. Embassy has a country team composed of representatives of the Defense Attache Office, State Department Public Affairs Office, and CIA representatives, and sometimes a senior U. S. military Public Affairs Officer. They oversee public affairs programs and activities within each country to insure support of the country plan objectives.

(4) At all Air Force units, conduct of a public affairs program is a command responsibility at each level of command. Subject to guidance by OASD/PA and/or SAF/PA, and the desires of their commanders, public affairs officers supervise the public affairs program within each command. At base level, public affairs officers supervise and coordinate public affairs activities of subordinate units on base, coordinate with tenant units for their public affairs activities, and advise the base/wing/group commander on matters pertaining to the public affairs program. For units below wing level, these functions may be performed by public affairs representatives, with guidance and assistance provided by the base public affairs officer.

5. **What SAF/PA Does For SECAF**

a. At Headquarters USAF level, SAF/PA is a staff agency in the office of the Secretary of the Air Force.

(1) The Director of Public Affairs advises the Secretary, the Chief of Staff, the Secretariat, and the Air Staff on matters related to the public affairs program.

(2) The Director is responsible to the Secretary for operating the Air Force public affairs program. This includes planning for, and supervision of, the internal information, media relations, community relations, and security review programs of the entire Air Force.

(3) The program also includes a planning and resource management function that manages professional training for officers, civilians, and enlisted personnel in the public affairs field. Among these are Air Force participation in the Defense Information School, the Air Force Institute of Technology, Education with Industry and the Air Force Short Course in Communication at the University of Oklahoma.

b. Specific SAF/PA Assistance to the Secretary of the Air Force includes the following:

(1) Offers public advice and counsel.

(2) Keeps current on significant news and happenings (good and bad).

(3) Serves as "devil's advocate" expressing civilian and media points of view.

(4) Provides media training for television and other public appearances.

(5) Makes recommendations for official and semi-official invitations.

(6) Coordinates (with Military Assistants) arrangements for speaking engagements and other public appearances.

(7) Works with speech writers to develop significant statements.

(8) Obtains security review of proposed public statements.

(9) Accompanies (as desired) on trips away from Washington to provide assistance with public affairs/news media activities.

(10) Recommends appropriate media contacts and provides background books for media encounters.

(11) Has daily interface with Air Staff and OASD(PA).

(12) As the Staff Agency responsible for all Air Force Public Affairs activities:

(a) Provides an informed and motivated force of officers, airmen and civilians.

(b) Works to demonstrate that Air Force is a good neighbor.

(c) Helps tell Air Force story through public news media.

(d) Provides public affairs inputs to the Air Force Issues Team.

(13) Works in close harmony with Executive, Military Assistant, Aide, Legislative Liaison and General Counsel to accomplish all of the above.

NO: 113.1
DATE: OCT 2 3 1979

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Organization and Functions of the Office of Public Affairs

1. The Office of Public Affairs consists of:

   a. Office of the Director

      (1) Office for Security Review

      (2) Office for Plans and Resources

   b. Community Relations Division

   c. Media Relations

2. The Director of Public Affairs, under the direction of the Secretary of the Air Force and the general supervision of the Under Secretary, and consistent with policies established by the Office of the Secretary of Defense, is assigned the authority and responsibility to discharge the duties and functions prescribed herein. This authority extends to relationships and transactions with all elements of the Department of the Air Force and other governmental and nongovernmental organizations and individuals.

3. The Director of Public Affairs advises and assists the Secretary of the Air Force, the Chief of Staff, and all other principal civilian and military officials of the Department of the Air Force, concerning public affairs activities. He is responsible for:

a. Conducting the operations of the United States Air Force Public Affairs program.

b. Planning, directing, and supervising internal and external Public Affairs activities.

c. Developing and supervising programs designed to maintain effective community relations.

d. Maintaining liaison with counterpart Public Affairs offices of the Office, Secretary of Defense, Army, Navy, and other governmental and industrial organizations.

e. Security review and clearance (as the sole agent within the Department of the Air Force) of official information proposed for release through any medium of information or open publication by the Congress, except for information required to be released under the Freedom of Information Act (5 USC 552) and the Privacy Act of 1974 (5 USC 552a).

4. This Order is issued in accordance with Air Force Regulation 11-18, dated 18 July 1963, subject: "Delegating or Assigning Statutory Authority."

5. Secretary of the Air Force Order No. 113.1, dated April 30, 1976, is hereby superseded.

Hans Mark

Hans Mark
Secretary of the Air Force

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

JIMMIE D. HILL

Responsible for assisting the Secretary of the Air Force in discharging his responsibility for the direction, supervision, policy, security, and control of space systems.

Born 28 December 1933 in Fort Worth, Texas. Attended the University of Wichita and the University of Oklahoma, majoring in Accounting. Mr. Hill entered the Air Force in 1951, receiving his commission through OCS in 1960, and served a total of 23 years. He was involved with a wide variety of Comptroller activities related to weapon systems acquisition through 1966. During the next five years, Mr. Hill was assigned to the Secretary of the Air Force Special Projects Office in Los Angeles. In 1971 he was reassigned to the Office of the Secretary with duty assignments to the CIA and the Intelligence Community Staff, assisting in the management of specialized programs, where he remained until his retirement in February 1974. At that time he accepted a civilian position with the CIA. In September 1974 he left the CIA to become Assistant for Special Programs, Office of the Under Secretary of the Air Force. In this position he was responsible for the financial management of classified space projects. On 12 June 1978, Mr. Hill assumed his current position.

Mr. Hill's Air Force decorations include the Legion of Merit, the Meritorious Service Medal and the Air Force Commendation Medal with three Oak Leaf Clusters. In January 1977 he was awarded the DOD Distinguished Civilian Service Medal. In September 1980 he was selected to receive the Presidential Rank Award of Meritorious Executive.

Mr. Hill resides in McLean, Virginia, with his wife Martha. They have four children: Bill, Loretta, Carol and Patricia.

OFFICE OF SPACE SYSTEMS

The Office of Space Systems is primarily responsible for assisting in the direction and supervision of selected high priority national space systems. These responsibilities include advice and cognizance of security and operational functions related to selected space activities, both technical and policy aspects. The Director is responsible for maintaining liaison with the Office of the Secretary of Defense, the Joint Chiefs of Staff and other Government Departments and Agencies on space related matters. The Office of Space Systems is chartered to work interdepartmental issues and participates in all major interdepartmental working groups on space related activities. Additionally, the review or creation of substantive space policy are within the purview of the Office of Space Systems.

NO: 115.1

DATE:

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Organization and Functions of the Office of Space Systems

1. There is hereby established the Office of Space Systems in the Office of the Secretary of the Air Force.

2. The Director of the Office of Space Systems is primarily responsible for assisting the Secretary in discharging his responsibility for the direction, supervision, policy, security and control of space systems. He is responsible for maintaining liaison with the Office, Secretary of Defense and other interested Governmental agencies on matters relative to his assigned responsibilities.

3. Secretary of the Air Force Order No. 115.1, dated January 26, 1962, is hereby superseded.

4. This Order is issued in accordance with AFR 11-18 dated July 18, 1953, subject: "Delegating or Assigning Statutory Authority."

HANS MARK
Secretary of the Air Force

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

MAJOR GENERAL GUY L. HECKER JR.

Major General Guy L. Hecker Jr. is the director of the Office of Legislative Liaison, Office of the Secretary of the Air Force, Washington, D.C.

General Hecker was born March 6, 1932, in Louisville, Ky., and later moved to Mobile, Ala. He graduated from Murphy High School in 1949 and attended the Marion (Ala.) Institute. He graduated from The Citadel in Charleston, S.C., as a distinguished military graduate and with a bachelor of arts degree in 1954. He received a master's degree in international relations from The George Washington University, Washington, D.C., in 1972. He graduated from Squadron Officer School at Maxwell Air Force Base, Ala., in 1958; Royal Air Force Command and Staff College, Andover, England, in 1967; and the National War College, Fort Lesley J. McNair, Washington, D.C., in 1972. He completed the program for management development at Harvard University's Graduate School of Business and, by correspondence, the Industrial College of the Armed Forces.

General Hecker was commissioned through the Air Force Reserve Officers' Training Corps program at The Citadel. He earned his pilot wings in November 1955 at Webb Air Force Base, Texas. He then completed F-86D training at Perrin Air Force Base, Texas, and in June 1956 became an air training officer at the newly established U.S. Air Force Academy, then temporarily located at Lowry Air Force Base, Colo. He was next assigned to the 55th Tactical Fighter Squadron, 20th Tactical Fighter Wing at Royal Air Force Station Wethersfield, England, flying F-100s.

Upon returning to the United States in 1961, General Hecker was assigned to the 4510th Combat Crew Training Group at Luke Air Force Base, Ariz. While at Luke he served as flight commander and later as chief of the Plans, Programming and Scheduling Section, 4510th Combat Crew Training Group.

In 1964 General Hecker was assigned to Headquarters Tactical Air Command, Langley Air Force Base, Va., as a staff officer in fighter operations. He entered the Royal Air Force Command and Staff College in December 1966. After graduation he was assigned to the 90th Tactical Fighter Squadron, 3rd Tactical Fighter Wing, Bien Hoa Air Base, Republic of Vietnam. While there he flew 169 combat missions in the F-100. In August 1969 General Hecker was assigned to Headquarters U.S. Air Force, Washington, D.C., as chief, regular general officer matters, Office of the Deputy Chief of Staff, Personnel.

After graduation from the National War College in 1972, General Hecker was assigned to Plattsburgh Air Force Base, N.Y., as the commander of the 528th Bombardment Squadran, 380th Bombardment Wing, flying FB-111s. In April 1974 he became assistant deputy commander for operations of the 380th Bombardment Wing and in August 1974 became deputy commander for

(Current as of August 1980)

OVER

operations. In July 1975 he assumed the responsibilities of deputy commander for maintenance. In May 1976 General Hecker took command of the 509th Bombardment Wing at Pease Air Force Base, N.H., and in January 1978 became commander of the 45th Air Division, also at Pease.

From December 1978 to April 1980, General Hecker served as special assistant for M-X matters, Office of the Deputy Chief of Staff, Research, Development and Acquisition, Headquarters U.S. Air Force. He assumed his present duties in May 1980.

General Hecker is a command pilot with more than 4,900 flying hours, including 211 combat hours. His decorations and awards include the Silver Star, Legion of Merit with one oak leaf cluster, Distinguished Flying Cross, Bronze Star Medal, Meritorious Service Medal with one oak leaf cluster, Air Medal with nine oak leaf clusters, Air Force Commendation Medal, Republic of Vietnam Gallantry Cross with palm and Republic of Vietnam Armed Forces Honor Medal 1st Class. He also wears the missile badge.

General Hecker assumed the grade of major general June 2, 1980.

He is married to the former Frances Kea of Ruleville, Miss. They have three children: Scott, Michael and Karen.

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

BRIGADIER GENERAL JAMES D. GORMLEY

Brigadier General James D. Gormley is the deputy director of legislative liaison, Office of the Secretary of the Air Force, Washington, D.C. He assists the director in providing advice and assistance to the secretary of the Air Force and other senior officials of the Department of the Air Force concerning Air Force legislative affairs and congressional relations.

General Gormley was born March 24, 1931, in Minneapolis. He graduated from Rapid City (S.D.) High School in 1949. He received a bachelor of arts degree in business in 1953 from the College of St. Thomas, St. Paul, Minn., and a master of business administration degree in 1971 from Auburn University, Auburn, Ala. He is a graduate of Squadron Officer School and the Air War College, both at Maxwell Air Force Base, Ala.

General Gormley was commissioned in 1953 through the Reserve Officers' Training Corps program and received his pilot wings at Greenville Air Force Base, Miss., in October 1954. He served in Japan from early 1955 until 1957, with assignments at Shikotsu Air Force Detachment and Misawa Air Base.

In October 1957 General Gormley was assigned to Ellsworth Air Force Base, S.D., where he served as an interceptor pilot and flight commander with the 54th Fighter-Interceptor Squadron. He transferred to the 5th Fighter-Interceptor Squadron, Minot Air Force Base, N.D., in November 1960 as flight commander. In April 1964 he moved to Tyndall Air Force Base, Fla., as chief of the 4756th Combat Crew Training Squadron's F-106 Academics Section.

In December 1966 he entered F-105 training at Nellis Air Force Base, Nev., and in June 1967 was assigned to the 333rd Tactical Fighter Squadron, Takhli Royal Thai Air Force Base, Thailand. While there he completed 100 F-105 missions over North Vietnam.

General Gormley was assigned in April 1968 to Pacific Command headquarters at Camp H. M. Smith, Hawaii, where he served as aide to the commander in chief, Pacific.

He returned to the United States in June 1970 to attend the Air War College and graduated in May 1971. He was then assigned as deputy chief of the Congressional Investigations Division, Office of the Secretary of the Air Force, Washington, D.C. From July 1972 until April 1975, he was chief, Senate Liaison Office, Directorate of Legislative Liaison, Office of the Secretary of the Air Force.

From May 1975 until January 1977, General Gormley was the vice commander, 93rd Bombardment Wing, Castle Air Force Base, Calif. He returned to Minot Air Force Base as commander of the 5th Bombardment Wing from January 1977 until September 1978 when he became commander of the 57th Air Division. He assumed his present position in September 1979.

(Current as of January 1980)

OVER

The general is a command pilot with more than 4,000 flying hours in a variety of aircraft. His military decorations and awards include the Silver Star, Legion of Merit, Distinguished Flying Cross with one oak leaf cluster, Air Medal with 10 oak leaf clusters, Joint Service Commendation Medal and the Air Force Commendation Medal with two oak leaf clusters.

General Gormley was promoted to brigadier general March 1, 1979, with date of rank Feb. 26, 1979.

He is married to the former Jane Anne Guthrie, a member of an Air Force family. They have three sons: Michael James, Mark Joseph and Matthew John. His hometown is Rapid City, S.D.

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OFFICE OF LEGISLATIVE LIAISON

The Director of Legislative Liaison works directly for the Secretary of the Air Force and is the control point for all Air Force-Congressional relationships. He advises the Secretary, the Chief of Staff, and other USAF officials on all Air Force legislative affairs and congressional activities, except those on appropriations which the Director of Budget (AF/ACB) handles. Inversely, matters of Air Force interest originating in Congress are processed through SAF/LL before the appropriate Air Force agency receives them for action.

Legislation Division

Focal point on all legislative matters (excluding those related to weapons systems and appropriations) affecting the Air Force. Monitors committee/subcommittee actions, hearings, etc., related to the Military Construction Program, manpower and training needs, and legislative requirements in the personnel area.

Inquiry Division

Air Force single point of contact for constituent inquiries (primarily personnel matters) from the White House and Members of Congress. Two branches split the workload by states. Assigns, monitors and expedites Air Staff action in formulating responses. Replies to all inquiries in a timely, factual and responsive manner.

Program Liaison Division

Makes most of the announcements regarding significant matters to interested Senators/Representatives; e.g., base closures; force structure realignments; all factors pertaining to publication of Environmental Impact Statement; contract awards of $3,000,000 and up; contracting out announcements. Also liaison with OSD and Air Force Office of Information on same subjects.

Systems Liaison Division

Focal point for all Congressional committee inquiries, investigations and legislative activity related to Air Force weapons systems (excluding appropriations matters). Provides for and assists Air Force witnesses at Congressional hearings.

Senate And House Liaison Offices

Initial point of contact between the Air Force and the Houses of Congress. Most of the workload is concerned with constituent problems in which the senators and representatives have more than a routine interest.

Legislative Research Office

Disseminates information concerning congressional activities to the Air Force. Among the documents it publishes are (1) Legislative Digest, (2) a daily Hearing Schedule, and (3) Congressional Committee Book. This office also provides biographical information and legislative background material on Members of Congress, etc.

Data Operations Center

Is the focal point within the Air Force for controlling, processing, dispatching and filing all correspondence from/to the President, Vice President, Members of Congress, Cabinet Members and other elected officials.

NO: 112.1
DATE: MAY 5 1980

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Organization and Functions of the Office of Legislative Liaison

1. The Office of Legislative Liaison consists of:

a. Office of the Director;

b. Inquiry Division;

c. Legislation Division;

d. Systems Liaison Division

e. Program Liaison Division

f. Air Operations Office; and

g. Legislative Research Office.

2. The Director of Legislative Liaison, subject to the direction, control and general supervision of the Secretary of the Air Force, is assigned the authority and responsibility to discharge the duties and functions prescribed herein. This authority extends to relationships and transactions with all elements of the Department of the Air Force and other governmental and non-governmental organizations and individuals.

3. The Director of Legislative Liaison advises and assists the Secretary of the Air Force and all principal civilian and military officials of the Department of the Air Force concerning Air Force legislative affairs and Congressional relations. With the exception of Appropriation and Budget Committee matters, he is responsible for:

a. Developing, coordinating and supervising the Air Force legislative program;

b. Evaluating and reporting legislative matters pertaining to the Air Force, including dissemination of pertinent legislative information to appropriate Air Force officials and offices;

c. Preparation and coordination of reports, the testimony and related statements on legislation to the Office of the Secretary of Defense, the Bureau of the Budget and the Congress, including scheduling and other arrangements for presentation of legislative testimony before Congressional Committees;

d. Preparation of reports and arranging for presentation of testimony pertaining to real estate and construction projects for approval of the Armed Services Committees;

e. Processing and preparation of replies to inquiries from Committees on Congress, including arranging for presentation of testimony at hearings held by Committees pursuant to their investigative functions;

f. Processing and preparation of replies to correspondence and inquiries from Members of Congress, the Executive Office of the President, and the Office of the Vice President;

g. The release of classified information to the Congress in accordance with policies prescribed by the Secretary of the Air Force;

h. Maintaining cognizance of correspondence and inquiries reflecting criticism of Air Force policy and, where appropriate, instituting recommendations for possible remedial action thereto;

i. Supervising travel arrangements for such Congressional travel as may be designated an official responsibility of the Air Force;

j. Keeping Members and Committees of Congress advised of Air Force activities within their area of interest; and

k. Maintaining direct liaison with the Congress, the Executive Office of the President, and the Office of the Secretary of Defense and other governmental agencies in connection with the aforementioned matters.

NO: 112.1
DATE: MAY 5 1980

4. Secretary of the Air Force Order No. 112.1, dated September 1, 1962 is hereby superseded.

Hans Mark

HANS MARK
Secretary of the Air Force

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

JEROME H. STOLAROW

Mr. Jerome H. Stolarow become Auditor General of the Air Force on July 1, 1980.

Mr. Stolarow was born in Brooklyn, New York on July 13, 1929. He earned a Bachelor of Business Administration degree from the University of Oklahoma in 1951 and a Juris Doctor degree from Georgetown University Law School in 1955. He served on active duty with the Army Counter Intelligence Corps from 1951 to 1953.

Mr. Stolarow was employed by a public accounting firm before beginning his government career with the General Accounting Office (GAO) in 1958. Mr. Stolorow had positions of increasing responsibility in the GAO and was in charge of many of the study efforts of that Office in the areas of military manpower, logistics and procurement. In 1964 he attended the Program for Management Development, Graduate School of Business Administration, Harvard University. In 1969-1970 he attended the Industrial College of the Armed Forces.

In 1971 Mr. Stolarow was named Manager of the Los Angeles Regional Office of the General Accounting Office. In that position he was responsible for directing all of the work of GAO in Southern California, Arizona and Southern Nevada. In 1973 he was pramated to the position of Deputy Director of the Procurement and Systems Acquisition Division and served in that capacity until July 1, 1978, when he was named Director. In that position he was responsible for directing all of the work of GAO, government-wide, relating to major acquisitions, procurement and research and development.

He is a Certified Public Accountant in Oklahoma and the District of Columbia, and a member of the Bar in the District of Columbia. He is a member of the American Institute of Certified Public Accountants and is alsa a member of the Natianal Board of Advisors af the National Contract Management Association.

Mr. Stolarow is married to the former Rhoda Luddeke of Altoona, Pennsylvania and they are the parents of two daughters.

THE AUDITOR GENERAL AND THE AIR FORCE AUDIT AGENCY

Introduction

The Air Force Audit Agency, a separate operating agency, was created as a result of Public Law; specifically, the Budgeting and Accounting Procedures Act of 1950. Various Department of Defense directives, an Air Force Secretarial Order, Air Force regulations, and Audit Agency directives implement the Public Law.

The Secretary of the Air Force has delegated sole authority for accomplishing internal audits in the Air Force to The Auditor General. The Auditor General reports directly to the Secretary and receives technical guidance and supervision on audit policy and management matters from the Assistant Secretary for Financial Management. The Auditor General has direct access to the Secretariat, the Chief of Staff, the Air Staff, and all other Air Force organizational units and activities, and all the Defense audit organizations. Reporting directly to the Secretary ensures the Auditor General's independence in selecting audit subjects and reporting audit results.

Mission

The mission of the Air Force Audit Agency is to provide all levels of Air Force management with independent, objective, and constructive evaluations of the economy, effectiveness, and efficiency with which management responsibilities (including financial, operation, and support activities) are carried out. The mission statement is derived from Department of Defense Instruction on Audit Policies. In performing its mission, the Air Force Audit Agency complies with an Office of Management and Budget Circular which requires following the Comptroller General's standards for governmental audits.

General standards relate to audit scope, technical proficiency, audit independence, and professional care in auditing. Recent supplements to the general standards provide additional guidance for auditing computer-based systems.

Examination and Evaluation Standards deal with audit planning, supervision, legal and regulatory requirements, internal control evaluations, and the adequacy of evidential matter.

Reporting Standards require timely, written reports of audit. They also stress clarity, accuracy, completeness, fairness, and objectivity in reporting.

Scope Of Audit Activity

The scope of audit activities is as follows:

All Air Force organizational components, functions, activities, and levels of operations are subject to comprehensive audit.

There are no limitations on the Agency in selecting Air Force activities for audit, determining the scope of audit work, and reporting audit results.

Audit Programs

The Air Force Audit Agency uses four basic audit programs. Each is tailored to particular purposes and levels of management. Major characteristics of each program follow:

Centrally directed audits serves the Air Staff and major command management. This program consists of evaluations accomplished concurrently at multiple locations. About 100 centrally directed audits are performed each year. The results of these are summary reports addressed to the management level which can best correct the problems noted. However, the Air Staff, the Secretariat, and the Office of the Assistant Secretary of Defense receive copies of all summary reports.

Audit Office Initiated Audits

Initiative audits are limited to a single installation and often employ audit guides to cover a particular installation-level function or activity; they provide installation-level managers objective evaluations of their day-to-day operations. Results of these audits are reported to installation commanders and appropriate major commanders. These audits may be requested by installation managers or proposed by Air Force Audit Agency area office chiefs at individual Air Force installations. About 1200 initiative audits are performed each year.

Commanders Audit Program

As with initiative installation audits, commanders can use this program to take an active role in identifying areas requiring audit attention.

The Commanders Audit Program provides a consultant-type service in priority problem areas where analysis would exceed a commander's in-house capability. Specific ground rules ensure selectivity in accepting commander' requests. As long as these audits do not disclose irregularities such as fraud or violation of public law, the Air Force Audit Agency reports the results only to the requesting commander. About 350 commanders audit program audits are performed each year.

Followup Program

Under current Air Force policy, management has primary responsibility to track and determine what corrective action will be taken in response to all audit findings and recommendations. This does not relieve the auditor of the responsibility for following up on recommendations to determine whether the deficiency still exists. The Air Force Audit Agency selectively follows up on audit recommendations to determine whether management action was effective in eliminating the deficiency. Periodically, the Air Force Audit Agency also reviews management's tracking system to evaluate its effectiveness for ensuring corrective actions are taken.

Organization

The Air Force Audit Agency has about 890 professional auditors and 195 support personnel assigned. In addition to the headquarters at Norton AFB CA and the Assistant Auditor General located in the Pentagon for liaison purposes, the Air Force Audit Agency has two functional directorates and two geographic

regions. This alignment enables the Agency to serve clients who are also dispersed along operational and functional lines.

Acquisition & Logistics Directorate

Headquartered at Wright-Patterson Air Force Base OH, this directorate manages 13 audit production centers including 5 Air Logistic Centers and 3 major buying divisions. The directorate is authorized 295 auditors representing about 34% of total auditor strength. Each of the audit offices at the logistics centers and buying divisions has approximately 30 auditors.

In addition to providing audit service to Air Force Logistics Command and Air Force Systems Command, the Acquisition and Logistics Systems Directorate also provides service to related Air Staff functional elements.

Service-Wide Systems Directorate

The Service-Wide Systems Directorate is headquartered at Andrews Air Force Base MD and has a total manning authorization of 91 auditors. This directorate's primary responsibility is to design and manage centrally directed audits of standard Air Force-wide functions and activities. The directorate accomplishes this mission through five division offices. Two of the offices are located in the Washington D.C. area for ease of access to the Air Staff. The other three offices are located at the Air Force Accounting and Finance Center near Denver CO, and the Manpower and Personnel Center near San Antonio TX.

Audit Regions

The two regions are organized geographically. The Western Region headquarters is located at Norton Air Force Base with audit responsibility extending into the Pacific. Eastern Region, headquartered at Langley Air Force Base VA, has audit responsibility for Europe and the Eastern United States. Each of the regions manages three offices which have major command audit responsibilities and just over 30 installation-level area audit offices. Major command offices are located at Hickam Air Force Base HI, Elmendorf Air Force Base AK, and Offutt Air Force Base NE in Western Region; and at Scott Air Force Base IL, Langley Air Force Base VA, and Ramstein Air Force Base GE in Eastern Region. Installation-level offices are responsible for auditing all Air Force installation-level activities within their geographic area.

NO: 502.1
DATE: 24 July 1978

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Air Force Audit Agency

1. In accordance with Secretary of Defense 26 May 1978 Reorganization Order issued pursuant to Section 125 of Title 10, United States Code, the Air Force Audit Agency (AFAA) will report to the Secretary of the Air Force. The Commander of the AFAA, also designated The Auditor General:

a. Is responsible for the internal audit function of the Department of the Air Force under 10 USC 8014 (a)(4), and for liaison with the General Accounting Office, the Deputy Assistant Secretary of Defense (Audit) and other governmental audit agencies on day-to-day operational matters.

b. Will report to the Secretary of the Air Force and will receive staff supervision from the Assistant Secretary of the Air Force (Financial Management). For this purpose, staff supervision is defined as (1) supervision of audit policy and management matters and (2) technical guidance.

c. Is authorized direct access to the Chief of Staff.

2. This Order is effective on 24 July 1978 and is issued in accordance with Air Force Regulation 11-18, 18 July 1963, subject: "Delegating or Assigning Statutory Authority".

JOHN C. STETSON
Secretary of the Air Force

AF Form 0-1207 Jul 54

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

DONALD E. RELLINS

Don Rellins became the Advisor to the Secretary of the Air Force on small and minority business matters in December 1971. He became the first Director of the Air Force Office of Small and Disadvantaged Business Utilization in 1979. He is responsible for establishing and operating a program, as required by law, to insure that a fair proportion of Air Force prime contracts and subcontracts are placed with small business and small disadvantaged firms.

He received a B.S. in Commerce, magna cum laude, from the University of Notre Dame in 1954 and received his Juris Doctor degree from Georgetown University in 1962. He is a Member of the Virginia State Bar Association.

Mr. Rellins has held a variety of positions in government and industry. His industry experience has been with both large and small firms. He has also owned and operated his own small business.

He served with the U.S. Air Force as an officer in the Strategic Air Command during the mid-fifties. Later, he was a cost analyst with U.S. Steel. He has been involved with gavernment contracting and procurement since 1959 as either a contract negotiator, a lawyer, or a procurement analyst.

Immediately before assuming his present position, Mr. Rellins was with the Office of the Assistant Secretary of Defense (Installations & Logistics).

Mr. Rellins was selected as a Congressional Fellow in 1969. Following an extensive orientation, he served on Capitol Hill for one year in various committee and member's office assignments.

DIRECTOR OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

The Office of Small and disadvantaged Business Utilization is required by statute (Public Law 95-507). The Director, also by statute, reports directly to the Secretary and is responsible for Air Force implementation and execution of the functions and duties required by Section 8 and 15 of the Small Business Act. The Director:

a. Advises the Secretary on small business, small disadvantaged business, women-owned business, and labor surplus area matters.

b. Plans, develops, and directs the Air Force programs on small business, small disadvantaged business, women owned business, and labor surplus areas.

c. Represents the Air Force on these matters with other Government agencies such as the Small Business Administration and the Department of Commerce, with DOD and the Military Departments and with private industry.

d. Exercises supervisory authority on these matters over Air Force Small and Disadvantaged Business Utilization Specialists.

The Directorate functions in both a Secretariat and Air Staff capacity. To facilitate management of its field personnel and to provide advice and assistance to the Air Staff, the Directorate is located for administrative purposes in the Office of the DCS (Research, Development and Acquisition).

NO: 650.2

DATE: MAY 1 8 1979

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Establishment of the Office of Small and Disadvantaged Business Utilization

1. Pursuant to Public Law 95-507, amending the Small Business Act of 1958, there is established in the Department of the Air Force an Office of Small and Disadvantaged Business Utilization. That office shall be headed by a Director of Small and Disadvantaged Business Utilization.

2. The Director of Small and Disadvantaged Business Utilization, when serving in that capacity shall report to the Secretary of the Air Force.

3. The Director of Small and Disadvantaged Business Utilization will receive policy and management guidance from the Assistant Secretary of the Air Force for RD&L and will advise and assist other principal military and civilian officials of the Department of the Air Force in matters relating to Sections 8 and 15 of the Small Business Act of 1958, as amended. The Director is responsible for the:

a. Implementation and execution of the Department of the Air Force's functions and duties under Sections 8 and 15 of the Small Business Act of 1958, as amended;

b. Supervision of the small and disadvantaged business program for the Department of the Air Force;

c. Assignment of at least one small business technical adviser for each office in the Department of the Air Force to which the Small Business Administration has assigned a procurement center representative; and

d. Cooperation and consultation with the Small Business Administration with respect to the functions listed in a. above.

NO: 650.2
DATE: MAY 1 8 1979

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4. In view of and to facilitate the executive functions of the Director of Small and Disadvantaged Business Utilization, the Office of Small and Disadvantaged Business Utilization will be located in the Office of the DCS (Research, Development & Acquisition).

5. This Order is issued in accordance with Air Force Regulation 11-18, dated 18 July 1963, subject: "Delegating or Assigning Statutory Authority."

JOHN C. STETSON
Secretary of the Air Force

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OVERVIEW

The material in this volume is designed to acquaint new statutory officials with a variety of information about available services and supportive functions, answer some questions that seem to be of interest historically, and provide a quick summary of several key personnel issues that need to be highlighted.

Equally important, it provides a quick reference to those new to the government service, for public law requirements such as standards of conduct, conflicts of interest, financial reporting, and other issues which must be carefully observed.

The Office of the Administrative Assistant is described in some detail. It is the management and operational focus within the Secretariat and is designed to provide central support in a variety of functions. It is not a substitute, however, for the internal management activities of each Assistant Secretary. All appointees are urged to avail themselves of the advice and services available from this office.

PERSONAL ENTITLEMENTS/OBLIGATIONS

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PERSONAL ENTITLEMENT/OBLIGATIONS

Standards of Conduct

Basic Policy

The primary sources of Standards of Conduct guidance for Air Force employees are DOD Directive 5500.7 and Air Force Regulation 30-30. The basic policy is that Air Force personnel, including their spouses, minor dependent children, and any other household member, must not take part in any personal, business, or professional activity or receive or retain any direct or indirect financial interest that places them in a position of conflict between their private interests and their responsibilities to the public as Air Force personnel. Any appearance of conflict must also be avoided.

Standards of conduct questions frequently arise concerning accepting gratuities. DOD personnel and their families are prohibited from accepting gratuities from companies doing business with the Department of Defense except in certain limited circumstances. Gratuities include meals, drinks, entertainment, travel, etc. Additional guidance is provided in the attached AFR 30-30 excerpt. Other standards of conduct topics covered in AFR 30-30 include (1) using Government facilities, property and manpower, (2) outside employment, (3) gambling and lotteries, (4) using civilian and military titles in connection with commercial enterprises, and (5) contributions or presents to superiors.

Secretariat personnel with questions relating to their individual circumstances should discuss them with the General Counsel's Office.

Disqualifications

Full time government employees are prohibited from taking part in any matter in their official capacity in which they, their spouses, minor children, outside business associate, or person with whom they are negotiating future employment have a financial interest. Violation of this prohibition is a crime punishable by imprisonment for up to two years or a fine of up to $10,000, or both. This prohibition does not apply when a prior determination has been made that the interest is either too remote, too insubstantial, or too insignificant to affect the integrity of the government employee's service. In situations where the financial interest can not be classified as too remote, too insignificant, or too insubstantial, the government employee must dispose of the interest or must diqualify him or herself from taking offical action on any matter connected with that interest. Official action includes decision, approval, disapproval, recommendation, the rendering of advice, investigation, etc. Additional guidance is contained in the attached AFR 30-30 excerpt.

Secretariat personnel possessing financial interests which might conflict with their official responsibilities should discuss their situation with the General Counsel's Office. If it is determined that a conflict might exist, the General Counsel's Office will assist in the preparation of disqualification memoranda.

Financial Disclosure

The Ethics in Government Act of 1978 requires the annual filing of detailed financial disclosure reports by civilian employees paid at a rate equal to or greater than the minimum GS-16 rate and by military members whose pay grade is at or in excess of 0-7. The initial report is due within 30 days of assuming such a position or, if the position requires the advice and consent of the Senate, within 5 days of the transmittal of the nomination to the Senate. This initial report covers the prior calendar year and the current calendar year up to the date of filing. Additional reports are due annually each May 15th.

Agencies must make these reports available to the public, but it is unlawful for persons to use the reports for commercial purposes, for determining credit ratings, or for soliciting money. The Office of Government Ethics, which was created by The Ethics in Government Act as part of the Office of Personnel Management, has developed a form for reporting this information. Secretariat personnel having questions regarding either the form or their personal circumstances should contact the Gerneral Counsel's Office.

Post Employment Restrictions

The Ethics in Government Act of 1978 amended 18 U.S.C. §207 and provided several new restrictions on the post employment activities of officers and employees of the government. This statute is a criminal statute and provides for penalties of up to $10,000 or two years imprisonment. Its basic provisions are as follows:

(a) Lifetime prohibition. Applies to any former officer or employee.

- May not act as agent or attorney or otherwise represent another or make any communication with an intent to influence concerning any matter involving specific parties in which the individual participated personally and substantially for the Government (Sec. 207(a)).

(b) Regular two year prohibition. Applies to any former officer or employee.

- May not act as agent or attorney or otherwise represent another or make any communication with an intent to influence concerning any matter involving specific parties which was pending under the individual's official responsibility within a one-year period prior to termination of such responsibility (Sec. 207(b)(i)).

(c) Special-two year "aiding and assisting" prohibition. Applies to all Executive Levels I-V, all officers at grade 0-9 and above, and to certain designated SES, 0-7 and 0-8 positions.

- May not aid, counsel, advise, consult, represent, or assist in representing another by personal appearance before an agency concerning any matter which was pending under his official responsibility or in which he participated per-

sonally and substantially within one year prior to retirement. (Sec. 207(b)(ii)). (Does not require a showing of "an intent to influence").

(d) Special one year "no contact" prohibition. Applies to all Executive Levels I-V, all officers at grade 0-9 and above, and to certain designated SES, 0-7 and 0-8 positions.

- May not, on behalf of anyone, have an oral or written communication with former agency or department with intent to influence on any matters pending before that agency or department, or in which the agency has a direct interest.

- Does no apply to contacts by former senior officials who are elected officials of, or are employed by: a state or local government; a degree-granting institution of higher learning; a hospital or medical research organization.

Attached is matrix that presents the information in a different format. Secretariat personnel with questions relating to their individual circumstances should contact the General Counsel's Office.

Personal Liability of Air Force Officials

Government officials are occasionally sued in their personal capacities for actions taken in their official capacities. If the allegation does not involve a Constitutional violation and the official was acting within the outer limits of his or her official responsibilities, the official has an absolute immunity from suit. In suits alleging unconstitutional actions Government officials are entitled to at least a qualified immunity, i.e., a successful defense is made out by a showing of good faith (lack of malice toward the plaintiff personally) and reasonable belief that the conduct complained of was Constitutionally unobjectionable. When Government officials are sued in their personal capacity they may be represented, at no cost to themselves, by the Department of Justice, but any damages awarded the plaintiff must be paid by the official without reimbursement. To date, the relatively small number of awards made have been for only nominal damages.

In most suits alleging deprivation of Constitutional rights, an adequate defense can be established by asserting adherence to prescribed procedures. Even if proper procedures are used, however, a showing of some form of bad faith may result in personal liability. For example, an adverse personnel action accompanied by gratuitous adverse public comment could give rise to liability based on injury to reputation leading to diminished reemployment opportunities. It is also conceivable that a suit could arise out of oral or written responses to requests for recommendations concerning Government employees or former employees. Although officials would have absolute immunity from liability for "pure" defamation (i.e., where no Constitutional violation is involved), they might have to establish good faith and a reasonable belief in the accuracy of their statements if, for example, the alleged defamation were accompanied by an adverse personal action.

Political Activity

The Hatch Act, 5 U.S.C. §7321 et seq., prohibits most forms of political activity for civilian employees of the government within the Department of Defense. It does not, however, apply to the Secretary and Deputy Secretary of Defense, the Secretaries of the Military Departments, the Under Secretaries of Defense and all other officers or employees appointed by the President, with the advice and consent of the Senate, who determine policies to be pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal Laws.

Civilian officials of the DoD not subject to the Hatch Act are restricted in their political activities by those laws relating to political activities that apply to all citizens. These include the Federal Election Campaign Act Amendments of 1976, Pub. L. No. 94-283. All civilian DoD officials are also prohibited from using official authority or influence for the purpose of interfering with or affecting the result of an election, (5 U.S.C. §7324(a)(1)) or from using federally funded benefits, or the threat of withholding them, for that same purpose (18 U.S.C. §600).

In addition, civilian DOD officials are subject to such policies and precedents pertaining to the political activities of DoD officials as have heretofore been established by the Department of Defense. For many years, it has been the policy of the Department of Defense that its civilian officials not subject to the Hatch Act will refrain from engaging in most aspects of partisan political campaigns. Accordingly, DoD officials — whether covered by the Hatch Act or not — generally may not participate as organizers, speakers, hosts, or the like, in activities sponsored by the campaign committee of a political candidate, or in activities related directly or indirectly or fundraising on behalf of a political candidate.

This policy does not preclude Defense officials from explaining, advocating, or defending policies or actions relating to issues of national defense or foreign policy. Although the discussion of a defense matter may have a clearly discernible similarity to a policy advocated by a political party or candidate, this effort to inform and explain by Department of Defense officials is essential to public understanding of Defense policies and actions and does not come within the prohibition of partisan political activity. Finally, the policy on non-participation in partisan political campaigns does not preclude Defense officials from appearing before a national political committee at its request for clarification or explanation of defense matters.

Employees subject to the Hatch Act are affected by its prohibitions whether on duty, off duty, or in a leave status. Most municipalities and political subdivisions in the Washington, D.C. vicinity have, however, been exempted from certain of the Hatch Act's restrictions. These are listed in 5 CFR §733.124. Employees who reside in these localities may take an active part in political management or in political campaigns in connection with partisan elections for local offices, so long as the participation is as, on behalf of, or in opposition to an independent candidate. In these localities candidacy for or service in public office may not result in interference with the performance of the employee's duties, nor create a conflict or apparent conflict of interest.

Attached is a list of activities prohibited by the Hatch Act and a list of activities not prohibited by it. These lists are not comprehensive and are intended to be general guidance only. Secretariat personnel considering political activities should consult with the General Counsel's Office for guidance on the legality of the intended activity.

GRATUITIES ADDITIONAL GUIDANCE

1. General. This attachment supplements paragraph 5 of the regulation.

2. Gratuities:

a. **General Prohibition.** Except as provided in b below Air Force personnel and their immediate families must not solicit, accept, or agree to accept any gratuity for themselves, members of their families, or others (either directly or indirectly from), or on behalf of, any source that:

(1) Is engaged in or seeks business or financial relations of any sort with any Department of Defense Component;

(2) Conducts operations or activities that are either regulated by a Department of Defense Component or significantly affected by Department of Defense decisions; or

(3) Has interests that may be substantially affected by the performance or nonperformance of the official duties of Department of Defense personnel.

b. **Limited Exceptions.** The general prohibition in a above, does not apply to:

(1) The continued participation in employee welfare or benefit plans of a former employer when permitted by law and approved by the proper Standards of Conduct Counselor or Deputy Counselor.

(2) Accepting unsolicited advertising or promotional items that are less then $5 in retail value.

(3) Trophies, entertainment, prizes, or awards for public service or achievement or given in games or contests that are clearly open to the public generally or that are officially approved for Air Force personnel participation when consistent with 18 U.S.C. 209.

(4) Things available to the public (such as university scholarships covered by AFR 53-18) and free exhibitions by Defense Contractors at public trade fairs.

(5) Discounts or concessions extended Air Force-wide and realistically available to all Air Force personnel.

(6) Participation by Air Force personnel in civic and community activities when any relationship with Defense contractors is remote, for example, taking part in a Little League or Combined Federal Campaign luncheon that is subsidized by a Defense contractor.

(7) Social activities engaged in by Air Force officials and officers in command, or their representatives, with local civic leaders as part of the Air Force community relations programs in the United States and overseas according to AFM 190-9, chapter 4.

(8) DOD personnel taking part in widely attended gatherings of mutual interest to Government and industry, sponsored or hosted by industrial, technical, and professional associations (not by individual contractors) provided that they have been approved according to DOD Instruction 5410.20).

(9) Situations in which (a) Air Force personnel taking part in public ceremonial activities of mutual interest to industry, local communities, and the Air Force serves the interests of the Government; and (b) accepting the invitation is approved by the Air Force major commander concerned. Air Force personnel assigned to HQ USAF or its separate operating locations must obtain such approval from their Deputy Chief of Staff, Staff Agency Head, or the head of a comparable or higher office. Invitations for Air Force personnel assigned to the office of the Secretary of the Air Force must be approved by the Air Force General Counsel.

(10) Contractor-provided transportation, meals, or overnight accommodations in connection with official business if arrangements for Government or commercial transportation, meals, or accommodations are clearly not practical. In any such case, the individual must report, in writing, the circumstances to the supervisor as soon as possible.

(11) Attendance at promotional vendor training sessions if the vendor's products or systems are provided under contract to DOD and the training is to facilitate the use of those products or systems by DOD personnel.

(12) Attendance, or Air Force personnel taking part in gatherings, including social events such as receptions, that are hosted by foreign governments or international organizations, provided that the acceptance of the invitation is approved by the General Counsel or designee. This approval is not required if attendance or participation is authorized by other exceptions, such as those in b(7) above or b(14) below or if the social event involves a routine or customary social exchange with officials of foreign governments in pursuance of official duties.

(13) Customary exchanges of gratuities between Air Force personnel, and their friends and relatives, as well as the friends and relatives of their spouse, minor children and members of their household. This applies only if the circumstances make it clear that it is that relationship, rather than the business of the persons concerned, that is the motivating factor for the gratuity and if it is clear that the gratuity is not paid for by any source described in a above.

(14) Situations in which in the sound judgment of the individual concerned or the individual's supervisor, the Government's interest will be served by Air Force personnel taking part in activities otherwise prohibited. In any such case, a written re-

port of circumstances must be made in advance, or if an advance report is not possible, within 48 hours by the individual or the supervisor to the proper Standards of Conduct Counselor or Deputy Counselor.

c. **Reimbursements:**

(1) The acceptance of accommodations, subsistence, and services furnished in kind, in connection with official travel from other than those sources in 2 a, above is authorized only when the individual is to be a speaker, panelist, project officer, or other bona fide participant in the activity attended and when such attendance and acceptance is authorized by the order-issuing authority as being in the overall Government interest.

(2) Except as indicated in c(1) above, Air Force personnel may not accept personal reimbursement from any source for expenses related to official travel, unless authorized by their supervisor. Reimbursement must be consistent with guidance provided by the proper Standards of Conduct Counselor or Deputy Counselor and according to 5 U.S.C. 4111 or other statutory authority. Reimbursement must be made to the Government by check payable to the Treasurer of the United States. Personnel are reimbursed by the Government according to regulations that relate to reimbursement.

(3) Air Force personnel must not accept, either in kind or for cash reimbursement, benefits that are extravagant or excessive in nature.

(4) If non-US Government sources furnish Air Force personnel accommodations, subsistence, or services in kind according to c above, appropriate deductions must be reported and made in the travel, per diem, or other allowances payable.

d. **Gratuity Disposition.** After the effective date of this regulation, Air Force personnel who receive gratuities, or have gratuities received for them in circumstances that do not conform with this attachment, must promptly report the circumstances to the proper Standards of Conduct Counselor or Deputy Counselor for determining disposition.

make the decision whether a conflicting interest, no matter how insignificant, is or is not sufficient to influence one's own judgment. This decision is the responsibility of and must be made by an official as set out in paragraph 15d.

d. Reports concerning status of Statements of Affiliations and Financial Interests (DD Form 1555) must be submitted no later that 30 November of each year. Each Air Force major commander must notify HQ USAF/JACM, Wash DC that all required statements and annual statements have been filed, reviewed, and any problems resolved or explain the details of outstanding cases.

14. Reporting Suspected Violations. Air Force personnel who have cause to believe that other DOD personnel have violated a statute or standard of conduct imposed by this regulation should first bring the matter to their attention. If such persons are supervisors, or the communication is not expected to remedy or does not appear to have remedied the problem, the matter must be discussed with the proper Standards of Conduct Counselor or Deputy Counselor. If appropriate the matter will then be reported according to AFR 124-8.

SECTION B—CONFLICT OF INTEREST LAWS

15. Full-Time Officers and Employees:

a. **Definition.** The term "full-time officer or employee" includes all civilian officers and employees, and all military officers on active duty, except those who are "special Government employees" (see paragraph 16). It does not include enlisted personnel.

b. **Prohibitions.** In general, a full-time officer or employee is subject to the following major prohibitions: (See attachment 3.)

(1) They may not, except in discharging their official duties, represent anyone else before a court or Government agency in a matter in which the United Ststes is a party or has an interest. This prohibition applies both to paid and unpaid representation of another (see 18 U.S.C. 203 and 205).

(2) They may not receive any salary, or supplementation of their Government salary, from a private source as pay for their services to the Government (see 18 U. S.C. 209).

(3) They may not take part (see note) in their governmental capacity in any matter in which they, their spouse, minor child, outside business associate, or person with whom they are negotiating for employment has a financial interest (see 18 U.S.C. 208). Instead of taking part in such a matter, they must disqualify themselves at once according to d below, except as provided in c below.

NOTE: A person may take part through decision, approval, disapproval, recommendation, giving advice, investigation, or otherwise.

c. **Nondisqualifying Financial Interest.** Officers or employees need not disqualify themselves under b(3) above, if the financial holdings are in shares of a widely held diversified mutual fund or regulated investment company. The indirect interests in business entities of these financial holdinga come from ownership by the fund or investment company of stocks in business entities. They are hereby exempted from the requirements of 18 U.S.C. 208 (a), as set out in 18 U.S.C. 208(b)(2), as too remote or inconsequential to affect the integrity of the Government officers' or employees' services.

d. **Disqualification:**

(1) Unless otherwise expressly authorized by action taken under 18 U.S.C. 208, all Air Force personnel who have affiliations or financial interests which create conflicts (or appearances of conflicts) of interest with their official duties must disqualify themselves from any official activities that are related to those affiliations, interests, or the entities involved. A formal disqualification notice must be sent to an individual's superior and immediate subordinates if it appears reasonably possible that the individual's official duties will affect those affiliations, interests, or entities. If individuals cannot adequately perform official duties after such disqualification, they must divest themselves of such involvement or be removed from those positions.

(2) For exemptions under 18 U.S.C. 208b(1) the "official responsible for the appointment" must be the immediate superior of the individual concerned who is serving in the grade of Colonel or above, GS-15 or above, or such other superior who is a full-time US Government officer or employee serving in the grade of Colonel, GS-15, or higher. All cases that involve determinations under 18 U.S.C. 208b(1) must be coordinated with the appropriate Standards of Conduct Counselor or Deputy Counselor.

(3) In addition, if a superior thinks that a subordinate employee may have a disqualifying interest, the superior must discuss the matter with that person and if the superior finds such an interest does exist, the superior must relieve the person of duty and responsibility in the particular matter or take other appropriate action to resolve the conflict. (See attachment 5.)

16. Special Government Employees:

a. **Definition.** The term "special Government employee" includes an officer or employee who is retained, designated, appointed, or employed to perform (with or without pay) for not more than 130 days during any period of 365 consecutive days, temporary duties, either on a full-time or intermit-

POST EMPLOYMENT PROHIBITIONS
18 U.S.C. 207
AS AMENDED BY P.L. 95-521
(THE ETHICS IN GOVERNMENT ACT OF 1978)
AND P.L. 96-28

	If you were	in your subsequent employment	from	to or before	in connection with	which
1.	A Government employee (including a special Government employee) or military officer	you are barred for life	acting as agent or attorney or representing any other person in any formal or informal appearance or with intent to influence, making any oral or written communication	any Government department, agency, court or court-martial or any officer or employee thereof	any particular matter involving specific parties	you participated in for the Government personally and substantially
2.	A Government employee (including a special Government employee) or military officer	you are barred for two years	acting as agent or attorney or representing any other person in any formal or informal appearance or with intent to influence, making any oral or written communication	any Government department, agency, court or court-martial or any officer or employee thereof	any particular matter involving specific parties	was pending under your official responsibility in your last year of Government employment

PREPARED BY SAFGC JUNE 26, 1979

	If you were	in your subsequent employment	from	to or before	in connection with	which
4.	(a) A statutory appointee, (b) a military officer 0-9 or above, or (c) a military officer 0-7 or 0-8 or a civilian in a GS-17 or above position or an SES position, who has significant decision-making or supervisory responsibility, as designated by the Office of Government Ethics.	you are barred for one year	acting as agent or attorney or otherwise representing anyone in any formal or informal appearance before or with the intent to influence making any oral or written communication	the agency in which you served (military departments are separate agencies)	any rule-making or any particular matter	is pending before your agency or in which your agency has a direct and substantial interest

EXCEPTIONS:

1. The prohibitions do not apply to making communications solely for the purpose of furnishing scientific or technological information.

2. The prohibitions do not apply if the agency head, in consultation with the Office of Government Ethics, certifies that the former employee or officer has outstanding qualifications in a scientific, technological or other technical discipline and that the national interest would be served by participation in the particular matter.

3. The prohibiton in paragraph 4 does not apply to appearances, communications, or representation by former employees who are elected State or local Government officials or whose principal occupation or employment is with a State or local Government agency or instrumentality, an accredited, degree-granting institution of higher education, or a hospital or medical research organization.

HATCH ACT

Permissible Activities

. You have the right to register and vote as you choose in any election. Political activity restrictions do not relieve Federal employees of their obligation as citizens to inform themselves of the issues and to register and vote. Employees are urged to vote by being granted leave under certain circumstances to register or vote.

. You have the right to express your opinions as an individual, privately and publicly, on all political subjects and candidates as long as you don't take an active part in partisan political management or partisan political campaigns.

. You may wear a political badge or button or display a political sticker on your private automobile, subject to work-related limitations.

. You may make a voluntary campaign contribution to a political party or organization.

. You may accept appointment to public office, provided service in the office will not conflict or interfere with the efficient discharge of your Federal duties.

. You may participate in a non-partisan election either as a candidate or in support of (or in opposition to) a candidate, and you may, if elected, serve in the office if such service will not conflict or interfere with your Federal duties.

. You may serve as an election clerk or judge, or in a similar position, to perform non-partisan duties as prescribed by state or local law.

. You may be politically active in connection with an issue not specifically identified with a political party, such as a constitutional amendment, referendum, approval of a municipal ordinance, or similar issue.

. You may participate in the non-partisan activities of a civic, community, social, labor, professional, or similar organization.

. You may be a member of a political party or other political organization and attend meetings and vote on issues, but you may not take an active part in managing the organization.

. You may attend a political convention, rally, fund-raising function, or other political gathering, but you may not take an active part in conducting or managing such gatherings.

. You may sign petitions, including nominating petitions, but may not initiate them or canvass for signatures, if they are nominating petitions for candidates in partisan elections.

. You may petition Congress or any Member of Congress, such as by writing to your Representatives and Senators to say how you think they should vote on a particular issue.

Prohibited Activities

The general prohibitions on Federal employees are that they may not use their official authority or influence to interfere with or affect the result of an election, and that they may not take an active part in partisan political management or in partisan political campaigns. Additional specific prohibited activities are:

. You may not be a candidate for nomination or election to a national or state office.

. You may not become a partisan candidate for nomination or election to public office.

. You may not campaign for or against a political party or candidate in a partisan election for public office or political party office.

. You may not serve as an officer of a political party, a member of a national, state or local committee of a political party, an officer or member of a committee of a partisan political club, or be a candidate for any of these positions.

. You may not participate in the organizing or reorganizing of a political party, organization or club.

. You may not solicit, receive, collect, handle, disburse, or account for assessments, contributions, or other funds for a partisan political purpose or in connection with a partisan election.

. Federal criminal statutes impose restrictions concerning contributions in connection with elections for Federal office. Specifically, you may not solicit political contributions from other Federal employees and no person may solicit or receive political contributions in buildings where Federal employees work. Also, one of these criminal statutes restricts your ability to make political contributions to other Federal employees. You should contact the Office of Special Counsel at 1717 H Street, N.W., Washington, D.C. 20419, (202) 653-7140), for advice if you have any questions concerning the requirements of these laws.

. You may not sell tickets for or otherwise actively promote such activities as political dinners.

. You may not take an active part in managing the political campaign of a candidate, in a partisan election for public office or political party office.

. You may not work at the polls on behalf of a partisan candidate or political party by acting as a checker, challenger, or watcher, or in a similar partisan position.

PERSONAL ENTITLEMENTS/OBLIGATIONS

Personnel Benefits

Pay

Presidential appointees are paid at the following salary rates:

Level I	$69,630.00
II	60,662.50
III	55,387.50
IV	52,750.00
V	50,112.50

Checks are issued semi-monthly to the Secretary and bi-weekly to all others. Form W-4 designating the number of dependents is executed at the time of appointment and tax is deducted from the bi-weekly pay check.

Health Benefits

The cost of the Health Benefits Program (there are 40 different plans, not all of which are available in this area) is shared by both the Government and the Federal employee. The five most popular plans in this area are the Service Benefit Plan (Blue Cross - Blue Shield), the Indemnity Benefit Plan (Aetna), Group Health Association, and the George Washington and Georgetown University Plans. Although these are the five most popular plans, there are others available. For example, Montgomery County Maryland and Columbia, Maryland each have specialized health care plans, however, the Government contributes no more than 75% of the total cost of any type of enrollment. Information on all health care plans can be obtained from the office of the administrative assistant.

Government-Wide Plans	Enrollment Code	Type of Enrollment	In 1981 Employee Pays*
Service Benefit Plan (Blue Cross-Blue Shield)	101	Self Only-High Option	$14.84
	102	Self & Family-High Option	30.52
	104	Self Only-Low Option	2.46
	105	Self & Family-Low Option	7.14
Indemnity Benefit Plan (Aetna)	201	Self Only-High Option	10.17
	202	Self & Family-High Option	15.11
	204	Self Only-Low Option	3.20
	205	Self & Family-Low Option	7.56

*Biweekly Rate

Comprehensive Plans	Enrollment Code	Type of Enrollment	In 1981 Employee Pays
George Washington University Health Plan	E51	Self Only-High Option	$12.00
	E52	Self & Family-High Option	34.65
Georgetown University Community Health Plan	E31	Self Only-High Option	11.76
	E32	Self & Family-High Option	32.44
Group Health Association	501	Self Only-High Option	13.80
	502	Self & Family-High Option	38.27
	504	Self Only-Low Option	5.48
	505	Self & Family-Low Option	19.94

An employee's enrollment continues without change upon retirement on an immediate annuity after 5 or more years of service, or for disability, provided that any of the following conditions are met:

a. The employer has been enrolled in a Health Benefits Plan for the full period of service beginning with his first opportunity to enroll and the date of retirement, or

b. At the time of retirement the employee has been enrolled in a Health Benefits Plan for at least 5 years of service immediately preceding retirement. Employee contributions are deducted from the retirement annuity. The retiring employee who does not qualify will have a temporary 31-days extension of coverage without cost. The employee may then convert to a direct payment plan with the carrier, or

c. The employee must have been enrolled continuously for the full period or periods of service beginning with the enrollment which became effective no later than 31 December 1964.

Leave — Sick Leave

Annual Leave. Statutory appointees are permitted to take leave from their duties, without limitation, subject to the approval of their agency head.

Individuals serving in Schedule C or SES positions earn annual leave in the same manner and at the same rates as General Schedule employees. The amount of leave earned is dependent upon the length of service as shown in the following schedule:

Creditable Service	Accrual per Year
Less than 3 years of service	13 days
3 to 15 years of service	20 days
15 years or more of service	26 days

The optional insurance is in only one amount - $10,000 and is only available by election within 31 days from the date of appointment. The cost for this insurance, borne entirely by the employee, is based on age as shown in the following table:

Age Group	Biweekly Premium
Under 35	.60
35-39	1.00
40-44	1.70
45-49	2.40
50-54	3.50
55-59	7.50
60 and Over	9.00

Both the regular and optional insurance are payable, upon death, in the following order: (1) your widow or widower; (2) if no widow or widower, your children; (3) if no children, your parents; (4) if no parents, your estate; (5) if no estate, your next of kin. If you wish it paid in some other way, you may designate one or more beneficiaries. In the case of accidental death, a double indemnity benefit is payable. Dismemberment benefits are payable directly to the employee.

If you leave the Government service, you can convert both the regular and optional life insurance to an individual policy without medical examination or other evidence of good health.

Both the regular and optional life insurance may be continued after you retire on immediate annuity, either for disability or after 5 years or more of service, at least 5 of which are civilian. The regular life insurance is continued free, but you must pay for the optional life insurance until age 65 if you retire before that age. When you are both 65 and retired, the optional life insurance is also free.

Employee Compensation

Under the provisions of the United States Employees Compensation Act of September 1, 1916 as amended, the appointee and members of his/her family are entitled to certain benefits in case of injury or death in the performance of official duties. The benefits include disability, disfigurement, dependents benefits, medical services and supplies, vocational rehabilitation and burial expenses, etc.

PERSONAL ENTITLEMENTS/OBLIGATIONS

Official Travel

Initial Travel and Transportation Expenses

Under 5 U.S.C. § 5723, appropriated funds may be used to pay the "travel expenses of a new appointee ... and transportation expenses of his immediate family and his household goods and personal effects ..." if the appointment is to a position "which the Office of Personnel Management determines there is a manpower shortage or ..." in "the Senior Executive Service ..."

The definition of a "Senior Executive Service Position" under 5 U.S.C. § 3132 excludes positions "required to be filled by an appointment by the President with the advice and consent of the Senate ..." Thus, Presidential appointee's do not qualify for payment of transportation expenses under the provision authorizing payment of such expenses to new appointees in the Senior Executive Service.

The Office of Personnel Management has implemented the statutory provision regarding manpower shortage positions in Chapter 571 of the Federal Personnel Manual. In Appendix A of that Chapter, which lists the positions for which a manpower shortage exists, the OPM has determined that:

> "No position filled by Presidential appointment is considered to be included in the manpower shortage category."

Since OPM has the statutory authority to make that determination, and in view of this unequivocal statement, it is concluded that appropriated funds may not be used to pay for the travel and transportation expenses of a Presidential appointee to his/her initial duty station.

Travel Orders and Reimbursement

Blanket Travel Orders will be issued to authorize official travel to such places, at such times, and for such purposes as the statutory appointee may determine appropriate. Reimbursement for expenses will be authorized at the standard $50.00 per diem rate for all points in the continental United States, except designated high cost areas in which the per diem rates range from $54.00 to $75.00. However, when necessary expenses exceed the per diem rate, you may be reimbursed for actual expenses not to exceed $75.00 per day. The highest applicable rate will be authorized in your blanket travel orders to facilitate payment for official travel within the continental limits of the United States, excluding Alaska (for which specific area rates are authorized). Specific per diem rates are applicable for each foreign country or area.

Accompanying Spouse

It is the policy of the Department of Defense that spouses will not be authorized military air transportation except when traveling with their sponsors and only when there is an unquestionable official requirement for such travel. Eligibility is normally limited to the spouses of presidential appointees. Prior approval of the Secretary is required on an individual basis and should be requested through the Administrative Assistant.

Travel of Other Dependents

When military air transportation provides the only effective means to respond to a personal or medical emergency, or when an eligible official is out of town on personal business and is directed to return, dependents may be authorized travel if commercial accommodations are not readily available. This requires a waiver to policy which must be approved by the Secretary or Deputy Secretary of Defense. The value of the dependent's travel must be reimbursed.

In exercising this policy we must recognize the austerity of the DOD budget and other resources and the need to avoid any action which could be viewed as inconsistent with this austerity and our obligations to the Congress and the American people.

First Class Travel

In accordance with the Federal Travel Regulations, authority to approve first class air travel has been delegated to the Secretary of the Air Force. This authority has not been further redelegated.

It is the policy of the Government that employees who use commercial air carriers inside or outside the continental United States for official travel will use less-than-first-class accommodations. Only limited exceptions to this policy will be permitted.

Authorization for the use of first-class air accommodations shall be made in advance of the actual travel unless extenuating circumstances or emergency situations make advance authorization impossible. If advance authorization cannot be obtained, the employee shall obtain written approval from the Secretary at the earliest possible time.

The Secretary may authorize or approve the use of first-class air accommodations when:

1. space is not available in less-than-first-class accommodations on any scheduled flights in time to accomplish the purpose of the official travel, which is so urgent that it cannot be postponed;

2. first-class accommodations are necessary because the employee is so handicapped or otherwise physically impaired that other accommodations cannot be used, and such condition is substantiated by competent medical authority;

3. first-class accommodations are required for security purposes or because exceptional circumstances, as determined by the Secretary, make their use essential to the successful performance of an agency mission;

4. less-than-first-class accommodations on foreign carriers do not provide adequate sanitation or health standards;

5. the case concerned qualifies under such other criteria as may be established by the Secretary;

6. The use of first-class accommodations would result in an overall savings to the Government based on economic considerations, such as the avoidance of additional subsistence costs, overtime, or lost productive time that would be incurred while waiting availability of less-than-first-class accommodations.

Requests for the use of first-class air travel are made through the Administrative Assistant to the Secretary.

Foreign Travel

Official foreign travel requires passports, visas, immunization shots, and other special arrangements. The office of the Assistant Secretary of Defense (International Security Affairs) must be notified in writing of any anticipated foreign travel that will involve contacts or meetings with foreign government officials at any level or that may require briefings or logistical support by United States embassy or consular peronnel, and/or travel into special areas designated by the Department of State. This written notification will be made as much in advance of the foreign travel as possible. No formal arrangements with respect to such trips may be made with officials of foreign governments prior to coordination with State Department officials in the area to be visited, or the Assistant Secretary of Defense (International Security Affairs) has been notified, as specified above, and has authorized such arrangements.

Statutory appointees anticipating official foreign travel should obtain a passport as soon as possible after notification of their appointment. No-fee official passports are issued to appointees and their dependents when authorized to accompany or join their sponsor. No-fee passports may not be used for personal travel from the United States to foreign countries. Visa requirements and processing time vary for each nation and in many cases within a nation according to whether travel is for official, diplomatic or personal reasons and length of stay.

Special Air Mission/Military Aircraft

When regularly scheduled commercial flights are not available or will not suffice, military airlift from Special Air Mission or Military Airlift Command resources can be scheduled through the Air Operations Office of Legislative Liaison. However, it must also be shown that the military airlift is cost effective, essential for the accomplishment of a specific mission such as a required inspection trip, or a trip involving the transportation of a large group of official personnel.

PERSONAL ENTITLEMENTS/OBLIGATIONS

Special Entitlements

Official Vehicles

The Secretary of the Air Force is authorized full-time use of an official car and chauffeur. This vehicle may not be used for other than the actual performance of official duties which include transportation between the place of residence and place of employment, and attendance at official functions. Full-time use of an official vehicle does not include use of the vehicle by the official concerned, members of his family, or others, for private business or personal social engagements. It is best to resolve questions regarding the official nature of a particular use in favor of strict compliance with the restrictions against such use in the statute.

Medium sedans are provided for the Secretary and Deputy Secretary of Defense and the Secretaries of the military departments on a contract rental basis.

An Executive Motor Pool managed by the Office of the Secretary of Defense provides official transportation for the Under Secretary and the Assistant Secretaries between the hours of 0700 and 1930. When determined to be in the best interest of the Government, on a case by case basis, transportation may be provided these officials between domicile and office as well as to and from official functions where a principal's attendance is a requirement of his position. Transportation to and from office or domicile and air terminals will also be furnished upon request although use of commercial taxis with full reimbursement is encouraged.

Dining Facilities

All statutory officials are accorded special dining privileges in the Air Force Executive Dining Room. Your letter of invitation will explain billing arrangements, times of service, etc.

Medical Care for a Statutory Official

Outpatient Care, including immunization, physical examination, and drugs, can be provided at the Air Force Flight Medicine Clinic on the fourth floor of the Pentagon (Room 4A-750), or at any military facility when traveling. On-duty emergencies: Flight Medicine Clinic, Room 4A-750, phone 69-59283. Off-duty emergencies: Andrews AFB Malcolm Grow Hospital, phone 981-2158/981-5614.

Hospitalization can be provided at Andrews AFB or, when traveling, at any military facility worldwide on a paid basis.

Dental Care is available on an emergency basis when in an official travel status.

Charges vary, depending upon the services provided and are adjusted from time to time, based upon average costs of providing care in Federal facilities.

Currently, these charges range from $28 per day outpatient care to $285 per day for hospitalization.

The designation of a physician as a personal medical advisor may be arranged, if desired.

The medical care provided by the Air Force is available only for the statutory official, and cannot be extended to members of the family. However, members of the family can be covered by the various health benefits plans which are partially subsidized by the Government. Additionally, when wives of statutory officials are in an official travel status accompanying their husband overseas, they may obtain required immunizations at the Flight Medicine Clinic, Room 4A-750, from Monday thru Friday, between the hours of 1200-1300, (Phone: 69-59283). They are also entitled to emergency medical and dental care on a reimbursable basis while they are traveling on offical business.

Officers Clubs

The Secretary of the Air Force, Under Secretary, and all Assistant Secretaries of the Air Force are eligible for honorary membership in the Bolling AFB Officers Club. Honorary members are not assessed any initiation fee or monthly dues. All members are billed monthly for food and beverages.

Appointees interested in membership should advise the Administrative Assistant so that an application may be initiated.

Pentagon Officers Athletic Center

Statutory officials may become members of the Pentagon Officers Athletic Center immediately upon approval of the applications by the Board of Governors. The initiation fee is $10.00 and annual dues are $108.00 payable in October of each year (members joining after October are assessed pro rata annual dues payable at the time membership is extended). The club provides facilities for squash, handball, badminton, boxing, bowling, masseurs, rowing machines and other conditioning equipment for girth control. Other club facilities include gym lockers, showers (with towel service), indoor swimming pool, indoor golf driving range, a barber shop (offering appointments), and a limited dining room serving breakfast and lunch. The club also provides suggestions for measured jogging routes.

The Center is open daily including weekend and holidays. However, the weekend and holiday hours of operation are normally on a reduced basis. Except for a snack bar on Saturdays, there is no dining service on weekends or holidays.

The Administrative Assistant will arrange membership for appointees who so desire.

The Army Navy Country Club

The Army Navy Country Club is a private club with two locations in the National Capital Region. One location is the Arlington, bounded by Glebe Road and Interstate 95, and only a short distance from the Pentagon. This location features complete club house facilities, 19 tennis courts, a 27-hole golf course,

golf shop, tennis shop, and swimming complex. The club's other location is in Fairfax City several miles from the Pentagon. It features limited club house facilities, snack bar, swimming pools, 18 holes of golf and golf shop. The club does not extend full honorary membership to statutory or other officials of the Federal Government. However, the Secretary and all other statutory officials of the Air Force may submit a letter of request for membership (with biography) to the Membership Committee. If vacancies are available, statutory officials will not have to pay the initiation fee normally charged new members but will be required to pay monthly dues of $95.00 (one and one-quarter (1-1/4) times regular membership dues of $76.00).

Request for membership should be made through the Administrative Assistant.

PERSONAL ENTITLEMENTS/OBLIGATIONS

Miscellaneous

Decorations and Gifts from Foreign Governments

DOD Policy requires that no employee shall request or otherwise encourage a gift or decoration. Specific guidance on this policy is provided by DOD Directive 1005.3 (attached) and should be reviewed by all presidential appointees.

Disposition of Personal Papers and Official Records

Personal papers are those pertaining solely to an individual's private affairs. Correspondence designated "personal," "confidential," or "private," etc., but relevant to the conduct of public business, is nonetheless an official record subject to the provisions of Federal law pertinent to the maintenance and disposal of such records. Official records are public records and belong to the office, rather than to the officer.

Personnel shall maintain separately from official documents those papers of a private or unofficial nature, which pertain only to their personal affairs, and clearly designate them as nonofficial. Official business mentioned in personal correspondence should be extracted and made a part of the official record.

Presidential appointees and other officials in policy-making positions are encouraged to donate official personal papers, which they created during their tenure in office, to a Presidential Library or National Archives and Records Service for historical retention. The donor may have regular access to these documents.

Removal of Documents by Officials

Documents which MAY NOT be Removed

(1) The official record copy of any document.

(2) Any classified document.

(3) Any copy of a document containing the following types of information exempt from public release under the Freedom of Information Act (sometimes stamped "For Official Use Only.")

(a) Any document containing "restricted data" under the Atomic Energy Act.

(b) Records containing information from personal, medical and similar files which relate to the personal privacy of individuals.

(c) Records containing trade secrets and other commercial or financial information of a "company propriety" nature.

(d) Reocrds containing information developed in the course of investigations for purposes of civil or criminal law enforcement.

Documents which MAY be Removed

(1) All personal and private papers which do not contain references to official business.

(2) Reference books and other personal items brought from private life.

(3) Papers, typed or written, which relate to official business but are not official records, including diaries, logs, and memoranda of personal telephone calls.

(4) Extra copies of paper documenting activities while in office unless they contain classified information or information otherwise exempt from public release under the Freedom of Information Act.

Office Furnishings

When entering on duty with the Department of the Air Force, statutory officials are provided with a flag identifying personal rank in their office and a flag of the national colors. These flags may be retained at the discretion of the appointee.

The Air Force art collection includes a wide variety of paintings and other art work that is available for display in Pentagon offices. Pictures may be obtained from this collection which reflect the personal taste of each appointee. They may not be retained.

Framing of individual certificates may be arranged by the Office of the Administrative Assistant. Standard frame material is available.

Cleaning or replacement of draperies may be requested from the Administrative Assistant as appropriate. Assistance is also available for obtaining labor pool support in rearranging furniture.

In the main, standard GSA furniture is used in the Air Force. The Administrative Assistant's office can help you review your furniture needs and obtain additional pieces or remove surplus furniture.

Parking

A numbered parking space is made available at the Pentagon River entrance for each Air Force statutory official.

A parking pass must be obtained through the Office of the Administrative Assistant and displayed when using this parking space. In

addition, a monthly parking sticker must be purchased and fixed to your parking pass. (Currently, there is a $10.00 fee for the parking sticker, and this fee will be increased in October 1981). Your secretary can fill out the necessary form for the parking sticker and purchase it on the Pentagon concourse.

Commissaries and Post Exchanges

Statutory officials are not authorized to use commissaries, base theaters and filling stations or other exchange activities and services in the CONUS. Military personnel and military dependents who are entitled to such privileges are forbidden to make purchases for others and should not be requested to do so. Overseas, in an official travel status, exchange, commissary and theater privileges are extended to civilian employees. All civilian employees in official travel status are entitled to limited post exchange privileges (cigarettes, toiletries, etc.) while occupying Government quarters on military installation.

Confirmation Of Statutory Appointees

The Senate Committee on Armed Services has jurisdiction in the consideration of appointments in the Defense establishment. The following procedures have been in effect in the past, but are subject to change by the newly constituted Committee. The Committee Standing Orders provide:

> "That unless otherwise ordered by the Committee, nominations referred to the Committee shall be held for at least seven (7) days before presentation in a meeting for action. Upon reference of nominations to the Committee, copies of the nomination references shall be furnished each member of the Committee."

Biographies. A nominee is required to submit a biographical sketch to the Committee prior to his personal appearance preparatory to confirmation. This information is helpful to the Committee Members in addressing questions during the "personal appearance" of the nominee. The background sketch of the nominee has, in recent years, been prepared either by the SAFLL Project Officer based upon information provided by the nominee or by SAFAA. In either case, the biography should be approved personally by the nominee before it is delivered by the SAFLL Project Officer to the Senate Armed Services Committee (50 copies).

Financial Statement. The Senate Armed Services Committee has always explored with thoroughness a nominee's private interests which might disqualify an individual from serving as an officer of the Defense Establishment. Such interests are usually of a pecuniary character, such as the possession of capital stock or other equity in business enterprises which have business dealings with the Government and particularly contracts with the Department of Defense. Accordingly, in addition to the biography, the nominee submits to the Committee in

advance of his appearance a letter concerning his financial holdings and his affiliations which he prepares after consultation with the General Counsel of the Air Force. Nominees must also submit a Standard Form 278, "Financial Disclosure Report," required by the Ethics in Government Act. If it appears to the General Counsel that the nominee has stock holdings or other interests which might serve as a cause for disqualification, arrangements are made by SAFLL with the Chief Counsel of the Armed Services Committee, if necessary, for the General Counsel to discuss the problem with a view to making arrangements satisfactory to the Committee. In most cases the nominee divests himself of any stock which might serve as the basis of a "conflict of interest" charge; but this is not always required. In addition, nominees must completely sever their relationship with their current employer and must have no re-employment rights or other arrangements for future employment.

Appearance of Nominee. The Committee Chairman establishes a date for a "personal appearance" by the nominee during which qualifications, background, experience, personal finances, and affiliations with private enterprise are thoroughly explored. Thursday is usually the day of the week designated for such appearances. The two Senators from the home state of the nominee may be present and introduce the nominee to the Committee, although this is not required. A stenographer is present, and all statements of the Committee members and the nominee are recorded. Customarily the Committee votes on nominations in executive session. The record is printed and available to members of the Senate. At the conclusion of the appearance of the nominee before the Committee, the name is reported to the Senate for confirmation or rejection.

Interrogation by Committee Members. Often the personal appearance before the Committee begins with a brief information statement by the nominee but a statement is not required. The appearance of the nominee is designed primarily to afford the interested Committee members an opportunity to question the nominee on matters of interest. In this connection, it is appropriate to note that during the interrogation of a former Secretary of Defense the Chairman remarked as follows:

> "I would simply like to add, that the Chair hopes that you will take any questions that may be asked of you in the spirit in which they are asked; that is; in the interest of the whole Government of the United States and of every citizen. With respect to any questions that may be asked that might be considered by some to be somewhat personal, the Chair hopes that you will consider them perfectly impersonal and that they are asked because we are all here to serve the Government of the United States and serve our country and that they are asked because we want to be as certain as we can that every citizen no matter how distinguished who volunteers to serve his country can serve it to the best possible advantage. The Chair hopes that you will make any statements in that spirit and answer any questions in that spirit and not as though those questions were directed to you as a citizen and as an individual."

When the nomination comes before the Senate in the regular course of business, the nominee is discussed at the conclusion of which a roll call is taken, and the nominee is either confirmed or rejected. The yeas and the nays are counted, and the result is announced on the floor.

Senate Confirmation and Presidential Commission After confirmation of the nominee, a Certificate of Confirmation is issued by the Senate. The Senate confirmation is followed by issuance of a Presidential Commission. The Presidential Commission, when signed, is received by the Office of the Deputy Assistant Secretary (Administration), Office of the Assistant Secretary of Defense (Controller), which immediately transmits the Commission to the Administrative Assistant to the Secretary of the Air Force.

August 20, 1979
NUMBER 1005.3

ASD(C)

Department of Defense Directive

SUBJECT: Decorations and Gifts from Foreign Governments

References: (a) DoD Directive 1005.3, "Decorations and Gifts from Foreign Governments," September 16, 1967 (hereby canceled)
(b) Title 5, United States Code, Section 7342
(c) Department of State Regulation, "Acceptance of Gifts and Decorations from Foreign Governments" (22 CFR 3.1-3.7)
(d) through (h), see enclosure 1

A. REISSUANCE AND PURPOSE

This Directive (1) reissues reference (a) to update policy governing the acceptance and retention of decorations and gifts from foreign governments; (2) implements references (b) and (h) which grants the consent of the Congress to the acceptance of certain gifts and decorations from foreign governments, consistent with the rules and regulations published by the Department of State (reference (c)); and (3) furnishes policy guidance and establishes procedures regarding the receipt and disposition of such decorations and gifts.

B. APPLICABILITY AND SCOPE

1. The provisions of this Directive apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Defense Agencies, and the Unified and Specified Commands (hereafter referred to as "DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and Marine Corps.

2. Its provisions govern all military and civilian personnel of DoD Components and all spouses (unless legally separated) and dependents as defined in 26 U.S.C. 152 (reference (e)) of the foregoing persons (hereafter called "employees").

3. The provisions of this Directive shall not apply:

a. Where a foreign decoration is presented or awarded posthumously to a former member of the Armed Forces.

b. Where a foreign decoration was awarded for services while the recipient was a bona fide member of the Armed Forces of a friendly foreign nation, provided the award was made prior to employment of the recipient by the U.S. Government.

c. Where a decoration for service in the Republic of Vietnam was accepted on or after March 1, 1961, but no later than March 28, 1974 (DoD Directive 1348.16, reference (d)).

C. POLICY

No employee shall request or otherwise encourage the offer of a gift or decoration. Whenever possible employees are obligated to initially refuse acceptance of gifts or decorations.

1. Gifts of Minimal Value. Table favors, mementos, remembrances, or other tokens bestowed at official functions, and other gifts of minimal value received as souvenirs or marks of courtesy from a foreign government may be accepted and retained by the donee. The burden of proof is upon the donee to establish that the gift is of minimal value as defined in enclosure 3.

2. Gifts of More than Minimal Value. Where a gift of more than minimal value is tendered, the donor should be advised that statutory provisions and DoD policy prohibit employees accepting such gifts, unless the gift is in the nature of an educational scholarship or medical treatment. If it appears that refusal of a gift, other than medical or educational, would be likely to cause offense or embarrassment to the offerer, or could adversely affect the foreign relations of the United States, it may be accepted. The gift then becomes the property of the United States.

a. The gift must be deposited with the employing agency (see enclosure 2) within 60 days for return to the donor, for use within the agency, or for disposal by General Services Administration in accordance with the provisions of enclosure 2.

b. An employing agency may provide, in its implementing regulations, that all gifts must be appraised, and that appraisal shall be conclusive as to the value of the gift. An employing agency may also, by regulation, define minimal value to be less than the figure set in enclosure 3.

c. An employing agency may require that acceptance and retention of any gift, regardless of value, shall be subject to approval of the agency.

d. An employing agency is not required to report travel or travel expenses, of more than minimal value, which were authorized by that agency under conditions stipulated in paragraph 5., enclosure 2, of this Directive.

3. Decorations

a. Decorations which have been tendered in recognition of active field service in connection with combat operations or which have been awarded for outstanding or unusually meritorious performance may be accepted and worn upon receiving the approval of the employing agency. In the absence of such approval the decoration becomes the property of the United States, and shall be deposited with the employing agency for use or disposal in accordance with the provisions of enclosure 2.

b. Approval by the employing agency will be contingent upon a determination that the decoration has been tendered in recognition of active field service in connection with combat operations or for outstanding or unusually meritorious performance (see enclosure 3).

c. Within the Military Services, this authority may be delegated to commanders of major overseas commands who report directly to the headquarters of the Military Service concerned, and to the senior commander of the Military Service concerned in a military operation designated by the Joint Chiefs of Staff and approved by the Secretary of Defense. This authority may not be further delegated.

D. RESPONSIBILITIES

1. Each employing agency shall establish or assign responsibility to an office for monitoring compliance with this Directive. Such office shall:

a. Establish procedures to ensure employee compliance.

b. Establish procedures for reviewing cases in which there exists evidence of failure of any employee to comply with requirements.

c. Establish disciplinary procedures to ensure compliance with this Directive.

d. Report to the Attorney General, through the General Counsel, DoD, when it is administratively determined that an employee who is the donee of a gift, or is the approved recipient of travel expenses, has failed to comply with the procedures established by 5 U.S.C. 7342 (reference (b)) through actions or circumstances within the donee's control.

2. Each employing agency shall establish a procedure for obtaining an appraisal, when necessary, of the value of gifts and shall designate an official to be responsible for this appraisal as required by 5 U.S.C. 7342 (reference (b)).

3. The Deputy Assistant Secretary of Defense (Administration) shall implement the provisions of this Directive for all personnel for whom the Office of the Secretary of Defense is the employing agency.

4. Each employing agency shall periodically remind employees, as necessary, of the requirements of this Directive. In this connection, each agency shall establish a procedure by which employees may acquire advice and assistance on any question relating to the application or implementation of 5 U.S.C. 7342 (reference (b)).

E. ENFORCEMENT

The Attorney General may bring a civil action in any district court of the United States against any employee who knowingly violates title 5 U.S.C. 7342 (reference (b)). The court in which such action is brought may assess a penalty against such employee in an amount not to exceed the retail value of the gift improperly solicited or received, plus $5,000, in accordance with 5 U.S.C. 7342 (reference (b)).

F. PROCEDURES

Procedures for the receipt and disposition of decorations and gifts from foreign governments are provided in enclosure 2.

G. INFORMATION REQUIREMENTS

Interagency reporting requirements on decorations and gifts from foreign governments are licensed under IRCN 0216-DOS-AN.

H. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward one copy of implementing instructions to the Assistant Secretary of Defense (Comptroller) within 90 days.

C. W. Duncan, Jr.
Deputy Secretary of Defense

Enclosures - 3
1. References
2. Procedures
3. Definitions

REFERENCES (continued)

(d) DoD Directive 1348.16, "Foreign Awards to U.S. Military Personnel for Service in Vietnam," March 26, 1974
(e) Title 26, United States Code, Section 152
(f) Executive Order 11446, "Authorizing the Acceptance of Service Medals and Ribbons from Multilateral Organizations other than the United Nations," January 16, 1969
(g) 42 Federal Register 65171 (1977)(to be codified in 41 CFR Part 101-49)
(h) Title 22, United States Code, Section 2385(H)

PROCEDURES

1. Processing of Foreign Decorations. When an employee is tendered a foreign decoration, approval of the employing agency will be requested immediately. The request shall contain the title of the decoration; when, where, and by whom it was presented, a statement of the service for which the decoration was awarded, and a copy of the citation. This would include all offers of medals or ribbons by multilateral organizations, other than the United Nations, to members of the Armed Forces pursuant to Executive Order 11446 (reference (f)).

2. Use of Disposal of Gifts and Decorations Which Become the Property of the United States

a. Any gift or decoration which becomes the property of the United States under 5 U.S.C. 7432 (reference (b)) may be retained for official use by the employing agency. Agency regulations shall be geared toward (1) avoiding to the maximum extent possible arbitrary action in the approval or retention of gifts for official use, and (2) ensuring that all employees are provided the opportunity for receiving the indirect benefit of gifts retained for official use. Gifts and decorations which have been retained for official use shall be reported to the General Services Administration (GSA) (41 CFR 10149, Subchapter 4 (reference (g)) within 30 calendar days after termination of the official use.

b. Gifts and decorations which have become the property of the United States and which are not desired by the employing agency for retention, or which are not approved for retention in the appropriate agency, should be reported to the GSA within 30 calendar days after deposit of the gift or decoration with the employing agency.

(1) Standard Form 120, "Report of Excess Personal Property," should be completed and forwarded to: General Services Administration (3DP), Washington, D.C. 20407. A sample form and instructions are attached to this enclosure.

(2) The gift or decoration shall be held by the agency until instructions are received from GSA regarding disposition thereof.

c. Whenever the possibility exists that disposal through return to the original donor will adversely affect U.S. foreign relations, the disposing agency shall consult with appropriate officials in the Department of State prior to taking any action.

d. When depositing gifts or decorations, employees may indicate their interest in participating in any subsequent sales of the items by the Government. Before gifts and decorations are sold by the GSA, however, they must be offered for transfer to Federal agencies and for donation to the States. Consequently, each employee should be advised that there is no assurance that an item will be sold or if it is sold, that it will be feasible for the employee to participate in the sale.

3. Recording of Gifts of More Than Minimal Value. Each employing agency shall maintain records of gifts of more than minimal value received by their members from foreign governments. A compilation shall be made each year and transmitted to the Secretary of State no later than January 31. Such listing shall include for each gift of more than minimal value the following information:

a. The name and position of the employee,

b. A brief description of the gift and the circumstances justifying acceptance,

c. The identity of the foreign government and the name and position of the individual who presented the gift,

d. The date of acceptance of the gift,

e. The estimated value in the United States of the gift at the time of acceptance, and

f. Disposition and current location of the gift.

4. Sale or Destruction of Tangible Gifts Valued at $100 or Less. Employing agencies are authorized to sell or destroy tangible gifts valued at $100 or less.

5. Travel Expenses. Each employing agency shall promulgate regulations setting forth the criteria which will be applied in determining the propriety of accepting travel expenses of more than minimal value. Such criteria shall include:

a. The travel must begin and end outside the United States, except where travel across the continental United States is necessarily the shortest, least costly, or only available route to destination.

b. The travel must be in the best interests of the agency and the U.S. Government considering all the circumstances.

c. The travel does not contravene any other agency regulation.

Attachments - 2
1. Standard Form 120, "Report of Excess Personal Property"
2. Instructions for Completion of Standard Form 120

S A M P L E

1005.3 Aug 20, 79
(Att 1 to Encl 2)

PAGE 1 OF _____

STANDARD FORM 120 REV APR 1957 GEN SERV ADMIN FPMR (41 CFR) 101-43.311

REPORT OF EXCESS PERSONAL PROPERTY

1 REPORT NO	2 DATE MAILED	3 TOTAL COST
(to be furnished)	1 Sept 1979	$

4 TYPE OF REPORT (Check one only of "a" "b" "c" or "d")

X	a ORIGINAL		c PARTIAL W/D	(Also check "e" and/or "f" if appropriate)
	b CORRECTED		d TOTAL W/D	

e OVERSEAS
f CONTRACTORS INV

5 TO (Name and Address of Agency to which report is made) THRU
General Services Administration
Personal Property Division, National Capital Region
Washington, D.C. 20407

6 APPROP OR FUND TO BE REIMBURSED (if any)

7 FROM (Name and Address of Reporting Agency)
Office, Deputy Assistant Secretary of Defense (Admin.)
Rm. 3E843, Pentagon, Washington, D.C. 20301

8 REPORT APPROVED BY (Name and Title)
John Jones (have signed)
DASD(Admin)

9 FOR FURTHER INFORMATION CONTACT (Title Address and Telephone No.)
Mrs. Jane Doe - ODASD(Admin)
Deptartment of Defense Tel: 695-4506

10 AGENCY APPROVAL (if applicable)

11 SEND PURCHASE ORDERS OR DISPOSAL INSTRUCTIONS TO (Title Address and Telephone No.)
See 9. above

12 GSA CONTROL NO
Same as 1. above

13 FSC GROUP NO

14 LOCATION OF PROPERTY (If location is to be abandoned give date)
Room 3E843 - Department of Defense
The Pentagon

15 REIM/REOD YES NO

16 AGENCY CONTROL NO

17 SURPLUS RELEASE DATE

18 EXCESS PROPERTY LIST

ITEM NO (a)	DESCRIPTION (b)	COND (c)	UNIT (d)	NUMBER OF UNITS (e)	ACQUISITION COST PER UNIT (f)	ACQUISITION COST TOTAL (g)	FAIR VALUE % (h)
	FOREIGN GIFTS AND/OR DECORATIONS						
1.	Gift to Secretary of Defense John Doe: Floral embroidered wall hanging, approx. 40" x 13-1/2", brocade trimming. Presented by Ambassador of Mouse. 15 August 1979 (est. value $120)						
2.	Gift to Tom Brown, Director, Defense Agency Oval silver dish with floral design on rim, from Minister of Defense, Lion. Presented 15 August 1979 (est. value $150) DONEE REQUESTS OPTION TO BID IF SOLD.						

STANDARD FORM 120 REV APRIL 1957 EDITION (Use Standard Form 120A for Continuation Sheets)

120-104

INSTRUCTIONS FOR COMPLETION OF STANDARD FORM 120 "REPORT OF EXCESS PERSONAL PROPERTY"

1. Name, address, and telephone number of the responsible accountable official (see paragraph 9, enclosure 3) in the employing agency (Item 10).

2. Current location of the gift or decoration (Item 14).

3. Name and position of the employee recipient (Item 18).

4. Full description of the gift or decoration (Item 18).

5. Identity of the foreign government and the name and position of the individual who presented the gift or decoration (include date) (Item 18).

6. Estimated value in the United States of the gift or decoration at the time of acceptance, or the appraised value, if known (Item 18).

7. Indication whether the employee recipient is interested in participating in the sale of the gift or decoration if it is sold by GSA (Item 18).

NOTE: The Central Intelligence Agency may delete the information required in 3. and 5. above, if the Director of Central Intelligence certifies in writing to the Secretary of State (through DoD point of contact) that the publication of such information could adversely affect U.S. intelligence sources.

DEFINITIONS

1. Employee. An employee, as defined in title 5, U.S.C. 2105, of a DoD Component, and expert or consultant under contract with a DoD Component, including any individual performing services for an organization utilized according to title 5, U.S.C. 3109 and members of the Military Services (including retired members and reservists) regardless of duty status; the spouses of all such individuals (unless legally separated) and their dependents as defined in title 26, U.S.C. 152.

2. Foreign Government. Includes any unit of a foreign governmental authority (including any foreign national, state, local and municipal government), any international or multinational organization whose membership is composed of any unit of foreign government described above, and any agent or representative of any such unit or organization while acting as such.

3. Gift. Any tangible or intangible present, other than a decoration, tendered by or received from a foreign government.

4. Minimal Value. A retail value in the United States at the time of acceptance, not in excess of $100 or such amount specified by the Administrator of General Services pursuant to 5 U.S.C. 7342 (reference (b)).

5. Decoration. Any order, device, medal, badge, insignia, emblem or award, tendered by or received from a foreign government.

6. Outstanding or Unusually Meritorious Performance. Performance of duty by an employee determined by the employing agency to have contributed in an unusually significant degree to the furtherance of good relations between the United States and the foreign government tendering the decoration.

7. Employing Agency. The DoD Component in which the recipient is appointed, employed, or enlisted. If a recipient is not so serving, but is a spouse or dependent of a serving individual, then the employing agency is that in which the serving individual is employed.

a. Except as provided in b. and c. below, the Military Departments shall be considered the employing agencies for the civilian and military employees of such departments.

b. The Office of the Secretary of Defense shall be considered the employing agency for civilian employees and for members of the Armed Forces assigned to duty with the Office of the Secretary of Defense, Organization of the Joint Chiefs of Staff, Defense Advanced Research Projects Agency, Defense Security Assistance Agency, and, as required, other activities not having a specifically designated employing agency.

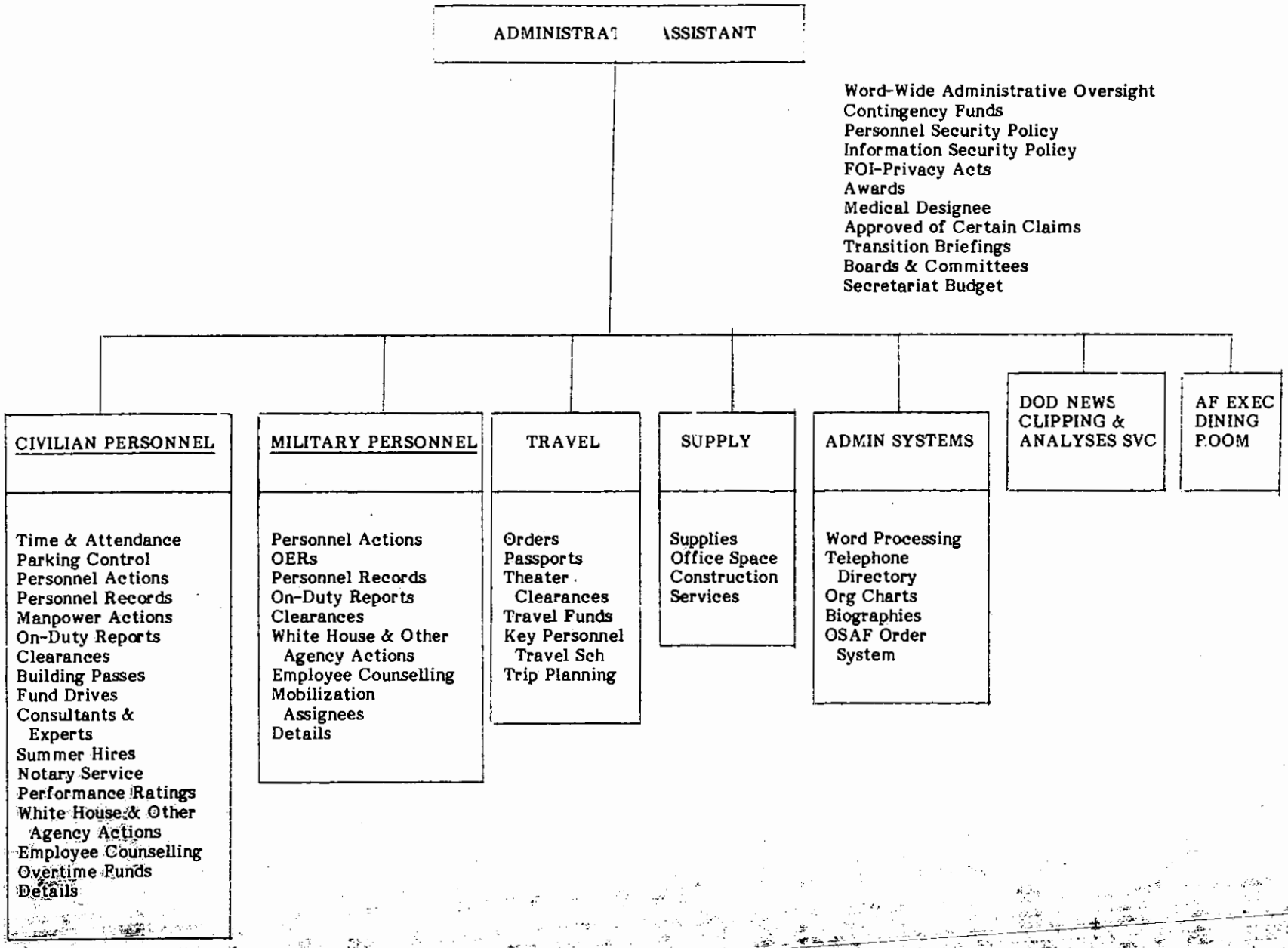
c. The Defense Agencies shall be considered the employing agencies for their civilian employees and for members of the Armed Forces assigned to duty with such agencies (except DARPA and DSAA, which are covered in subparagraph 7.b., above).

8. Travel Expenses. Costs of transportation, food, and lodging incurred during the travel period.

9. Responsible Accountable Official. The person designated by the employing agency to approve the annual Report of Excess Personal Property.

ADMINISTRATIVE AND MANAGERIAL SUPPORT

- Organization of the Office of the Administrative Assistant
- Services of the Office of the Administrative Assistant
- Functions of the Office of the Administrative Assistant
  - Civilian Personnel and Personnel Services
  - Military Personnel Services
  - Travel Services
  - Office and Supply Services
  - Administrative Management
  - Word Processing Center
  - DOD News Clipping and Analysis Service
- Odds and Ends


ADMINISTRAT ASSISTANT
Word-Wide Administrative Oversight
Contingency Funds
Personnel Security Policy
Information Security Policy
FOI-Privacy Acts
Awards
Medical Designee
Approved of Certain Claims
Transition Briefings
Boards & Committees
Secretariat Budget
CIVILIAN PERSONNEL
Time & Attendance
Parking Control
Personnel Actions
Personnel Records
Manpower Actions
On-Duty Reports
Clearances
Building Passes
Fund Drives
Consultants & Experts
Summer Hires
Notary Service
Performance Ratings
White House & Other Agency Actions
Employee Counselling
Overtime Funds
Details
MILITARY PERSONNEL
Personnel Actions
OERs
Personnel Records
On-Duty Reports
Clearances
White House & Other Agency Actions
Employee Counselling
Mobilization Assignees
Details
TRAVEL
Orders
Passports
Theater Clearances
Travel Funds
Key Personnel Travel Sch
Trip Planning
SUPPLY
Supplies
Office Space
Construction
Services
ADMIN SYSTEMS
Word Processing
Telephone Directory
Org Charts
Biographies
OSAF Order System
DOD NEWS CLIPPING & ANALYSES SVC
AF EXEC DINING ROOM

SERVICES OF THE OFFICE OF THE ADMINISTRATIVE ASSISTANT

The Administrative Assistant and his staff provide a focal point for a variety of administrative and managerial support activities. Some of the more frequent services requested are listed below, but any other questions or concern not shown may be addressed and every effort will be made to respond to the issue:

Civilian Personnel Advice
Military Personnel Advice
Notary Public Service
Temporary Assignment of Personnel (Details)
Manpower Authorizations
Temporary or Visitor Parking
Building Passes
Time and Attendance
Office Furniture Needs
Office Supply Requirements
Office Space Needs
Office Space Construction or Repair
Official Representation Fund Requirements
Rug Cleaning
Pest Control
Picture Framing
Passports
Telephone Requirements
Summer Hire Program
Travel and Overtime Funds
Biographies
Telephone Directories
Official Portraits
Official entertainment
Transportation
Travel Orders
Travel Planning and Tickets
Administrative Management Advice
Word Processing Center Services
Training and Career Development Advice
Copier Requirements
Typewriter Requirements

THE ADMINISTRATIVE ASSISTANT

The Administrative Assistant is responsible for the management and administration of the Office of the Secretary of the Air Force. His office assures administrative continuity in the Office of the Secretary during changes of administration or top officials.

The office is designed to provide central support in a variety of functions. It provides worldwide administrative oversight for the Air Force, and the Administrative Assistant and his Deputy serve as senior Air Force officials for the personnel security and information security programs. Contingency funds including official representation funds are managed by this office. In addition, the Administrative Assistant and his Deputy make final determinations on certain claims against the Air Force, make medical designee determinations, and are the appellate authority for appeals under the Freedom of Information Act and the Privacy Act.

Examples of the wide variety of services provided by the staff of the Administrative Assistant are provided in a separate section of this volume. If there is a need for information or assistance, the office of the Administrative Assistant is often the place to start in getting the answer you need. If the question concerns an Air Force wide policy matter, you may wish to go directly to the subject matter expert within the Secretariat or the Air Staff.

Several specialized functions are established to provide you with management assistance according to your need. These are:

Civilian Personnel and Personnel Services

The civilian personnel and personnel services branch is responsible for the implementation of all policies and administrative actions relative to the assignment and utilization of civilian personnel assigned to OSAF, including Field Activities, the White House and various committees.

Specific responsibilities include: all phases of administration, including maintenance of records relative to employment and utilization of civilian personnel.

Duties performed and records maintained in accomplishing this responsibility include:

a. personnel placement, employee relations, classification, time and attendance, and training of personnel

b. federal summer intern and other summer-hire programs

c. performance ratings, leave, payment and promotion of employees, personnel statistical reports

d. monitor charity drives and blood program

e. building and parking passes

f. control and supervise the appointment of transportation officers for official automobiles and arrange for visitors' parking and the acquisition of official vehicles.

Administer the program relative to employment of consultants and experts and maintain records on the utilization of such personnel. Provide for secretarial and typist details to OSAF. Maintain personnel authorization vouchers and furnish Notary Public service.

Military Personnel Services

The military personnel branch is responsible for the implementation of all policies and administrative actions relative to the assignment and utilization of military personnel assigned to OSAF including Field Activities, the White House and various committees.

Specific responsibilities include: all phases of administration including maintenance of records relative to employment and utilization of military personnel.

Duties performed and records maintained in accomplishing this responsibility include:

A. personnel placement

B. performance ratings; leave and military personnel statistical reports

C. personnel departures (PCS moves)

Monitor OSAF mobilization program. Monitor and control mobilization assignments. Maintain personnel authorization vouchers. Monitor, control and request master personnel records.

Travel Services

The Travel Branch is responsible for all matters relating to the temporary duty travel of military and civilian personnel assigned to OSAF, its support and field offices, and personnel assigned to the White House, the Vice President's Office and various councils and committees. These include the following:

1. Requesting travel orders, transportation requests, passports and visas, overseas clearances, etc.

2. Determining when prior approval of proposed travel must be obtained from the State Department, Office of the Secretary of Defense, or other organizations, and obtaining such approval.

3. Reviewing and approving travel vouchers to the Finance Office for payment. Recording estimated and actual costs of travel, transportation and per diem as a basis for reports on the travel costs of each office.

4. Preparing and distributing a daily Locator Roster to show which key officials of the Office of the Secretary are on duty and the names of the individuals acting in the absence of those who are on temporary duty or leave.

The Travel Branch is also responsible for all Invitational Travel orders and transportation authorizations for travel requested or sponsored by OSAF.

All travel of dependents must have the prior approval of the Secretary of the Air Force.

All travel of dependents of the Secretary of the Air Force must have prior approval of the Secretary or Deputy Secretary of Defense.

Office and Supply Services

The office services and supply branch is responsible for all policies and for providing required items of equipment and supplies, and furnishing office services to all activities within OSAF. Specific responsibilities include:

a. Coordinate, procure and supervise all office alterations and/or construction within assigned space areas. Receive and process actions necessary to accomplish building maintenance and repair within assigned areas.

b. Coordinate and supervise the installation of communication services. Prepare various cost studies as required.

c. Acquisition, control, issue and storage of all items of non-expendable equipment and supplies.

d. Act as accountable officer for non-expendable items of equipment and maintain appropriate records as to the assignment of such equipment and supplies.

e. Acquisition, control and issue all items of expendable equipment and maintain records as to utilization and stock levels.

Establish schedules for the maintenance, repair and/or replacement of unserviceable items of office furniture and equipment.

f. Plan, develop and coordinate office space requirements for OSAF.

Administrative Management

The administrative management division is responsible for providing administrative planning, systems advice, and support to OSAF functional managers.

Specific responsibilities include administering the Secretary of the Air Force order system, performing organizational administration functions, and analyzing office equipment requirements for OSAF.

Duties performed in accomplishing these responsibilities include:

A) Administering and keeping record copies of Secretarial Orders for delegation of authority

B) Developing and coordinating the OSAF organizational chart and revisions to the Air Force functions and chart book

C) Developing and maintaining biographical information for key officials in the Secretariat

D) Providing technical advice and assistance to OSAF personnel who are upgrading their administrative support systems

E) Dealing with the Data Services Center in developing data automation requests for administrative record systems.

Word Processing Center

The Word Processing Center is responsible for correspondence preparation for all OSAF personnel assigned in the Pentagon.

Specific responsibilities include: typing correspondence from handwritten, typed, or machine-dictated input.

Duties performed in accomplishing this responsibility include:

A) Orientation for new personnel on services provided by the center.

B) Dictation training.

C) Recommending information which should be permanently retained on magnetic media.

D) Advising OSAF personnel how to prepare documents for optical character recognition.

E) Communicating with other magnetic media keyboards and computers to transfer information.

DOD News Clipping and Analysis Service

Serves the Secretary of the Air Force, the Secretary of Defense, and all elements of DoD as a source of factual and historical information related to their official responsibilities. Conducts special studies and analyses on a wide range of national

security issues for all DoD Agencies as Executive Agent under DoD Directive 5160.52.

Provides research and analyses on media reports and published commentary relating to defense programs, policies and strategies, with emphasis on the roles and missions of the military forces as instruments of national policy. Monitors and supervises the preparation of a number of publications for distribution to key officials.

Research Branch

Provides research and reference services as required to all elements of DoD on a wide range of defense and related matters. Maintains extensive archives of published material on all pertinent subjects. Prepares and publishes Friday Review of News (biweekly); and Selected Statements (monthly).

Current News Branch

Screens, clips and evaluates published material on defense issues appearing in newspapers and magazines; prepares and publishes the following publications: Current News (Early Bird Edition daily; Main Edition daily; Special Editions Tuesdays and Thursdays: Weekend Edition each Monday); Supplemental Clips (7 editions a week); Equal Opportunity Current News (monthly); Radio-TV Defense Dialog (daily). Work starts at 3:00 a.m.

NO: 710.1
DATE: JUL 17 1980

SECRETARY OF THE AIR FORCE
ORDER

SUBJECT: Authorities and Duties of the Administrative Assistant to the Secretary of the Air Force

1. The Administrative Assistant is responsible for:

a. Management and administration of the Office of the Secretary of the Air Force including advisory services on Departmental management and administative matters; assures administrative continuity in the Office of the Secretary during changes of top officials; performs various functions and special projects involving matters in the Department as directed by the Secretary; and, conducts studies, inquiries and surveys in response to the needs of the Secretary and his principal assistants.

b. Direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies and programs relative to the Air Force information security program and to the military, civilian, and industrial personnel security and investigative programs.

2. Specific duties of the Administrative Assistant include:

a. administering the contingency funds of the Secretary;

b. developing and maintaining the continuity of operations plan for the Office of the Secretary;

c. under policy guidance of the Office of the Assistant Secretary of Defense (Public Affairs), administering the Department of Defense news clipping service, maintaining research files and providing informational and historical research and news analysis for all elements of the Department of Defense;

d. conducting special projects for the Secretary of the Air Force;

e. controlling the Secretary of the Air Force Order system;

f. providing a focal point for monitoring, coordinating or consolidating Air Force responses or inputs on certain reports for the White House, Secretary of Defense, and other Federal agencies;

g. providing custody and control over use of the Air Force Seal and other authentication devices;

h. reviewing miscellaneous claims against the Air Force including those under the Military Claims Act, and announcing the decision for the Secretary of the Air Force;

i. providing security services for the Office of the Secretary including advisory services on Departmental security matters;

j. as the representative of the Secretary, serving various boards and committees, such as the Federal Executive Officers Group, the continuity Planning Committee, and the OSD Space Committee for the area encompassing the Seat of Government;

k. announcing medical designations for the Secretary in accordance with AFR 168-6;

l. determining the disposition of appeals to the Secretary under the provisions of the Freedom of Information Act;

m. serving as the final decisional authority on appeals under the Privacy Act;

n. providing administrative and management services for the Office of the Secretary of the Air Force involving:

organization, manpower, financial management, military and civilian personnel administration, travel and local transportation services and office space allocation and utilization;

o. reviewing and coordinating for the Office of the Secretary significant Air Staff Directorate of Administration proposals concerning Air Force-wide administrative matters.

Serves as a channel of communications and provides representation within the Secretariat, with OSD and other governmental agencies on administrative programs.

3. This Order is issued in accordance with Air Force Regulation 11-18, dated 18 July 1963, subject: "Delegating or Assigning Statutory Authority."

4. Secretary of the Air Force Order No. 110.1, dated April 20, 1976, is hereby superseded.

Hans Mark

Hans Mark
Secretary of the Air Force

"ODDS and ENDS"

For your convenience, a number of items have been identified that need to be given attention early in your term. Your secretary can initiate all of these actions through the Administrative Assistant's office.

Executive Dining Room membership can be started pending confirmation. An account must be established.

Parking application must be completed before a pass can be issued. Your secretary can then obtain the paid parking sticker on the concourse.

Building Pass will be issued on appointment. Arrangements for a picture can be made at your earliest convenience.

Travel Orders will be issued when you are appointed.

Official Pictures need to be taken soon after your appointment. A passport picture and picture for your official biography will be taken at the same time.

Passports should be requested shortly after your appointment.

Biography. An official biography is needed. This will be used in connection with your visits to the field.

Official Vehicles may be arranged by your secretary. The office of the Administrative Assistant will provide procedures.

Immunization Card is needed in connection with overseas visits but shots should not be taken until a trip is approved/scheduled.

Door Name Plates with your name and title will be made for each appointee.

Business Cards can be ordered in several formats including the Air Force seal. The current price and delivery is $6.50 for 500 cards made in approximately 3 to 4 weeks.

Officers Club membership application can be made at your convenience.

Pentagon Officers Athletic Center membership can be arranged immediately if you so desire.

Army Navy Country Club membership can be requested as you deem appropriate.

OFFICIAL REPRESENTATION FUNDS

Authority and Basic Policies

Each year the Congress makes funds available in the Department of Defense Appropriations Act for emergencies and extraordinary expenses (contingencies) which may be expanded on the approval or authority of the Secretary of the Air Force. A portion of the Contingency Fund is used for official representation purposes.

A separate briefing is provided to the Secretary on the overall fund. Other statutory officials, however, should be aware generally of policies now in effect.

1. Representation funds are used to maintain the standing and prestige of the United States by extending official courtesies to certain officials and dignitaries of the United States and foreign countries.

2. The Secretary of the Air Force may authorize the use of representation funds for any purpose he deems appropriate, which conforms to policy set by DOD.

3. All official entertainment must be in keeping with propriety as dictated by the occasion and, in all instances, must be conducted on a modest basis. Guest lists for such functions must be held to the minimum necessary to extend proper courtesy to the guest(s) of honor; however, when guests from outside the Department of Defense are being honored, specified ratios of DOD personnel (including spouses or escorts) to non-DOD guests must be observed.

The Administrative Assistant is responsible for the administration and the propriety of expenditure of contingency funds and for advance approval of such expenditure when required.

Hosting Authority

The authority to host official functions on behalf of the United States Government is delegated to the following officials upon advance approval of the Administrative Assistant on a case-by-case basis: all Air Force statutory officials, the Director of Legislative Liaison, and the Director of Public Affairs. This hosting authority will generally be limited to lunches in the Air Force Executive Dining Room for the following:

(1) individuals or small groups of government officials of foreign countries whose rank, position, function or stature justify official entertainment, (2) members and professional staff personnel of Congress, and (3) members of the news media on certain occasions. Hosting of other functions, including receptions, dinners, and luncheons involving larger groups of people, will be limited to the Secretary and the Under Secretary of the Air Force unless the Secretary specifically designates some other official to act as host.

DOD Members Who May Be Entertained

If a commander considers it appropriate, these members of the DOD may be entertained at an Air Force installation. However, the entertainment must be limited to that which is minimally required to extend official courtesy when the official is on an official visit to the field.

Office of the Secretary of Defense:

- Secretary and Deputy Secretary of Defense
- Under Secretaries of Defense
- General Counsel, DOD
- Assistant to the Secretary of Defense (Atomic Energy)
- Assistant to the Secretary of Defense (Legislative Affairs)
- Advisor to the Secretary and Deputy Secretary on NATO Affairs
- Organization of the Joint Chiefs of Staff:
  - Chairman, Joint Chiefs of Staff
  - Unified and Specified Commanders

Military Departments:

- Secretaries, Under Secretaries, and Assistant Secretaries of the Military Departments
- Chiefs and Vice Chiefs of Staff of the Army and Air Force
- Chief and Vice Chief of Naval Operations
- Commandant and Vice Commandant of the Marine Corps

Defense Agencies:

- Directors, Defense Agencies

Gifts and Momentos

An inventory of gifts and momentos is maintained by the Administrative Assistant for the use of the Secretary and Under Secretary. On occasion other statutory officials may also have a valid need to use the inventory to extend official courtesies in connection with overseas foreign visits. In such cases, the following requirements must be met:

1. The cost of any gift or momento is limited to $100.00 or less except when specifically approved in advance by the Secretary of the Air Force.

2. The advance approval of the Administrative Assistant is required for:

a. The specific presentation of any gift or momento costing more than $100.00 by anyone other than the Secretary or Under Secretary or Chief or Vice Chief of Staff.

b. The issuance from stock of the gift or momento costing less than $100.00 to any person other than the Secretary or Under Secretary or Chief or Vice Chief of Staff.

Limitations

Official Representation funds will not be used for:

a. Expenses for retirement ceremonies for DOD civilian and military personnel, unless specifically approved in advance by the Secretary of the Air Force.

b. Expenses solely for entertainment of DOD, Air Force, Army, Navy, or Marine Corps personnel unless authorized. (See previous page)

c. Payment of membership fees or dues.

d. Expenses connected with conferences, conventions, seminars, or working groups, except when specifically approved in advance by the Secretary of the Air Force.

e. Expenses which normally are expected to be assumed as a personal obligation.

f. Purchase of gifts, mementos, tokens, and calling cards except for:

(1) Floral wreaths authorized in connection with awards or dedications as on occasions of national holidays in foreign countries.

(2) Mementos of a nominal cost used in connection with official ceremonies, dedications, or functions, but not more than $100.00 in cost; unless specifically approved in advance by the Secretary of the Air Force.

g. Expenses for classified projects or intelligence purposes.

h. Expenses for any purpose for which an appropriation is otherwise available or to circumvent administrative or legal restrictions on the use of other appropriated funds.

KEY PERSONNEL MANAGEMENT SYSTEMS

OSAF Personnel Policy
The Senior Executive Service
Merit Pay
Transition Appointments
Labor Management Relations
Personal Secretaries and Assistants
The Military Promotion System

OSAF PERSONNEL POLICY

All phases of civilian personnel administration in the Federal Government are conducted within the framework of various laws, executive orders and Office of Personnel Management regulations.

The procedures governing such matters as employment, discipline and separation must be closely adhered to. Consequently, no commitment of employment should be made to an applicant and no adverse action should be initiated against an employee without prior coordination with SAFAA.

SENIOR EXECUTIVE SERVICE

Title IV of the Civil Service Reform Act of 1978 (P.L. 95-454) created the Senior Executive Service (SES), a new personnel system for administering executive level civilian employees throughout most of the federal government. The SES, which became operational July 13, 1979, is made up of most positions formerly comprising grades GS-16 to GS-18, most Scientific and Professional positions (STs), and some positions in Executive Levels IV and V. The information provided below summarizes several of the key features of the SES system.

All SES positions are designated either Career Reserved or General. A Career Reserved position can be filled only by a career appointee, and a General position can be filled by either a career or noncareer appointee.

Pay Schedule: There are six pay levels authorized within the SES.

ES-1 = $52,247*

ES-2 = $59,996*

ES-3 = $55,804*

ES-4 = $57,673*

ES-5 = $59,604*

ES-6 = $61,600*

*Payable rate is $50,112.50 ($52,750 is payable for individuals in offices or positions that were in level IV of the Executive Schedule before conversion to the SES)

Bonuses and Ranks: Career employees in the SES may be recommended for annual performance awards (bonuses) and the award of SES Meritorious and Distinguished Executive ranks. The number of senior executives who may receive bonuses is limited to 25% of the number of SES positions, and the bonus may be no more than 20% of basic pay. In addition, up to 5% of the members of the government-wide SES will be eligible for a Meritorious Executive rank with a stipend of $10,000, and another 1% may receive Distinguished Executive rank with a stipend of $20,000.

Performance Appraisal: The Civil Service Reform Act requires that each agency establish an SES performance appraisal system. Under this new system performance requirements will be established in consultation with each senior executive, written appraisals will be based on these performance requirements, and the senior executive will have the opportunity to respond in writing. The performance rating must take into account both individual performance and organizational accomplishment. This initial performance appraisal made by the immediate supervisor will be reviewed by a performance review board, which will also recommend action on the award of bonuses.

Leave: In recognition of the fact that many senior executives have frequently forfeited annual leave because of their heavy work schedules the Act authorizes members of SES to accumulate annual leave without limitation.

As of 15 November 1980

SENIOR EXECUTIVE SERVICE POSTIONS IN OSAF

ORGANIZATION & POSITION TITLE	INCUMBENT	LEVEL	OCCUPAY	RCAOND KE	POSITION NON SES	POSITION CAR RES	POSITION SES GEN	APPOINTMENT CAR	APPOINTMENT NON CAR	APPOINTMENT LTD	STATUS
SAF/AL Asst Secy of the AF Research, Development & Logistics											
Principal Deputy Asst Secy (R, D&L)	Kopf, Eugene H. $50,112.50	ES-5	1301	4			X	X			
Dep Asst Secy (Systems)	Vacant	ES-	0301	4			X				
Dep Asst Secy (Acquisition Management)	Williams, J. E. $50,112.50	ES-4	0301	4			X	X			
Dep Asst Secy (Logistics)	Mosemann, L. K. $50,112.50	ES-4	0301	4			X	X			
Dep Asst Sec (Space Plans & Policy)	Cook, Charles W. $50,112.50	ES-4	1301	4			X	X			
Dep for Programs & Production	Jones, Carroll G. $50,112.50	ES-3	0301	5		X		X			
Dep for Procurement	Gordon, H. J. $50,112.50	ES-4	0301	5		X		X			
Dep for Transportation & Civil Aviation	Falatko, Thomas S. $50,112.50	ES-4	2130	5		X		X			
Dep for Supply & Maintenance	Goldfarb, O. A. $50,112.50	ES-4	0301	5		X		X			
Dep for Advanced Tech	Beam, W. R. $50,112.50	ES-4	1301	4(5)			X	X			

ORGANIZATION & POSITION TITLE	INCUMBENT	PAY LEVEL	OCCUPE	RANK CODE	POSITION NON SES	POSITION CAR RES	POSITION SES GEN	APPOINTMENT CAR	APPOINTMENT NON CAR	APPOINTMENT LTD	STATUS
SAF/AL Asst Secy of the AF Research, Development & Logistics, (Cont'd)											
Dep for Systems Requirements	Vacant	ES-		5		X					
Dep for Tactical Warfare Systems	Cohen, Victor $50,112.50	ES-2	1301	5			X	X			
Dep for Strategic & Space Systems	Cooper, Henry F. $50,112.50	ES-4	1301	4(5)			X		X		
Dep Dir, Supreme Headquarters Allied Powers Europe, (SHAPE)	Bergman, C. E. $50,112.50	ES-4	1301	4			X	X			
Chief, Communications Division, SHAPE Technical Center, The Hague Netherlands	Lebo, J. A. $50,112.50	ES-4	1301	6			X	X			
SAF/FM Asst Secy of the AF Financial Management)											
Prin Dep Asst Secy (Financial Management)	Vacant	ES-	0505	4			X				
Prin Dep Asst Secy for Programs & Budget	Mitchell, Willard H. $50,112.50	ES-5	0301	4			X	X			

ORGANIZATION & POSITION TITLE	INCUMBENT	LEVEL	OCCUPE	RCOAND KE	POSITION NON SES	POSITION CAR RES	POSITION SES GEN	APPOINTMENT CAR	APPOINTMENT NON CAR	APPOINTMENT LTD	STATUS
SAF/FM Asst Secy of the AF Financial Management), (Cont'd)											
Dep for Financial Systems & Analysis	Payne, R. C. $50,112.50	ES-4	0505	5		X		X			Reemployed Annuitant to 1/81
Dep for Productivity Management	Fitzgerald, A. E. $50,112.50	GS-17	0301	5	X*	X					
Dep for Accounting & Internal Audit	Boddie, J. W. $50,112.50	ES-4	0510	5		X		X			
SAF/MI Assistant Secy of the AF, Manpower, Reserve Affairs & Installations											
Prin Dep Asst Secy (M, RA&I)	Meis, J. F. $50,112.50	ES-5	0301	4			X	X			
Prin Dep Asst Secy for Installations	Vacant $50,112.50	ES-	0301	4			X	X			
Prin Dep Asst Secy for Manpower Resources and Military Personnel	Bearg-Dyke, Nancy J. $50,112.50	ES-3	0301	4			X		X		
Dep Asst Secy (Reserve Affairs)	McWilliams, G. M. $50,112.50	ES-2	0301	4			X		X		
Dep Asst Sec (Civilian Personnel Policy)**	Cumbey, Craig J. $50,112.50	ES-4	0201	4		X		X			
Dep for Environment & Safety	Stern, C. D. $50,112.50	ES-4	0301	5			X		X		

*For current incumbent only
**Also serve as Director of Personnel For Chief of Staff

ORGANIZATION & POSITION TITLE	INCUMBENT	LEVEL	OCCUPE	RCOND	POSITION NON SES	POSITION CAR RES	POSITION SES GEN	APPOINTMENT CAR	APPOINTMENT NON CAR	APPOINTMENT LTD	STATUS
SAF/MI Assistant Secy of the AF, Manpower, Reserve Affairs & Installations (Cont'd)											
Dep for Installations Management	Boatright, J. $50,112.50	ES-4	0301	5		X		X			
Dep for Equal Opportunity	West, Gail $50,112.50	ES-2	0160	5			X		X		
Deputy for Air Force Review Boards	Lineberger, Joe $50,112.50	ES-1	0301	5		X		X			
Asst Dep for Base Utilization	Rittenhouse, J. O. $50,112.50	ES-2	0301	6			X	X			
SAF/GC General Counsel, Dept of the Air Force											
General Counsel of the Air Force	Reichart, S. R. $50,112.50	ES-6	0905	4			X	X			
Dep General Counsel	Radoff, Phillip L. $50,112.50	ES-4	0905	5			X		X		
Asst General Counsel, Procurement	Rak, D. S. $50,112.50	ES-4	0905	6			X	X			

ORGANIZATION & POSITION TITLE	INCUMBENT	PAY LEVEL	OCCUPATION CODE	GRADE	POSITION NON SES	POSITION CAREER	POSITION SES GEN	APPOINTMENT CAR	APPOINTMENT NON CAR	APPOINTMENT LTD	STATUS
SAF/GC General Counsel, Dept of the Air Force, (Cont'd)											
Asst General Counsel, Installations	Reynolds, G. C. $50,112.50	ES-4	0905	6			X	X			
Asst General Counsel, International Matters & Civil Aviation	Allen, B. W. $50,112.50	ES-3	0905	6			X	X			
Asst General Counsel, Personnel & Fiscal	Willson, W. A. $50,112.50	ES-4	0905	6			X	X			
SAF/AA Office of the Adm Asst to the Secy of the AF											
Adm Asst to Secy of Air Force	McCormick, R. J. $50,112.50	ES-4	0301	5		X		X			
Dep Adm Asst to Secy of Air Force	Crittenden, R. W. $50,112.50	ES-2	0301	6		X		X			
Special Assistant	Forschler, George $50,112.50	ES-1	0301	6			X		X		
SAF/LL Office of Legislative Liaison											
Associate Director of Legislative Liaison	Vacant	ES-	0905	6			X				

ORGANIZATION & POSITION TITLE	INCUMBENT	LEVEL PAY	OCCUPATION CODE	RANK	POSITION NON SES	POSITION CAR RES	POSITION SES GEN	APPOINTMENT CAR	APPOINTMENT NON CAR	APPOINTMENT LTD	STATUS
SAF/AG AUDITOR GENERAL											
Auditor General	Stolarow, Jerome H. $50,112.50	ES-4	510	5		X		X			
SAF/US Deputy Under Secy of the AF, Space Systems											
Dep Under Secy (Space Systems)	Haas, Donald L. $50,112.50	ES-5	1301	4			X	X			
SAF/SS Office of Space Systems											
Dir, Office of Space Systems	Hill, J. D. $50,112.50	ES-3	0301	5			X	X			
SAF/SB Office of Small and Disadvantaged Business Utilization											
Dir, Office of Small & Disadvantaged Business Utilization*	Rellins, Donald E. $50,112.50	ES-4	1102	5		X		X			

*Position assigned administratively to AF/RD.

AF/CVN Office of the Chief Scientist											
Chief Scientist, US Air Force**	Stear, Edwin B. $50,112.50	ES-4	1301	4			X		X		

**This position is filled by non-career appointment, and accordingly, is reflected on this OSAF listing.

MERIT PAY

Title V of the Civil Service Reform Act (CSRA) established the Merit Pay System for supervisors and management officials in grades GS-13, 14 and 15 to be effective in October 1981. Employees who are covered by this system will no longer be eligible for within-grade and quality step increases. The CSRA stipulates that merit pay employees are only entitled to one-half of the yearly October comparability adjustment. The other half of the comparability increase together with the monies that would have been spent for within-grade and quality step increases will be pooled to form the merit pay fund.

Subject to OPM approval and requirements, each agency must establish a merit pay plan which will tie individual performance to the amount of the merit pay adjustment. To meet OPM requirements, the Air Force submitted two separate plans for approval. The Air Force Performance Appraisal Plan was approved on 22 April 1980 and the Merit Pay System was approved 11 September 1980.

The new General Manager Appraisal System (GMAS), which is specifically applicable to employees covered by merit pay, was implemented on 1 October 1980; the first pay out will be in October 1981.

The first performance appraisal period for merit pay employees runs from 1 October 1980 to 30 June 1981, thereafter the rating period will be from 1 July to 30 June of each year. Until conversion to the new system, which will occur at the time of the first pay out, (Oct 81) annual pay adjustments as well as regular and quality step increases will continue under the General Schedule.

The amount of the merit pay adjustment will vary according to the performance rating assigned to the individual; there are five performance levels under the Air Force system. Specific share points equate to each rating beginning with the "fully successful" level. (An individual who falls below this level receives no merit pay). For the higher ratings, "excellent" and "superior," the value of the share points increases substantially. Briefly stated, the mechanics of computing merit pay increases are as follows:

(1) The employees of each merit pay unit receive a performance rating.

(2) All the merit pay share points from the performance ratings of the employees in the unit are added together.

(3) When the amount of the October comparability increases is known each year OPM publishes a Merit Pay Fund Computation Table. As soon as this information is available, the merit pay fund of each merit pay unit is calculated.

(4) The merit pay share points are divided into the unit merit pay fund to arrive at the share value of each point.

(5) The share value of a point is multiplied by each individual's rating to determine their portion of the merit pay fund.

TRANSITION APPOINTMENTS

An agency may establish temporary positions at the GS-15 grade level and below necessary to assist a department or agency head during the period immediately following a change in Presidential Administration, when a new Department or agency head has entered on duty, or at the time of the creation of a new department or agency. Such positions shall be either:

(1) Identical to an existing Schedule C position if intent to vacate that position has been put in writing by management or the present incumbent, such position to be designated as Identical Temporary Schedule C (ITC); or

(2) A new temporary Schedule C position, to be designated New Temporary Schedule C (NTC), when it is determined that the department or agency head's needs cannot be met through establishment of an Identical Schedule C position. The number of NTC positions established by any one agency may not exceed 25% of the total number of permanent Schedule C positions authorized for that agency as of March 31, 1980. In the case of the creation of a new department or agency, the number of NTC positions should be reasonable in light of the size and program responsibilities of that department or agency.

Service under this authority may not exceed 120 days. These positions must be of a confidential or policy-determining character, and are subject to instructions issued by the Office of Personnel Management.

Requests for such action should be made to the Office of the Administrative Assistant.

LABOR-MANAGEMENT RELATIONS

Over the years, the Air Force labor-management relations program has been marked by dramatic growth. The impact of unionism in the Air Force civilian workforce is reflected in current union representation of over 70% of employees paid from appropriated funds. The program is founded on the concept that employees have the right to representation by recognized unions and are entitled to a voice in the formulation of personnel policies, practices, and decisions affecting general working conditions. Such matters are negotiable and understandings reached may be documented in a written contract between management and the union. Such contracts have the force and effect of regulation and the administration of the contract is subject to review by authorities outside the Air Force.

Because of the authority of non-Air Force agencies to resolve union-management issues by directing corrective action, management must accept and apply the concept of bilateralism in dealing with unions. Additionally, managers must understand and adjust to union relations as a continuing feature in contemporary personnel management. The negotiability of matters pertaining to personnel policies, practices, and working conditions has broadened in scope as the Office of Personnel Management increases agency latitude in implementing personnel management policies. Management must utilize the labor-management relations program as an additional means for improving communications with the workforce and for improving efficiency of its operations.

On 7 February 1972 the Department of Labor certified the AFGE-GAIU (American Federation of Government Employees - Graphic Arts International Union) Council of Hq USAF Locals, AFL-CIO (American Federation of Labor - Congress Industrial Organization) as the exclusive representative for a unit of approximately 2300 non-supervisory, non-professional employees ranging in grade from GS-2 to GS-15 and assigned to positions throughout OSAF and Hq USAF. The AFGE-GAIU Council is composed of American Federation of Government Employees Local 1092 and the International Union Local 98-L. While AFGE represents only employees in the Federal sector it is the largest union in the public sector at this time. GAIU represents employees in both the private and public sector. The terms of the agreement, are binding on the Union and all supervisors and management officials within OSAF and Hq USAF. To date there has been no attempt to organize and represent professional employees or supervisors.

The current labor agreement is attached. Presently, negotiations are underway for a new contract.

PERSONAL SECRETARIES AND ASSISTANTS

A limited number of civilian positions are authorized in the Excepted Service (Schedule C). These are confidential or policy-determining positions and not subject to the competition required in the career service or the termination requirement for career employees. Authorized positions are as follows:

Secretary GS-11	Office of the Secretary of the Air Force
Secretary GS-11	Office of the Under Secretary
Secretary GS-10 Secretary GS-9	Assistant Secretary for Research, Development and Logistics
Secretary GS-10 Special Assistant GS-15	Assistant for Manpower, Reserve Affairs and Installations
Secretary GS-10	Assistant Secretary for Financial Management
Secretary GS-9	General Counsel

A military assistant is also authorized for each of the offices listed above. They are governed by the military assignment system.

Any action to employ, terminate, or reassign people in these positions must be taken in close coordination with the Office of the Administrative Assistant.

THE MILITARY PROMOTION SYSTEM

Currently there are three officer promotion systems

- **Temporary Systems**

  — applies to all officers serving on active duty (Regulars and Reserves)

  — determines a member's pay grade and the insignia the officer wears

- **Permanent, Regular Air Force, Promotion System**

  — applies to Regular officers on active duty (there are no Regular officers in the Reserves)

  — primarily determines a Regular officer's tenure

- **Permanent, Reserve of the Air Force, Promotion System**

  — applies to Reserve officers both on active duty and not on active duty (includes Guard and Reserve personnel)

  — primarily determines a Reserve officer's tenure as a commissioned officer

  NOTE: The permanent Reserve system closely parallels the permanent Regular system which is discussed is more detail later in this paper.

The 96th Congress enacted the Defense Officer Personnel Management Act (DOPMA) which was signed into law by the President on December 12, 1980. This bill, which amends and/or adds over 400 sections of law, will streamline the management of the officer force and standardize officer management to a large extent for all services. The Air Force was the biggest supporter of this legislation and the final bill adopts much of the Air Force's current management approach for the officer corps. The effective date for DOPMA is September 15, 1981. A summary of the major features of DOPMA follows after a description of the current promotion systems.

Temporary Promotion System (Regular and Reserve Officers)

The temporary system was established by the 1947 Officer Personnel Act in recognition of a need to supplement the Regular officer force with Reserve officers to fill active duty requirements above the Regular officer ceilings

- o temporary promotion system provides the means for the Air Force to fill its total active duty grade requirements through promotion of all categories of officers (Regular and Reserve)

- o Regular and Reserve officers are considered by the same board and compete with each other for selection to all grades

Promotion opportunities are established by Secretarial policy to provide a reasonable, stable and visible promotion flow consistent with long term AF requirements; promotion phase points ("pin-on" times for due course officers) are a function of grade limitations and attrition (vacancies)

Permanent Promotion System (Regular Officers Only)

Permanent promotion system established in anticipation of a small standing force

- o primary purpose was to insure consideration for promotion to the next higher permanent grade at reasonable career points for consideration, and by establishing tenure limits for each permanent grade

- o provides for maximum of 69,425 Regular officers and further stipulates maximum percentages by grade

  for example, provide that not more than 8% of Regular officers may be in grade of permanent colonel

  however, may promote without regard to vacancies to permanent captain, major, and lieutenant colonel if promotion to these grades is occurring at 7, 14, and 21 years promotion list service (PLS), respectively but actual number of Regular officers in each permanent grade may be further constrained by congressional/OSD limitations on total grade strengths as developed in the budgetary process

- o requires consideration for promotion at specified maximum promotion points phased system allows officers enough time between grades to develop and demonstrate potential for promotion and precludes possibility of long stagnation in permanent grade

  for promotion to permanent lieutenant colonel and below officers must be considered far enough in advance so that, if selected, they may be promoted upon completion of the following

For Promotion to	Years of Promotion List Service
First Lieutenant	3
Captain	7
Major	14
Lietenant Colonel	21

however, an officer may not be considered more than two years before the date on which it is anticipated that he will be promoted if selected

for promotion to permanent colonel

no maximum promotion point is established for permanent colonel

officer must complete one year in a grade as permanent lieutenant colonel before consideration for permanent colonel

the first consideration for promotion to permanent colonel currently occurs near the 24th year of promotion list service (PLS)

selections must be made only to fill actual or anticipated vacancies

- by law, promotion to permanent first lieutenant is always under fully qualified method (no board held, commanders identify unqualified officers, SECAF has final decision)

- 1947 OPA requires selection for promotion to permanent captain through permanent colonel be made by selection board

  two methods of selection

  fully qualified: board must make a judgment that each officer is or is not qualified to serve in the next higher grade (board may select every officer considered)

  best qualified: board nominates or selects officers whose records, when compared with those of other eligible officers, indicate they have the greatest capability and potential to serve in the next higher grade (board aligns eligibles in order of merit listing)

  best qualified method of selection provides means for attrition from the Regular Force

- Selection/nonselection in the permanent promotion system determines tenure for Regular officers

  consideration for permanent promotion normally occurs after the point when consideration for promotion to the same temporary grade occurs

  with each permanent Regular promotion goes added tenure at least to the point of consideration for the next higher permanent grade

  nonselection to permanent first lieutenant (normally at 2-1/2 years PLS) results in separation from active duty at the completion of three years PLS

  an officer who twice fails selection to permanent captain or major is separated (with severance pay) or retired (if eligible) from active duty; or by policy he may also resign, not collect severance pay, and continue serving in enlisted status

  an officer who fails selection to permanent lieutenant colonel or above may remain on active duty until the tenure point associated with his permanent grade

  permanent majors may serve until deferred twice to permanent lieutenant colonel (departure occurs at approximately 22 YOS); permanent lieutenant colonels may serve through 28 years PLS; permanent colonels may serve through 30 years PLS or 5 years in permanent grade, whichever occurs later

EXECUTIVE SUMMARY

DEFENSE OFFICER PERSONNEL MANAGEMENT ACT (DOPMA)

PURPOSE: Update and make uniform current law relating to officer appointments, promotions, separation and retirement

EFFECTIVE DATE: 15 September 1981

MAJOR FEATURES:

Grade Tables

- Permanent field grade tables for the Air Force (about 3% less than OGLA with relief)

  — must meet new limits by 30 September 1982 — half way by 30 September 1981

Promotions

- Single system of permanent promotions vice current system where most officers first compete for temporary promotion and then permanent promotion to the same grade

- Active-duty list (ADL)

  — within 6 months after enactment, all officers on active duty (except Section officers, retired officers, etc.) will be placed on an ADL by promotion category

  — seniority on the ADL will be established so as to maintain current relative seniority among active duty officers

Tenure and Retirement

- Mandatory retirement for lieutenant colonels and colonels standardized at 28 and 30 years (but can be extended by board action for up to five additional years)

- Permits the selective continuation of twice failed Regular captains up to 20 years service and twice failed majors to 24 years

- Selective early retirement is a new feature

  — permits board selection of up to 30% of 0-5s to be retired prior to 28 years after two nonselects to 0-6 and 30% of 0-6s prior to 30 years after 4 years in grade — but intent is that this authority would be used only in force drawdown

- DOPMA will require 3 years service in grade for voluntary retirement for officers promoted by DOPMA boards

— can be waived by the President in extreme hardship or in other exceptional circumstances

Constructive Service Credit

- Will only count for entry grade, seniority, and promotion

  — at present constructive credit for medical and dental officers counts for basic pay and retired pay as well as for grade and rank

- Judge advocates and chaplains will enter as first lieutenants and be promoted to captain after one year

  — additional credit authorized for judge advocates if shortages develop

- New formula for computing credit for health professionals

  — major change is that nurses will not get constructive credit for a baccalaureate as they do today

Other Provisions

- Maximum separation pay for officers involuntarily separated after 5 years service and prior to retirement eligibility increased from $15,000 to $30,000

- An all-Regular career force will not be mandated but modifications to existing law will permit the Air Force to implement this feature by policy

- DOPMA will repeal long standing provisions of Title 10 that specify different, but no longer justified, treatment of men and women officers. This will allow, for example, Regular appointment of nurses and medical specialists under the same rules as apply to all other officers. DOPMA does not revise the provisions of Section 8549 of Title 10 which preclude women in the Air Force from assignment to duty in aircraft engaged in combat missions.

TRANSITION PROVISIONS: Designed to protect equities of officers now on active duty

Promotion Provisions

- Officers holding a temporary grade higher than their permanent grade or recommended for promotion to a higher temporary grade will be permanently promoted to the higher grade

  — unless they have been once deferred to a permanent grade — these officers will meet a board to resolve their status

- Reserve officers who hold a higher Reserve grade than their temporary active duty grade will continue to serve in a temporary grade

  — less than 400 such officers now and there won't be any new ones under DOPMA since active duty Reservists will no longer be considered for ROPA promotions

- During the period between enactment and effective date, temporary boards and Regular 0-4 and 0-5 boards will continue as planned

Tenure Protection

- Regular majors or Regular major selects on the effective date can serve for minimum of 21 years active commissioned service

- No change for Regular lieutenant colonels — stays at 28 years

- Regular colonels or Regular colonel selects on effective date can stay for 5 years in grade as a Regular colonel if greater than basic 30-year tenure (DOPMA does away with the "or 5 years in grade" rule for colonels)

Voluntary Retirement

- Three years time-in-grade rule will not apply to officers not promoted by a DOPMA board

  — but for such officers the current 2-year DOD policy will be in law, effective 15 September 1981

Constructive Service Credit

- Officers currently credited with constructive service or in programs leading to an appointment where constructive service would count for pay (MC/DC) will continue to receive this credit

OTHER INITIATIVES: DOPMA contains several initiatives not related to officer personnel management

- It makes permanent current temporary authority to provide disability retirement and separation entitlements to members with less than eight years service. Current authority expires 30 Sep 82 and, if allowed to expire, the disability retirement entitlement would exist only when the disability was determined to be the proximate result of performing active duty.

- It contains a "per diem equity" amendment designed to eliminate the differences in per diem policies between officers and enlisted members

- It provides a save pay provision for dental officers with over 20 years of service (who have not completed a residency training program or formal education program of 10 or more months) to avoid the 50% reduction in continuation pay contained in the Health Professionals Special Pay Act of 1980

- It will also continue the operation of the special pay system for medical officers in the Reserves as they applied before the enactment of the 1980 Health Professionals Special Pay Act

Insignia of the United States Armed Forces

OFFICERS

O-1	O-2	O-3	O-4	O-5	O-6	O-7	O-8	O-9	O-10	SPECIAL

NAVY

ENSIGN	LIEUTENANT JUNIOR GRADE	LIEUTENANT	LIEUTENANT COMMANDER	COMMANDER	CAPTAIN	COMMODORE *	REAR ADMIRAL * (O-7 & O-8)	VICE ADMIRAL	ADMIRAL	FLEET ADMIRAL

MARINES

SECOND LIEUTENANT	FIRST LIEUTENANT	CAPTAIN	MAJOR	LIEUTENANT COLONEL	COLONEL	BRIGADIER GENERAL	MAJOR GENERAL	LIEUTENANT GENERAL	GENERAL	

ARMY

SECOND LIEUTENANT	FIRST LIEUTENANT	CAPTAIN	MAJOR	LIEUTENANT COLONEL	COLONEL	BRIGADIER GENERAL	MAJOR GENERAL	LIEUTENANT GENERAL	GENERAL	GENERAL OF THE ARMY

AIR FORCE

SECOND LIEUTENANT	FIRST LIEUTENANT	CAPTAIN	MAJOR	LIEUTENANT COLONEL	COLONEL	BRIGADIER GENERAL	MAJOR GENERAL	LIEUTENANT GENERAL	GENERAL	GENERAL OF THE AIR FORCE

WARRANT

	NAVY	MARINES	ARMY	AIR FORCE
W-1	WARRANT OFFICER	WARRANT OFFICER	WARRANT OFFICER	WARRANT OFFICER
W-2	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER
W-3	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER
W-4	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER	CHIEF WARRANT OFFICER

COAST GUARD

Coast Guard enlisted rating badges are the same as the Navy's for grades E-1 through E-6. E-7s through E-9s have silver specialty marks, eagles and stars, and gold chevrons. The badge of the Master Chief Petty Officer of the Coast Guard has a gold chevron and specialty mark, a silver eagle and gold stars. Coast Guard officers use the same rank insignia as Navy officers. For all ranks, the gold Coast Guard shield on the uniform sleeve replaces the Navy star.

* The Navy uses the rank of commodore only in wartime. Currently, Navy officers promoted to pay grade O-7 are given the rank of rear admiral (lower half), which is comparable to that of brigadier general in the other services. Those in pay grade O-8 are designated rear admiral (upper half). The Coast Guard has the same policy.

Insignia of the United States Armed Forces

ENLISTED

E-1	E-2	E-3	E-4	E-5	E-6	E-7	E-8	E-9	
NAVY									
SEAMAN RECRUIT	SEAMAN APPRENTICE	SEAMAN	PETTY OFFICER THIRD CLASS	PETTY OFFICER SECOND CLASS	PETTY OFFICER FIRST CLASS	CHIEF PETTY OFFICER	SENIOR CHIEF PETTY OFFICER	MASTER CHIEF PETTY OFFICER	MASTER CHIEF PETTY OFFICER OF THE NAVY
MARINES									
(no insignia) PRIVATE	PRIVATE FIRST CLASS	LANCE CORPORAL	CORPORAL	SERGEANT	STAFF SERGEANT	GUNNERY SERGEANT	FIRST SERGEANT MASTER SERGEANT	SERGEANT MAJOR MASTER GUNNERY SERGEANT	SERGEANT MAJOR OF THE MARINE CORPS
ARMY									
(no insignia) PRIVATE	PRIVATE	PRIVATE FIRST CLASS	CORPORAL SPECIALIST 4	SERGEANT SPECIALIST 5	STAFF SERGEANT SPECIALIST 6	SERGEANT FIRST CLASS SPECIALIST 7	FIRST SERGEANT MASTER SERGEANT	COMMAND SERGEANT MAJOR SERGEANT MAJOR	SERGEANT MAJOR OF THE ARMY
AIR FORCE									
(no insignia) AIRMAN BASIC	AIRMAN	AIRMAN FIRST CLASS	SERGEANT SENIOR AIRMAN	STAFF SERGEANT	TECHNICAL SERGEANT	MASTER SERGEANT	SENIOR MASTER SERGEANT	CHIEF MASTER SERGEANT	CHIEF MASTER SERGEANT OF THE AIR FORCE

SECURITY

Security Clearances
Protection of Classified Material

CLEARANCES

SECURITY CLEARANCES

Statutory officials are subject to a full field background investigation by the Federal Bureau of Investigation. The investigative results are provided to the White House. Security clearances for statutory officials are granted by the Department of Defense, DOD Security Division, Washington Headquarters Service.

Personnel security investigations for all other Air Force military and civilian personnel are conducted by either the Defense Investigative Service or the Office of Personnel Management. Executive Order 10450 specifies that all employees of the Executive Branch must be investigated to the level necessary for the sensitivity of the position they occupy. Security clearances for these personnel are issued by the centralized Air Force Security Clearance Office (AFSCO) in the Pentagon.

Clearances for contractor personnel who visit OSAF officials are verified by AFSCO by checking records of the Defense Industrial Security Clearance Office (DISCO) at Columbus, Ohio.

Clearances for OSAF officials who visit private industry facilities are sent by AFSCO in advance of the visit.

Officials who require special access to Sensitive Compartmented Information (SCI) will be indoctrinated by Air Force Intelligence Service.

PROTECTION OF CLASSIFIED INFORMATION

As a statutory official you have access to the highest levels of classified defense information. In addition to collateral (TOP SECRET, SECRET, and CONFIDENTIAL) material, you may also have access to Sensitive Compartmented Information (SCI) which is especially vital to our national security.

With your access to classified information, you incur a special responsibility to become familiar with the rules established for its protection and to safeguard it at all times. Department of Defense Directive 5200.1-R and the Air Force 205-series of regulations govern the protection of collateral classified information (creation, marking, use, discussion, storage, transmission, handling, etc.). The USAF Intelligence 201-series publications prescribe the rules for protecting SCI. In general, classified documents, letters, messages, and other forms of classified material are clearly identified as such, stamped with distinctive security markings and restrictive handling instructions, and distributed with protective cover sheets attached.

Operations Security (OPSEC) requires that you and those working for you exercise extreme caution when working with classified material. Communications Security (COMSEC) requires that you carefully avoid discussing classified information on insecure telephones. The secure "gray" phone system and the Automatic Secure Voice Communications (AUTOSEVOCOM) system (KY-3 system) are available for classified telephone conversations. You may have a telephone to the Washington Tactical Switchboard, linking Pentagon senior officials and the Air Force Operations Center. This telephone is for official business of a non classified nature.

At social functions and other occasions, where you may frequently come in contact with officials of foreign governments and dignitaries representing national and international agencies, you must be particularly careful not to engage in conversations which might lead to any inadvertent discussion of classified or politically sensitive information. Some foreign officials are espionage agents and are particularly adept at gathering important information from seemingly innocuous conversations. If you ever perceive an effort by any unauthorized individual, foreign or domestic, to obtain classified information from you, such an incident must be reported to the Air Force Office of Special Investigations (OSI).

Inherent in most statutory positions is Original Classification Authority (OCA). The exercise of this authority will require you to balance the need to protect specific defense information against the right of U.S. citizens to know what their government is doing. It is essential to classify information where necessary but only for the length of time required.

Some restrictions are placed on your couriering classified information. To hand-carry classified material overseas on commercial aircraft and to take classified material home, requires specific permission before proceeding. Contact SAF/AA to coordinate these actions.

The AF information security program is subject to periodic inspections by the General Services Administration and Office of the Secretary of Defense. SAF offices are not exempt from these inspections. Semi annual self-inspections, and

annual staff assistance visits by the Hq USAF Security Force, offer the best preparation for these inspections.

A security manager has been appointed in each major SAF office to act as the focal point of the information security program. This officer can define your OCA responsibilities and provide guidance on marking, handling, and storage requirements. Your Security Manager also supervises the program throughout subordinate offices, including security education, self-inspections, physical security measures, and corrective action taken as a result of security infractions. SAF/AA monitors the security programs in all SAF offices.

The AF information security program in the Pentagon is managed by the Security Division, 1947 Administrative Support Group (Hq USAF Security Force). A personal briefing on the services provided is available at your convenience. Security police assistance is also available on a 24-hour basis at extension 78291, room 4D882. Questions regarding Sensitive Compartmented Information should be directed to the Chief, Air Force Special Security Office (AFSSO USAF), at 70671.

DEPARTMENT OF THE ARMY
ADMINISTRATIVE ASSISTANT TO THE SECRETARY
WASHINGTON, D.C. 20310

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22 JAN 1981

MEMORANDUM FOR DIRECTOR, FREEDOM OF INFORMATION AND SECURITY REVIEW, OFFICE, ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS)

SUBJECT: U.S. News and World Report and the Armed Forces Journal Freedom of Information Requests for Transition Issue Papers (DFOI-81-44; DFOI-81-49)

Reference your memorandum, dated January 13, 1981, subject as above.

The attached inclosures include the Department of Army Issue Papers which were prepared in response to The Special Assistant's 11 November 1980 memorandum on Presidential Transition. The Army Issue Papers have been separated into two sections: unclassified and releasable in their entirety (incl 1), and those originally classified but which have been segregated and are now releasable as attached (incl 2). No Issue Papers are being withheld completely. The FOIA exemption claimed by this Department for each of the latter papers is 5 U.S.C. 552(b)(1). This is done under my authority as the delegated Initial Denial Authority for the Office of the Secretary of the Army.

Milton H. Hamilton

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Milton H. Hamilton

Milton H. Hamilton

CF: ASG

T.E.HUGGARD/mjl/76900/19Jan81

Encl

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QUALITY OF LIFE

The Army's Quality of Life Program has a direct impact on the ability to man the force and on the near term readiness of those forces. The Army community expects a quality of life commensurate to the society it serves. Major areas in the Army's Quality of Life Program which impact on soldiers are pay, housing, work facilities, community support facilities/services and health care.

The recent 11.7 percent pay increase and the implementation of the Variable Housing Allowance has helped relieve the financial plight of our soldiers, but their pay still lags behind pay levels of the private sector. The goal of the Army is to achieve a stable compensation system that precludes economic sacrifice by dedicated service members.

Approximately 15 percent of our unaccompanied soldiers still live in inadequate barracks by DOD standards. Last year a modest increase in family housing assets was achieved, but the housing shortage for military families remains significant. Particularly in Europe, too many of our soldiers' families live on the high cost local economy. We must continue to construct and upgrade our barracks, to bring more family housing units into the system, and to provide additional government leased housing in Europe.

Other items are essential if we are to maintain a decent standard for the families of approximately 35% of our junior enlisted soldiers who are married. Among them are child care centers, Army Community Service Centers, and adequate recreational facilities. We must provide an adequate and wholesome environment for our soldiers and their dependents.

While we have ample medical personnel and facilities to assure care for our soldiers, this is not the case with regard to the soldiers' families. Frequently, limited or inadequate facilities or a shortage of doctors precludes care for dependents at Army medical facilities. In such cases our soldiers' families seek medical care in the civilian community under CHAMPUS. We must improve our medical facilities, recruit more doctors, and develop a better health care program for dependents through improvements to CHAMPUS, to include dental care.

Cost of living allowances, junior enlisted travel entitlements, and increased allowances for moving costs are other examples that can improve the life of our soldiers.

Inclosure 1 - Copy 1

RECRUITING

The Army will recruit a higher percentage of high school graduates. This task becomes more difficult as the military eligible population declines and competition for employment of these young people increases.

Because of declining resources for recruiting from FY 76 to FY 79 and the Congressional mandate that not more than 35 percent of soldiers recruited this year will be non-high school graduates, the Army must modernize the recruiting force in order to assure success. As a result of these Congressional constraints which were not known and therefore not provided for in the FY 81 budget, a recruiting budget amendment ($27M) for FY 81 is necessary to continue programs started in FY 80 and bring automated systems up to date. The request includes recruiter training, transportation, and recruiter support.

The enlistment bonus program attracts high school graduates into less marketable Army skills. A $5 million increase is part of the FY 81 recruiting budget amendment.

The shorter term enlistment (2-year option) should be expanded nationwide. It is more attractive to certain high school graduates for enlistment in critical Army skills. Currently OSD has directed that it be tested in only 92% of the country.

In order to meet the strength for the Reserve Components in FY 81, the Army National Guard and the United States Army Reserve need additional recruiter support money, about $18.7 million.

The current education assistance test programs (tuition assistance/ stipend, non-contributory benefit, education loan forgiveness) should be oriented to test evaluation. The Army wants a full scale package as soon as possible.

In FY 82 and beyond the Army needs a non-contributory education benefits package, an expanded bonus program, two-year option, and continuing pay comparability.

ARMY: ASA(M&RA)

Servicemembers Education Benefits Bill (SEBB)

The Army supports the concept for the establishment of a noncontributory post secondary education incentive program to replace the currently available Veterans Education Assistance Program (VEAP). Its enactment would enable the Services to compete in the recruitment of high school diploma youth.

There are currently numerous pending Senate and House proposals that address new noncontributory programs. Within the Department of Defense, the Army has primary action. A legislative proposal has been drafted and forwarded to the other services for comment before submission to Office Secretary of Defense (OSD). This proposal more adequately meets the needs of today's all volunteer force than do the Vietnam and post Vietnam programs outlined on page 2. OSD has indicated nonsupport for a noncontributory program until the evaluation of the tests evolving from the DOD Authorization Bill, 1981 is completed.

The key features of the Army proposal are outlined below:

Noncontributory education benefits available to all military personnel as a reward for honorable service. Inservice use authorized after one year of service.

Basic benefits funded and administered by Veterans Administration.

Benefits earned at rate of 1 1/2 months of education benefits for each month of service up to a maximum of 36 months (four academic years).

Benefit consists of monthly stipend of $400.

Authorization for supplement of the monthly stipend by Service Secretary for recruiting and retention purposes. The supplement would be targeted toward critical specialities and hard-to-fill assignments.

Transferability of unused benefits to dependents authorized after completion of required number of years as established by the Service Secretary.

Option for active duty servicemember to establish an interest bearing contributory fund for additional dependent education with Service fund supplement.

Selected Reserve benefits authorized at half the active duty rate. Dependent education options are not available to Reserve personnel.

Delimiting date for benefits would be ten years from servicemember's final separation from service.

Total estimated cost of the proposed legislation, for all services, increases at a steady rate from its inception as the various benefits become available and are used. The annual cost is estimated at about $472M for the first year after enactment and about $2.6B after five years. Annual costs attain a maximum of approximately $5B ten years after benefits begin. These estimates are based on eventual full usage of all entitlements by eligible personnel.

Army: ASA(M&RA), 11 December 1980

COMPARISON OF EDUCATION INCENTIVE PROGRAMS

FEATURES	ARMY'S SEBB PROPOSAL	VETERANS' EDUCATIONAL ASSISTANCE PROGRAM (Post Vietnam Era)	VETERANS' READJUSTMENT BENEFITS ACT OF 1966 (Vietnam Era)
1. Beneficiaries	All personnel	All personnel who do not have old GI Bill	All personnel
2. Assistance Provided			
a. Tuition Assistance	None	None	None
b. Monthly stipend	$400/mo	Up to $225/mo. Requires soldier to save $25 to $100 per mo	$327/mo (effective 1 Oct 80) $342/mo (effective 1 Jan 81)
c. Flexibility	Svc Sec can increase monthly stipend	Sec Def can add funds to encourage enlistments and reenl	None
d. Rate of Accrual	1.5 mo benfit per mo of svc	Monthly	1.5 mo for less than 18 mos svc, over 18 mos full entitlement
e. Maximum Entitlement	4 Academic years	$8100 BASIC VEAP	45 mos total
f. In-Service Use	Yes, after one year	Yes, after first term	Yes, after 180 days
3. Minimum Service to Receive benefit	Complete term of enlistment	Participate (save) for 1 year	Complete minimum of 181 days
4. Type of Discharge	Honorable	Other than dishonorable	Other than dishonorable
5. Transferability	Unused portion to dependents after specified period of service	None	None
6. Reserve Components	Entitlement earned at 1/2 active duty rate	None	None
7. Option for Contributary Dep Fund	Yes	No	No
8. Cash-In Benefit	No	No (Refund of indivs contribution only)	None
9. Expiration of Entitlement	10 yrs from Separation	10 yrs from separation	10 yrs from separation NLT 31 Dec 89

ACHIEVE PAY COMPARABILITY

At the inception of the All Volunteer Force, it was recognized that regular military compensation (basic pay, basic allowances for quarters and subsistence and associate tax advantage) had to achieve and retain at least parity with pay levels of the private sector in order for the Services to compete for entry level and experienced personnel. Unfortunately, as a result of inadequate annual adjustment of military pay levels, parity has not been maintained since 1972. The FY 81 Defense Authorization Act deestablished the annual military pay adjustment procedure in existence since 1966 and required that the President, by 1 April 1981, recommend an appropriate annual pay adjustment mechanism for the future. To date, the Army has not been asked for input on the appropriate mechanism. However, it is believed that service involvement in the development of a recommendation of a pay adjustment mechanism for military pay is of absolute necessity.

In attempts to identify the level of an immediate military pay raise needed to regain parity/pay comparability with the private sector, the relationship of Regular Military Compensation (RMC) to the Consumer Price Index; the Professional, Administrative, Technical and Clerical base (PATC - a factor constructed by Bureau of Labor Statistics); and the annual recommendation of the President's Pay Agent have been drawn. The resultant percentage comparisons range from a lagging of military pay by 1.6% to 14.7%. Since military pay had been tied to federal civilian pay since 1966 and civilian pay was directly evaluated by the PATC, it would appear sound that military pay retain parity with PATC until the identification of a private sector wage base more appropriate for the military. The outcome of a RMC to PATC comparison is that military pay needs an immediate 5.3% pay raise.

In addition, immediate removal of the ceiling on senior military pay imposed by the Executive Schedule Level V is required. The continued existence of this ceiling poses a disincentive for the retention of talented and dedicated service members essential for the future manning of the force. Levels of increased responsibility and the associated selfless dedication required must be recognized by an appropriate level of compensation. The expertise and experience provided by senior military leaders is critical to the security of the nation. The current ceiling compresses the level of senior military compensation toward that of subordinates and demands economic sacrifice for continued military service.

The goal of the Army is to achieve a stable compensation system that precludes economic sacrifice by dedicated members of all grades who serve in the defense of the Nation.

Army: ASA(M&RA), 21 November 1980

ARMY COHESION AND STABILITY INITIATIVE

Strong unit cohesion, particularly at the company, platoon and squad level, is an essential element of an effective unit on the battlefield. The cornerstone for developing strong unit cohesion is found in policies which minimize personnel turbulence. Soldiers must not only stay in units long enough to learn their jobs, but must develop confidence that their leaders and peers are equally proficient. Improved unit cohesion also requires a dedicated and properly trained leadership element, both officer and NCO, equipped with the authority and tools necessary to mold a cohesive force.

The CSA established a task force to examine the current status of unit cohesion and personnel stability. This task force identified three major areas of personnel turbulence as follows:

The high percentage of the total force structure based overseas and the Army's commitment to overman these units.

Personnel distribution and stabilization policies which give preferred treatment in assigning and stabilizing personnel to non-combat organizations and headquarters.

The practice of transferring personnel, within combat organizations, to units about to participate in training exercises.

To mitigate these factors, the Army will:

Improve its overseas/CONUS force ratio by discontinuing the policy of overmanning overseas units.

Review and eliminate where feasible policies which cause personnel shortages to be distributed unequitably.

Curtail practices which contribute to internal unit turbulence, as is frequently the case in preparing for training exercises.

Test a company rotation and deployment concept to partially replace an individual replacement system. This will keep soldiers together longer. Battalion and brigade rotation plans are also being examined for selective future implementation.

In response to the task force's findings regarding the need to improve the leadership element at company level and below, the CSA developed the following initiatives. Current shortages in captains and noncommissioned officers will be reduced or eliminated through increased promotions. This initiative will be coupled with a review of the Army's training system to ensure that essential skills and knowledge are provided Army personnel at the appropriate points in their career.

In the past, company commanders paid their soldiers; fed their soldiers in company mess halls; and had a greater perceived authority to reward outstanding performance than the centralized promotion systems provided today. The CSA recognizes that many of these tools that commanders had available to develop cohesion, have been eroded through the implementation of centralized management systems.

To counter balance the detrimental effects on unit cohesion that the efficiency of today's system provide, the CSA directed the study of a number of initiatives to provide increased soldier identification with his unit and increase the tools available to the commander to develop cohesion. These include a review of awards policy, and to a more limited extent promotion authority, to determine if these items could be decentralized and improved. Initiatives which add distinctive unit insignia to uniforms are being studied. In the longer term a regimental concept providing long term soldier affiliation with a single unit is also being examined.

As these and other areas of policy are examined, additional recommendations for improving unit cohesion will be identified. Each will be developed and coordinated to ensure that the end result will contribute to a more effective Army.

COMPANY REPLACEMENT PACKAGE (C-REP) EVALUATION

Currently, the Army uses an individual replacement system to fill units. The Army Cohesion and Stability Team recommended that the Army examine company-size replacements, with an ultimate goal of possibly expanding to battalion-size replacements.

The evaluation concept envisions forming approximately 19 combat arms (Infantry, Armor, Artillery) companies with personnel who will remain in these companies for the term of their initial enlistment. Assignment and stabilization in these specific companies will be a function of policy and not guaranteed by enlistment contract.

The evaluation will be conducted in four phases: initial entry training, stateside and overseas tours, disestablishment of the unit, and analysis of the impact of cohesion on retention of enlistees and careerists. Evaluation objectives are to consider system supportability, impact on readiness, training effectiveness over time, costs, and impact on first termers and careerists.

Actual company evaluation could commence as early as March 1981 with the formation of the first unit, and the balance (18 companies) would form April 1981 through February 1982.

A possible next step would be expansion to limited battalion/brigade replacement, with a future possibility of the Army moving to a regimental "home based" system. Staff planners are currently preparing to address the issues involved in these initiatives.

Army: ASA (M&RA), 1 December 1980

PRETRAINED MILITARY MANPOWER SHORTFALL

The Army should have enough pretrained manpower available to fill the 24 division force to full wartime levels at mobiliz tion and to sustain it under warfighting conditions until traine draftees are available. Because of shortages in the Army Nation Guard and Army Reserve units and low strength levels of the Indiv Ready Reserve and the Standby Reserve, the Army has a trained man power shortfall of between 200 and 300 thousand.

The shortfall is calculated by comparing requirements with supply over time during the first six months of the worst case situation, a NATO-Warsaw Pact war. Requirements for the total of trained personnel for: (1) the active Army, Army National Guard and Army Reserve units at full wartime levels; (2) the support structure for garrisons, base operations, maintenance, ammunition handling, etc.; (3) units needed for warfighting that are not manned or equipped in peacetime because of resource constraints; (4) an overhead account (transients, students, holdees), and (5) net casualty replacements needed to sustain the force under warfighting conditions.

Supply is (1) strength of the active Army; (2) reserve unit, Individual Ready Reserve, and Standby Reserve strengths at estimated "show" rates of 95%, 70% and 50%, respectively; (3) retirees recalled for duty, and (4) output of the training base--those in training upon mobilization plus volunteers and draftees after mobilization.

Based on data for end Fiscal Year 1979 the shortfall 90 days after mobilization is 270 thousand. Most of this critical shortfall is in combat and medical skills. With peacetime registration, the shortfall is eliminated by about 215 days after mobilization. Without peacetime registration the shortfall peaks at 320 thousand 180 days after mobilization and is not eliminated until 250-340 days after mobilization, depending on assumptions of registration restart capability.

With these shortfalls, Europe based and early deploying units will have to fight at less than wartime required strength; later deploying units and the continental US base may have to be stripped of trained personnel to provide casualty replacements and fill priority deploying units; there would be severe shortages of critical combat and medical skills; the Army would fight short of trained people more than six months, and there could be no early expansion of the force beyond the current 24 division force structure.

Many initiatives have been taken to reduce the shortfalls including enlistment and retention incentives for the active Army and the Reserves. Emergency legislation has been prepared to draft health professionals, and plans are being made to encourage veterans to volunteer during a mobilization. Even with these initiatives and peacetime registration, it is not certain the trained military manpower shortfall will be eliminated.

ARMY: DAPE-PSM, 24 Nov 80

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ARMY: DAPE-PSM, 24 Nov 80

CIVILIAN PERSONNEL SHORTAGES

Army civilian manpower is a critical component of the total Army. It is essential to the maintenance of force readiness, at a time when the realities of the limitations of the all volunteer environment are recognized. It is the one resource that can be utilized selectively and in a timely manner as new missions, readiness and force modernization needs dictate. It can be an invaluable resource to help accomplish force structure changes, relieve manning shortfalls, improve military training, assist the modernization process, while at the same time providing a basis for mobilization and sustainability. However, past arbitrary constraints on the amount and type of civilian manpower has tended to reduce its fullest potential in solving Army readiness problems.

The Army's civilian manpower program has been reduced by over 55,000 spaces since FY 74. This represents an 11 percent drawdown while documented workloads have increased significantly. If greater dependence upon the civilian component is to continue, it is imperative that it be given the highest resource visibility by management.

The widening gap between work requirements and civilian strength limitations has necessitated a documented use of borrowed military manpower on a daily average of 14,000 soldiers detailed from their units to fulfill civilian job requirements. The result is degradation of unit cohesiveness, a direct reduction in the Army's readiness posture and a constraint on unit training effectiveness.

While it is appropriate for management to minimize all costs, this should not be the overriding rationale when such actions offset adversely the accomplishment of other investment initiatives. Cost effective contracting-out as prescribed by Office of Management and Budget Circular A-76, and other productivity programs can reduce the requirements for civilian manpower but these actions, to date, have acted to preclude the effective management of civilian manpower to solve readiness and force development initiatives.

The Army, with the support of the Office of the Secretary of Defense, has advocated the elimination of arbitrary civilian personnel ceilings and the use of fiscal controls to manage civilian employment. Beginning in Fiscal Year 1982, Office of Management and Budget Circular A-64 advised the Departments that civilian manpower will be managed under a new system known as Full-Time Equivalent/ work years but still with no relief from current ceilings.

Enhancing Army operations worldwide is the Army's main objective. The Army suggests three major issues to improve the management of civilian manpower: (1) Provide greater flexibility in the management of civilian manpower by using fiscal controls; (2) Allow justifiable civilian increases to directly support Army readiness, improve Base Operations and the wholesale logistics system; and (3) Exclude the Army civilian workforce from government-wide freezes.

Army: ASA(M&RA), 21 November 1980

CEILING ON OVERSEAS DEPENDENTS

Army families have experienced extraordinary frustration and personal hardship as a result of actions necessary to comply with the Congressionally imposed ceiling on military dependents overseas. We anticipate that the number of family separations will grow significantly in coming months and expect substantive decline in career soldier retention rates as a direct result. Delay of families desiring to join their sponsors will continue even though we are in process of allowing military strength overseas to decline since June 1980 by some 7,000 personnel by the end of the calendar year. Complaints already received from military families illustrate that they consider the maintenance of family integrity a prime factor in making their career decisions. Many good soldiers may choose to return to the private sector rather than face added family separation and turmoil which they view as unnecessary.

The stated concerns of Congress in imposing the ceiling are valid. The Army recognizes the need to avoid a continuous growth of its dependent population overseas and we have tried to manage toward this end within the imposed ceiling constraint. Doing so entailed interrupting family plans of 5500 dependents and their career soldier sponsors. All of these people were at various stages of organizing a family move to or from overseas locations. As their plans for transferring children to new schools during term break, selling homes, buying or renting new homes, and shipping belongings were suddenly interrupted, frustrations mounted.

Predictions are that many more military families will be affected in the months ahead. The Army is doing its best but simply cannot avoid continuing to impose adverse conditions on its members under such ceiling constraints. On the other hand, we have initiated actions which will limit further growth of overseas military dependent populations with or without a ceiling. These include redistribution of troop strengths (primarily NCOs) from overseas commands to CONUS, test of a 2-year enlistment option which does not include command sponsorship, and reduction of certain unaccompanied overseas tour lengths.

In sum, even with these initiatives, to remain within current constraints the Army must continue to take certain actions which we know are contrary to the best interests of our people. The ceiling issue jeopardizes our ability to man the force, is costly, and could become a factor in where we send people and influence operational readiness decisions. We are paying a price in human terms as a result of the atypical family environments created by the imposition of the ceiling on dependents overseas.

The ceiling punishes our people. While mindful of the many Congressional initiatives to improve the lot of soldiers and their families, the ceiling has and will continue to hurt retention and degrade readiness.

ARMY: ASA(M&RA), 21 NOV 1980

FACILITIES CONSTRUCTION AND MAINTENANCE

Functional, well-maintained facilities are essential to a modern, ready Army. The Army's existing facilities are currently inadequate in number and type and are poorly maintained. These conditions have been caused by insufficient funding in investment and operating accounts. The Army could make much headway in improving its readiness and retention programs through a revitalized facilities program. Recommended areas of concentration are bachelor housing, family housing, operations and training facilities, medical facilities, maintenance facilities and utilities.

In the late 70's MCA funding trends were down. In the last 5 years the MCA program averaged only $840 million. Since FY 75, there has been a steady increase in construction funds devoted to national non-military requirements and programs (energy conservation and pollution abatement) and more recently force modernization initiatives. These increases have not been accompanied by a commensurate increase in funding. Thus, funding for plant replacement and modernization in the Five Year Defense Plan (FYDP) is insufficient to reverse the aging and deterioration of the Army physical plant. From a high of 52 percent of the total MCA program in FY 75, the plant replacement program has been reduced to an average of 31 percent in the FYDP to make room for directed initiatives. This funding level provides an average replacement rate of five million square feet a year. At this rate, it would take the Army almost 200 years to replace all of its buildings.

Over half of the construction backlog (total $14 billion) represents facilities in need of replacement or modernization due to aging and deterioration.

Another measure of the deterioration of facilities is the backlog of maintenance and repair (BMAR). BMAR is estimated to be over $1.8 billion worldwide and is well over the congressional containment level of $1.2 billion. BMAR continues to grow because programs have not fully funded the annual recurring requirement for maintenance and repair. During the decade of the seventies, the cost of facility support almost tripled, while requirements continually outpaced funds due to resource constraints, inflation and the aging of facilities. At current maintenance and repair funding levels BMAR will rise to over $3 billion by the end of FY 86.

The Army's portion of the DOD Family Housing Management Account (FHMA) pays for the operation, maintenance, repair, improvements and debt service on current inventory and for the construction of new housing units. The family housing program is closely allied with recruiting/retention/quality-of-life issues and, therefore, impacts

directly on personal and unit readiness. Until FY 78, when the purchasing power of the US dollar began a severe decline, funding for family housing was sufficient to provide a balanced program. During FYs 79, 80 and 81, currency devaluation, inflation and failure to gain supplemental appropriations for FHMA pay raises necessitated mid-stream skewing of the program to meet basic operational expenditures. To avoid the increasing need for mid-term program adjustments, the FY 82 program was developed to meet the "cost of ownership," i.e., the expenditures necessary to operate and maintain current inventory.

Current outyear funding levels will not permit a balanced program and by FY 84 will not cover even the "cost of ownership." Without an augmentation there will be virtually no funding for other aspects of the program. This places the entire program at risk of collapse, and we will be unable to meet our commitment to the soldier and his family.

OPERATION AND MAINTENANCE, ARMY (OMA) APPROPRIATION
COST GROWTH FUNDING STATUS

The Operation and Maintenance, Army (OMA) appropriation funds a myriad of activities associated with doing "daily business" throughout the Army. In this respect, OMA funds are similar to corporate operating cash. Because of the diversity and dynamics of operational, fiscal, and economic conditions Army-wide, it is essential that the OMA appropriation be funded at a level consistent with these conditions, particularly for various types of cost growth (inflation) and that these funds be made available in a timely manner.

At this point, adequate funding provisions have been made for OMA cost growth in Fiscal Year (FY) 1981 and 1982. It appears that the FY 1981 Department of Defense (DoD) Appropriation Bill, which includes the OMA appropriation, will be enacted during December 1980. Additional FY 1981 cost growth funds will be included in a supplemental appropriations request to be submitted in January 1981. Hopefully, this request will be acted upon in a timely manner, preferably before the end of the second quarter but from a more realistic standpoint, by the end of May 1981. Enactment of the FY 1982 DoD Appropriation Bill before 1 October 1981 would greatly assist in making a good start in FY 1982.

Cost growth assumptions and funding guidance were provided by the Office of the Secretary of Defense (OSD) for developing the FY 1982 OMA budget, now being reviewed by OSD.

Although OMA is considered to be properly funded for estimated FY 1981 and 1982 cost growth, subsequent economic changes could force sudden inflationary increases requiring decisive and prompt actions. FY 1980 was a classic case of both cost growth increases during the year and of major actions taken to provide funds for the continuing rise in prices. In addition to the annual DoD Appropriation Bill, FY 1980 OMA cost growth funds were requested in a budget amendment and later on in a supplemental. Deficiency obligations were also incurred following the invocation of Revised Statutes (RS) 3732 by the Secretary of Defense (SECDEF) during the second quarter. Thus, three major fundings, following the submission of the President's budget, were phased throughout FY 1980 to provide additional funds for the surging price increases being experienced.

It is vital to effective OMA program accomplishment that FY 1981 and FY 1982 cost growth trends be realistically reviewed and funding implications assessed on a continuing basis. If additional funds are needed for projected higher

cost growth, actions similar to those taken during FY 1980 and thus far in FY 1981 should be initiated - early on. Both timing and amounts are key elements in avoiding the erosion of approved programs due to unfunded cost growth.

EQUIPMENT SHORTAGES IN THE U.S. ARMY RESERVE

Equipment shortages and obsolescence are critical factors that inhibit readiness in the US Army Reserve (USAR) troop program units due to the extended acquisition lead time necessary to meet military commitments after a national emergency is declared. The materiel to equip the USAR units to combat posture is, in many cases, neither currently in the Army inventory nor budgeted for future acquisition. Yet such equipment is primary factor in USAR readiness posture—readiness to perform wartime missions.

USAR units are no longer considered merely reinforcement units—but are now required to provide the majority of the active Army's immediate wartime support capabilities. This fact is reemphasized by the recent inclusion of USAR units in the Rapid Deployment Force.

Equally important is the need for adequate and modern equipment on which to train. USAR personnel must be qualified to operate and maintain the equipment with which they will be mobilized, as well as new families of weapons and equipment for which the Reserve Component force will be required to support. These include weapons systems such as the XM1 tank and Black Hawk helicopter, and sophisticated electronic equipment necessary for the Combat Electronic Warfare Intelligence (CEWI) units to perform their mission. Use of outmoded equipment which is incompatible with active Army equipment restricts the USAR's ability to operate and support modern equipment. Early acquisition of current generation equipment for USAR units is needed to improve the support capability of the USAR.

At the end of FY 80 USAR units were short $2,461.2 million or 55% of the dollar value of major items required for mobilization and $1,315.2 million or 39% of the dollar value of major items required for training. Additionally, USAR units were short $314.2 million or 86% of the dollar value of reportable stock funded items required for mobilization and $115.3 million or 69% of the dollar value of reportable stock funded items required for training.

The USAR must be relied upon by the Total Army for combat support and combat service support. Consequently, the USAR must be adequately equipped prior to mobilization to perform its wartime missions.

ANNUAL AUTHORIZATION OF THE OPERATION AND MAINTENANCE (O&M) APPROPRIATIONS

Effective in Fiscal Year (FY) 1982 the Operation and Maintenance appropriations of the Services, Reserve Components, and Department of Defense (DoD) Agencies will be subject to annual authorization as well as appropriation. The added legislative requirements raise concerns about delays in O&M funding requests and necessary flexibility in the execution of O&M funded operations.

The O&M appropriations fund myriad of activities associated with doing "daily business" throughout the Army. In this respect, O&M funds are similar to corporate operating cash. Because of the diversity and dynamics of operational, fiscal, and economic conditions Army-wide, effective management requires there be reasonable timeliness in making O&M funds available and sufficient flexibility in the use of these funds. The current appropriations process has generally been responsive to these necessary management needs.

Public Law (PL) 96-342, the "Department of Defense Authorization Act, 1981", approved on 8 September 1980, requires the annual authorization of the O&M appropriations in FY 1982. PL 96-342 requires the Secretary of Defense (SECDEF) to submit a report to the Congress not later than 15 February each year which recommends levels at which specific activities should be performed during the coming fiscal year and justifies the funds recommended for these purposes. The activity levels applicable to the Army are the number of aircraft flying hours, field training days for combat arms Battalions, aircraft engine and airframe reworks, and vehicle overhauls. A detailed projection of unit readiness is also required.

The Office of the Secretary of Defense (OSD) opposed inclusion of the O&M authorization requirement in the FY 1981 DoD Authorization Bill. OSD is developing procedures for compliance. Under the best of circumstances, there will be "growing pains" during (a) the initial authorization of O&M in FY 1982, and (b) the execution of operating programs subject to the provisions of two public laws and the interests and direction of four committees reflected in six reports.

SUFFICIENCY OF STRATEGIC AIRLIFT AND SEALIFT

The projection of Army forces to areas of United States interest requires balanced Department of Defense (DOD) strategic mobility programs for airlift, sealift and prepositioning. In the past, however, more emphasis has been on prepositioning in Europe at the expense of improving our capability to rapidly deploy forces worldwide.

While requirements for strategic air and sealift resources are contingency/scenario dependent, recent assessments of strategic lift capabilities, both current and programmed, indicate that shortfalls exist in moving our forces within the time required to meet either North Atlantic Treaty Organization (NATO) and/or Southwest Asia reinforcement objectives. The Army is dependent on the other Services to deploy its forces: the Air Force for initial early deployment and the Navy for movement of heavy forces and sustainment. In this regard, we fully support their programs to reduce the lift shortfall and recognize a need for accelerating programmed improvements, as well as the requirement for additional mobility forces.

The Air Force's Airlift Enhancement Program, designed to increase capability, includes the C-141 stretch/refuel program, modification to new civil air carrier aircraft to carry heavier/vehicle military cargo, and increasing the C-5 and C-141 flying hour utilization rates. The Navy's Sealift Enhancement Plan includes the acquisition and conversion of eight SL-7 Class container ships to a roll-on/roll-off configuration. Funds should be provided to accelerate these programs at the earliest practical time. The airlift programs are now ongoing but the SL-7 sealift option remains in the acquisition stage pending approval of a FY 81 Defense Appropriation Bill. Timeliness is important in this issue because of the lead time required for design and procurement of specialized equipment.

New lift initiatives are also required. The development of the strategic airlift aircraft, currently known as the C-X, should be supported; the expeditious procurement of additional roll-on/roll-off ships is encouraged; modification of retired aircraft carrier type vessels to lift combat forces and perform a substainability role to include ferry of aircraft, a floating aircraft maintenance facility and a resupply source for stockage of aircraft parts at high speeds should be programmed; and increased research and development for Surface Effects Ships should be supported. The Department of Defense has an urgent need for fast dedicated sealift that will provide the flexibility required to deploy and sustain forces to NATO or distant/remote areas of the world.

In order for the United States to remain strong, it must be capable of rapidly projecting its power to the area of influence.

PROVISION OF WATER FOR RAPID DEPLOYMENT JOINT TASK FORCE IN SOUTHWEST ASIA IS LIMITED

Fresh water sources are extremely scarce in the arid Southwest Asia environment where the Rapid Deployment Joint Task Force would likely deploy. The high ambient temperatures in this region result in much greater body requirements for water. Moreover, in most instances, water must be cooled before it can be consumed. These constraints neccessitate requirements for large amouts of water to support deployed troops. For example, it is estimated that a planned force would require five million gallons of potable water per day.

On 22 September 1980, the Office of the Deputy Chief of Staff for Logistics, Department of the Army was designated the Department of Defense (DOD) Executive Agent for Land-Based Water Resources. The Army is developing doctrine and organizational and operational concepts for provision of water. It is also responsible for water resource research, development and acquisition for all DOD components. The current focus is on a plan to provide minimum essential water support equipment for a moderately-sized force, and a longer term plan for larger forces.

A systems approach has been utilized to develop requirements for the provision of water. Materiel required includes equipment for detection, production, treatment, distribution, storage and cooling of water. Each is a critical link in the water supply system.

Doctrinal studies and analyses conducted to date indicate that the technology and equipment needed to solve the water resources problem exist. A very limited amount of equipment for production and treatment of water is presently being procured and a variety of commercial items are under consideration. Selected military equipment which was designated for distribution and storage of petroleum products can be used for water, provided it has not been contaminated. Accordingly, certain types of petroleum equipment were ordered held in depot for use in providing water until replacement equipment is acquired.

The issue of Host Nation Support for water and other logistical items in the Southwest Asia region is also being carefully considered. A variety of studies are ongoing to determine what water resources are available, and initiatives are underway to obtain bilateral agreements for Host Nation Support.

Although a series of water resources funding initiatives have been undertaken, to date they have been largely unsuccessful. A DOD directed amendment to the President's FY 81 budget, including funds for water resource equipment, was postponed to the next session of Congress. The lack of funds has delayed the acquisition and fielding of needed water support equipment.

The Rapid Deployment Joint Task Force may be required to deploy in the hostile environment of Sothwest Asia. Great progress has been made in developing doctrine and identifying equipment to be used for provision of water in this environment. American forces can be provided with required quantities of water so long as the necessary equipment is funded at the earliest possible time.

Army: ASA(IL&FM), 21 November 1980

BALLISTIC MISSILE DEFENSE (BMD): A KEY TO IMPROVING STRATEGIC DETERRENCE

The Value of BMD within the overall framework of strategic deterrence has been debated since the BMD program began 25 years ago. Moderate political opposition as well as the limits of the Anti-Ballistic Missile (ABM) Treaty, have prevented all but a brief BMD deployment (SAFEGUARD SYSTEM 1975 to 1976). Today's world environment seems to dictate increased empahsis on BMD Research and Development (R&D) as a most prudent hedge against technological surprise or unconstrained growth in Soviet strategic threat in the late 1980's and beyond.

What has changed? First, Multiple Independently-targeted Reentry Vehicles (MIRVs) coupled with improved accuracy have significantly impacted on the calculus which predicts the outcome of strategic exchanges between the United States-Union of Soviet Socialist Republics (US-USSR). Second, dismantling of SAFEGUARD, (US MINUTEMAN defense system) was followed by a reduced level of effort in BMD programs. This reduction has allowed the Soviets to greatly cut the United States' lead in BMD technology. Third, trends in technology point to potential vulnerability of not only Inter-Continental Ballistic Missiles (ICBMs), but other legs of the TRIAD as well.

Assuming the United States will continue to rely on its strategic forces as a guarantor of deterrence, some possible consequences of the changes cited above are:

1. The second strike option may no longer be available to the United States if something is not done to improve the survivability of the United States ICBM force.

2. Before MIRVs, the strategic exchange calculations made the First Strike unattractive. Now the exchange analysis could favor the first striker.

3. Strategic Defense, passive (multiple protected shelters of MX) and active (BMD), tends to move the exchange outcome back in favor of the second striker.

4. In the era of MIRVs it may offer a measure of stability.

5. Soviet BMD technology has matured. A Soviet BMD has potential to enhance the Soviet option for first strike. In the long term, a more important effect of a Soviet BMD is the incentive it would give for the Soviets to rely on their capability for a second strike.

6. A symmetrical view exists in which the deterrent value of a United States second strike is enhanced by deploying BMD.

Since the United States is conducting vigorous BMD Research and Development, resources must continue to insure program vitality. Fortunately, the technological edge still favors the United States. The potential to improve the edge, avoid surprise, and promote stability - even including substantive arms control - rests with continued funding which protects the current level of effort. Selective increases would enhance those areas of BMD R&D which promise high pay-off. Programs such as the Low Altitude Defense (LoAD) Pre-Prototype Demonstration (PPD) and the Homing Overlay Experiment (HOE) technology for exoatmospheric Reentry Vehicle (RV) target kill are prime candidates for increased level of effort.

The PPD for LoAD which will provide short range kill to defend hard point targets, currently enjoys the highest priority among over 50 advanced technology and systems efforts which comprise the BMD program. Other major efforts are:

1. acquisition and analysis of radar and optical data on Soviet and United States RVs;

2. technology to harden BMD components against nuclear effects;

3. radar, optical, data processing, interceptor, and discrimination technology;

4. BMD operations at Kwajalein Atoll;

5. cost analysis; and

6. system and threat studies.

CHEMICAL RETALIATORY FORCE MODERNIZATION--CURRENT STOCKPILE UPGRADE AND BINARY SYSTEMS ACQUISITION TO INCLUDE FORWARD DEPLOYMENT

A balanced program is needed to reestablish a credible chemical warfare retaliatory capability. The components of this program are the current stockpile (which approaches obsolescence during this decade) and the creation of a new stockpile consisting of modern binary munitions. A stable transition from the existing stockpile to the new stockpile and resolution of the critical issue of forward deployment is essential to upholding US policy and North Atlantic Treaty Organization (NATO) committments. The Modernization effort supports three important policy areas: a negotiated agreement with the Soviet Union banning offensive chemical warfare weapons; it will be a deterrent to the use of chemical weapons against US forces by others; and it will provide an effective retaliation, in-kind, should deterrence fail.

An active maintenance program is presently restoring a limited number of munitions in the current stockpile to a ready-to-fire condition. However, even when this is completed, the stockpile will not be adequate. The existing mix of munitions and agents, and their deployment locations, is not optimal. Another problem is the cost to maintain the current stockpile in a safe, secure, and deployable manner. This cost, as well as the expense associated with the demilitarization of unserviceable/unrepairable munitions, will continue to increase during the 1980's.

If a decision is made to acquire modern binary munitions we will have reversed a dangerously long decline in our chemical warfare capability. The proposed modernization program will begin with the production of artillery munitions and later extend to the production of air-delivered munitions and tactical missiles. This will provide us with a flexible response to an enemy's initiation of chemical warfare.

Congress recently authorized construction of a facility to produce 155mm artillery munitions, but the issue of procuring equipment for the plant was deferred. In order to initiate actual production, it will be necessary for the President to certify to the Congress that new production of chemical munitions is essential to the national interest. In the interim, the Office of the Secretary of Defense (OSD) has directed the Army to initiate advanced programming to be prepared for program execution if this decision to modernize is made. In the National interest additionally, the President must submit a full report on the matter to the President of the Senate and Speaker of the House, as far in advance of the production of the munitions as practicable.

Army: ASA(IL&FM), 20 November 1980

POSSIBLE IMPLICATIONS TO OPERATION OF THE PANAMA CANAL COMMISSION IF THE ASA(CW) POSITION BECOMES VACANT FOR ANY LENGTH OF TIME EARLY IN THE NEW ADMINISTRATION

The Panama Canal Treaty Implementing legislation, P.L. 96-70, provides that the Panama Canal Commission be supervised by a Board composed of nine members, five of whom are U.S. Nationals, the remaining four Panamanians. All Board members are appointed by the President. The U.S. members are appointed with the advice and consent of the Senate. One of the U.S. members shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary; this member is empowered by the statute to direct the votes of the other U.S. Board members. The ASA(CW), by delegation, now represents the Secretary of Defense in this capacity.

A quorum for the transaction of business, by law, requires the presence of a majority of the Board members, of which a majority of those present must be U.S. members. Accordingly, should the ASA(CW) position become vacant and remain so, a Board could not be constituted for the transaction of business (unless Panama were requested to, and unexpectedly agreed to, withhold attendance by at least one of its Board members at such a meeting). This could become critical in the event of an emergency such as a landslide that would require Board approval of major reprogramming of funds, or submission of a supplemental appropriation request in order to restore efficient operation of the Canal. Should the Board be unable to convene, and should the Administrator take unsanctioned action on his own initiative, a diplomatic imbroglio could result.

Moreover, a vacancy in the position of the Secretary of Defense' designee on the Board would mean an inability for the Secretary of Defense to direct votes by the three private-sector U.S. Board members and by the fifth U.S. member (now a Deputy Assistant Secretary of State), either at a Board meeting or in an action of the Board's Executive Committee. The new Secretary of Defense personally could act as a Board member, and direct other U.S. members' votes, but only if he had been separately or simultaneously confirmed by the Senate as a Board member of the Commission.

In sum, it is important to minimize a hiatus during which the present ASA(CW) has left DOD and a new Secretary of Defense designee -- presumably the new ASA(CW) -- has been nominated by the President and confirmed by the Senate.

POSSIBLE ISSUE EARLY IN NEW ADMINISTRATION: APPLICABILITY OF A FEDERAL HIRING FREEZE TO THE PANAMA CANAL COMMISSION

A priority action in any plan to control Federal spending could be the imposition of a total freeze on hiring of Federal employees. Any effort to extend such a freeze, or even a partial one, to the Panama Canal Commission should be resisted.

Effective March 14, 1980 President Carter imposed a fifty percent hiring freeze on most government agencies. The Deputy Secretary of Defense successfully appealed the application of that freeze to the Commission.

Treaty implementing legislation, the Panama Canal Act of 1979 provides that no appropriations be made to the Commission in excess of revenues earned and deposited in the U. S. Treasury. Accordingly, salaries and wages do not represent a cost to United States taxpayers. Since the vast majority of employees, over eighty percent of whom are Panamanians, reside in the Republic of Panama there is little inflationary impact on the United States economy. Moreover, the first $10 million of any excess of Canal revenues over Canal costs in any given fiscal year goes to the Republic of Panama under the Treaty; thus any cost savings as a result of a hiring freeze would not accrue to the United States.

There are other considerations as well. These will be discussed as needed.

MANAGEMENT OF SECTION 404 OF THE CLEAN WATER ACT
(FEDERAL WATER POLLUTION CONTROL ACT (PL 92-500))

There are three aspects of the regulatory program administered by the United States Army Corps of Engineers under Section 404 of the Clean Water Act (CWA) that will likely surface early in the new Administration. The first is that while the Corps administers the Section 404 regulatory program, according to a September 5, 1979, Opinion of the Attorney General, the Environmental Protection Agency (EPA) has final authority to determine its jurisdiction. The second is the potential inclusion of the regulation of solid waste disposal in waters of the United States as a discharge of fill material within the Section 404 program. The third pertains to the effect that the conditioning of Section 404 permits may have on individual states' roles in allocating water rights.

The Corps and EPA have developed a Memorandum of Understanding (MOU) which establishes policies and procedures for resolving the jurisdictional issues. Substantial progress has been achieved under the MOU in narrowing the area of uncertainty of jurisdiction but much remains to be done. The split in jurisdiction and operation authority gives rise to a certain degree of duplication of effort and overlapping responsibility, has the potential of creating public confusion and, to the extent that there are problems of achieving adequate coordination, detracts from the Corps' ability to manage its regulatory program efficiently.

A reasonable case can be made that the CWA did not contemplate the regulation of solid waste disposal in waters of the United States as a discharge of fill material under Section 404. On May 19, 1980, however, EPA published its consolidated regulations which withdrew the siting of non-hazardous solid waste disposal facilities from the states under the Section 402 program administered by EPA. The new regulations characterize these waste disposal operations as the discharge of fill material subject to Corps' regulatory control. Army's preliminary estimate (likely low) is that the Corps' assumption of control over solid waste disposal operations would require $5 million annually and 110 people. Army discussions with EPA are underway in this matter. Army has taken the firm position with OMB in the past that it will accept no new missions without the addition of the requisite manpower - from either the agency transferring the mission or from a new OMB space allocation.

The Corps has the authority to condition permits to provide for minimum stream flows where water conservation and adverse impacts on the aquatic environment warrant. The exercise of such paramount Federal rights at times restricts the amount of water available to the states to allocate under state law. This conflict has given rise to statements by the National Governors' Conference that the Federal Government has no authority under Section 404 so to condition permits, in that doing so alters or interferes with the water rights or allocation system of the states, contrary to Section 101(g) of the CWA; Army disagrees.

ARMY: ASA(CW), November 24, 1980

SA issue

LOCK AND DAM 26 AND ITS RELATIONSHIP TO THE UPPER MISSISSIPPI RIVER BASIN COMMISSION

The Congressional act which authorized the replacement of the existing Locks and Dam 26 with a new single lock and dam at Alton, Illinois, also directed the Upper Mississippi River Basin Commission (UMRBC) to prepare a comprehensive master plan for the management of the Upper Mississippi River System and to perform related economic and environmental studies, including an analysis of the economic need for a second lock at Alton. During most of 1980 the master plan studies were embroiled in controversy over an underlying but all-important issue - the need for a timely Congressional decision regarding the second lock.

Navigation interests and traffic projections have asserted the need for expansion of the navigation capacity of the Upper Mississippi River System. Normally, that need would be investigated under the Corps of Engineers' General Investigations (GI) program. Section 101 of PL 95-502 directs the UMRBC to make studies related to expansion of navigation capacity and the feasibility of a second Alton lock.

Section 102 of PL 95-502 authorizes the Secretary of the Army, acting through the Chief of Engineers, to replace the existing Locks and Dam 26 with a new dam and a single 1200 foot lock. Section 101(j) directs that this replacement project shall be so designed and constructed to provide for possible future expansion, i.e., to accommodate the inclusion of a second lock. The Corps of Engineers is thus presently engaged in the construction of this project which must be able to accommodate a second lock at the same time as the UMRBC is conducting studies concerning the economic and environmental feasibility of the second lock. Of course, the second lock construction is not authorized: such authorization awaits the outcome of the UMRBC studies and Administration review.

From August 1979 until June 1980 the UMRBC, supported by the Carter Administration, attempted to have Congress enact legislation to extend the authorized deadline for submittal of the final master plan from January 1982 to July 1983. That proposed legislation aroused heated opposition from Congressional supporters of a second lock at Alton because of a desire to efficiently phase in the construction of the second lock (assuming master plan studies support a second lock) with the ongoing single lock replacement project. A by-product of that controversy is a 27 August 1980 resolution adopted by the House Committee on Public Works and Transportation calling for the Corps to perform a feasibility study of the second lock by January 1982. That issue has been resolved with the UMRBC agreeing to complete its studies and transmit the final master plan to Congress by 1 January 1982. It is highly unlikely that, under this schedule, the study will provide, at an adequate level of detail, a basis for a sound decision on the economic and environmental feasibility of a second lock.

A unilateral feasibility study by Army, performed to Corps standards, would require at least as much additional time as the UMRBC sought unsuccessfully to have Congress allow for its study. It is possible that during FY 1982 budget hearings, scheduled for February 1981, or in the months that follow as the UMRBC study is completed, Army may be asked to accomplish additional studies on the second lock at Alton. If the Congress indicates a desire to fund such a study to backup the UMRBC effort, the Army should be ready to do so.

FUTURE FORM AND FUNCTION OF THE WATER RESOURCES COUNCIL

The Water Resources Council (WRC) was established by the Water Resources Planning Act of 1965 (P.L. 89-80) and consists of the following Members: The Secretaries of Agriculture; Army; Commerce; Energy; Housing and Urban Development; Interior; Transportation; and, the Administrator of the Environmental Protection Agency. The purpose of the Act was to encourage conservation, development and utilization of water and related land resources of the United States on a comprehensive and coordinated basis.

President Carter attempted to strengthen the WRC by providing it with the implementation responsibility of portions of his water policy initiatives. E.O. 12113, 4 January 1979, gave the WRC the responsibility for independent project review. The intent of the independent project review is to improve the credibility of water resource project reports. However, in FY 1980 and FY 1981, Congress prohibited the use of funds for this purpose without specific Congressional authorization. As a result, the Corps currently has 21 preauthorization and 13 post-authorization project reports at the WRC which have not been reviewed. Consequently, no preauthorization reports are being transmitted to Congress by the Administration and no new construction or post-authorization planning starts are being budgeted in FY 1981 and again in FY 1982. The new administration will have to decide whether or not it should continue to press for independent project review as a condition for new project authorization and budgeting for new post-authorization planning and construction starts.

Beginning with FY 1978, Congress limited appropriation authorizations for WRC to a single fiscal year. The 96th Congress was considering several billa which would reauthorize its activities and restructure its membership. The current practice is to have the Council chaired by the Secretary of Interior although the President may designate the Secretary of another agency or an independent chairman. Under S. 1639, which was supported by the Carter Administration, membership of the WRC would be reduced to 4 agencies (Army, Interior, Agriculture, and EPA) and an independent chairman designated. A State Advisory Committee would also be established under S. 1639 to strengthen the Federal relationship with the States and provide for State input and insight into water resources policy development.

The new administration will have to establish a position on the responsibilities and organizational structure, including the chairmanship and the independent review function, of the WRC.

Army: ASA(CW), 24 November 1980

ROLE OF THE SECRETARY IN CIVIL WORKS

As head of the Department of the Army, the Secretary is responsible for, and has the authority to conduct, the Civil Works Program of the Corps of Engineers. The Army's mission in civil works includes (1) the planning, construction and operation and maintenance of water resources projects producing principally navigation, flood damage reduction, hydropower, water supply and recreation benefits; (2) certain regulatory functions relating to construction work in navigable waters and disposition of dredge and fill materials in "waters of the United States" and in wetlands; (3) emergency operations relating to floods and other natural disasters; and (4) provision of technical assistance to State and local governments in the use of water resources.

Because of unique statutory, regulatory and administrative provisions governing the Secretary's civil works responsibilities, he and his Assistant Secretary (Civil Works) necessarily have direct operating relationships with the White House, Office of Management and Budget, other Departments, Congress, State and local governments, and the public which are peculiar to these programs and are unlike the operating relationships under other Defense and Army programs.

The extent of the Secretary's personal involvement with civil works is a function of the extent to which the President assumes an active stance regarding water resources policy and project implementation. The trend in the last decade is for increasing Presidential direction of the water program, but with regard to construction of water projects, the President has mainly tried to rein in what were viewed as Congressional excesses, and the Administration has thus been in a basically reactive posture.

Another determinant of Secretarial involvement in civil works is the extent to which he personally may wish to support Departmental budget requests and positions on water policy and programmatic initiatives. In the past, the Secretary of the Army has personally met with the Director of the Office of Management and Budget and the President on civil works budgetary and manpower matters. More often, the Assistant Secretary (Civil Works) has represented him in dealings with the White House Staff, Office of Management and Budget and other agencies.

To the extent that the Administration promotes positions regarding civil works matters which are unpopular with the water resources authorizing and appropriations subcommittees of Congress, the Secretary may be called personally to testify before these subcommittees.

The role of the Secretary of the Army in water policy initiatives is further governed by the assignment of responsibility within the executive branch by the President. While the Corps of Engineers is the nation's largest water resources development agency, the responsibility for coordinating water resources policy and programmatic initiatives rests, by law, with the Water Resources Council, whose members include the Secretary of the Interior, who normally serves as Chairman, the Secretary of the Army, and six other departmental or agency heads. The Assistant Secretary of the Army (Civil Works) represents the Secretary on this body as Member's Alternate.

The Secretary may delegate (and has delegated) all civil works authorities to the Assistant Secretary of the Army (Civil Works) except those he cannot (for example, regulatory cases which may be elevated to the Secretary by other agencies). Delegation enables the Secretary to remain largely free of unnecessary entangling actions, and insures that, for example, most Congressional inquiries are directed toward the Assistant Secretary of the Army (Civil Works).

In spite of his delegation of responsibilities, the Secretary can be expected to be asked about various civil works matters when meeting with Congressmen or Representatives of other Governmental entities or the private sector.

RESPONSIBILITY OF THE SECRETARY OF THE ARMY FOR PANAMA CANAL AFFAIRS

By Executive Order, the Secretary of Defense was delegated certain authorities and functions of the President pertaining to the Panama Canal. The Deputy Secretary of Defense designated the Secretary of the Army as the senior Defense official involved in the management and operation of the Canal. The Secretary of the Army redelegated all authorities, functions and responsibilities vested in him to the Assistant Secretary of the Army (Civil Works).

The Assistant Secretary exercises his responsibilities with regard to the Panama Canal in three functional capacities:

1. Exercises general oversight responsibilities guided by the Panama Canal Treaties and related agreements, United States law, Executive Orders, and Department of Defense delegations.

2. Serves as the Secretary of Defense's designee on the Board of Directors, Panama Canal Commission, with authority under Public Law 96-70 to direct the vote of the United States majority on the Board. (He has been elected Chairman of the Board as a result of the "first among equals" status among the five United States Board members.)

3. Acts on behalf of the Secretary of Defense to coordinate the development of compatible or unified systems for wages and employment practices among agencies. Additionally, he is permanent Chairman of the Panama Area Personnel Board.

THE RESPONSIBILITY OF THE SECRETARY OF THE ARMY FOR ARLINGTON NATIONAL CEMETERY AND THE SOLDIERS' HOME NATIONAL CEMETERY

The operation of Arlington National Cemetery and Soldiers' Home National Cemetery is a civil function of the Department of the Army. The Secretary of the Army has delegated to the Assistant Secretary of the Army (Civil Works) the responsibility for overseeing the administration of both the cemeteries. The Assistant Secretary of the Army (Civil Works) is the appropriation director for the Cemeterial Expenses, Army, Appropriation. Guidance is provided by the Office of Management and Budget directly rather than through normal Departmental Channels. While providing policy and budgetary oversight for the two cemeteries, the Assistant Secretary of the Army (Civil Works) does not become directly involved in day-to-day cemeterial matters.

Day-to-day administration, operation, and maintenance of the cemeteries are the responsibility of the Casualty and Memorial Directorate of the Adjutant General Center (TAGCEN). The Adjutant General's office also performs the detailed duties of appropriation manager and coordinates day-to-day budget matters.

The Assistant Secretary of the Army (Civil Works) performs three particularly important cemeterial missions for the Secretary:

1. He responds to written inquiries to the White House and the Department of Defense concerning all aspects of cemetery operations.

2. Based on the nature of the inquiry, he makes judgments on proposed interments for those cases which do not meet the criteria for burial, or are questionable, and advises the Secretary on inquiries referred to him. As a rule, the only exceptions to burial policy are made by the White House.

3. The Assistant Secretary of the Army (Civil Works) reviews, and defends if necessary, testimony on the proposed cemetery budget each year before the Senate and House Subcommittees of the Appropriations Committees.

ARMY ROLE IN MILITARY SUPPORT OPERATIONS

The Secretary of the Army is designated as the Department of Defense Executive Agent for a series of military support missions which may require the commitment of Department of Defense resources in support of civil authorities or other Federal agencies. These support missions are collectively known as "military support operations". Typical mission areas include:

- Civil disturbances
- Natural disasters
- Combating terrorism
- Combating crime in the District of Columbia
- Medical Assistance to Safety: Traffic (MAST)
- Augmentation of the United States Postal Service
- Support to 1980 Winter Olympic Games

Department of the Army General Orders 15 delegates the Secretary's Executive Agent responsibilities for military support matters to the Under Secretary of the Army.

Military support operations may take the form of materiel support (radios, vehicles, disaster supplies, etc.) or ultimately include the commitment of Defense personnel resources (operators, flight crews, troop units, etc.) in a variety of support roles. In all cases, however, military support is provided only when the magnitude of the given requirements exceeds the requestor's resources and/or capability. When support is provided, termination is brought about at the earliest practicable time.

Requests for military support come from a variety of requestors such as State Governors, the Department of Justice, the Federal Bureau of Investigation, and the Federal Emergency Management Agency or are passed down from a higher authority through the Office of the Secretary of Defense. Normal routing is (1) from civil authorities to the Office of the Secretary of Defense or to Defense via the Department of Justice - depending on the type support requested, or (2) from other

Federal agencies to the Office of the Secretary of Defense. When requests are received out of channel, it is mandatory that the Executive Agent insure that appropriate coordination is accomplished prior to rendering a decision on the support request.

Generally, Executive Agent operating procedures in force require that requests for support be forwarded in writing and signed by an individual of high responsibility in the requesting organization. In certain quick reaction emergencies, the request, its coordination, and Executive Agent approval may be accomplished orally and documented in writing as soon as practicable.

Currently, the principal officials involved with the coordination and approval of military support requests include the White House, the Deputy Attorney General, the Special Assistant to the Secretary and Deputy Secretaries of Defense, the Under Secretary of the Army, the Army General Counsel and the Army Staff represented by the Director of Military Support, Office Deputy Chief of Staff for Operations and Plans. Respective roles and coordination requirements vary depending on mission support requested, but the need for the continuous flow of information remains constant among the principal officials.

The Director of Military Support by terms of reference has been assigned specified functional responsibilities for the Executive Agent and in so doing is the principal Army operator for military support operations. His missions include policy formulation, support planning, procedural development, monitoring the employment of Department of Defense resources, and the processing of military support requests to include all necessary coordination and the development of the Army recommendation for Executive Agent decisions.

POLICY COUNCILS

THE ARMY POLICY COUNCIL

The Army Policy Council headed by the Secretary of the Army is the senior policy advisory council of the Department of the Army. It provides the central forum for consideration of important matters of Army policy by the Secretary of the Army and his principal civilian and military assistants.

Establishment

The Army Policy Council was established as a continuing committee by the Secretary of the Army 26 January 1950. Headquarters, Department of the Army Memorandum No. 15-18 prescribes the Council's purpose, composition, and functions.

Purpose

The purpose of the Council is to provide a forum for the discussion of Army subjects of significant policy interest. The Council also provides an opportunity for Council members to counsult with other members on matters arising within their specific areas of responsibility.

Composition

The composition of the Council is as follows:

Members

Office, Secretary of the Army	Army Staff
Secretary of the Army	Chief of Staff, United States Army
Under Secretary of the Army	Vice Chief of Staff, United States Army
Assistant Secretaries of the Army	Director of the Army Staff
General Counsel	Deputy Chiefs of Staff
Administrative Assistant	Comptroller of the Army
Chief of Legislative Liaison	The Inspector General
Chief of Public Affairs	Chief of Engineers
	The Judge Advocate General
	Assistant Chiefs of Staff
	Chief, National Guard Bureau
	Chief, Army Reserve
	Auditor General
	Sergeant Major of the Army

Other individuals may be designated by the Secretary of the Army to attend selected meetings. The Council normally will meet each Tuesday (excluding holidays), unless otherwise notified. Normally the Secretary of the Army and the Chief

of Staff will both be present for the substantive discussion session. Only members, or individuals specifically invited by the Secretary of the Army, may attend meetings, except that the principal deputy of an agency should attend if the principal member is unable to attend.

ARMED FORCES POLICY COUNCIL

The purpose of the Armed Forces Policy Council (established pursuant to 10 U.S.C. 171(a)) is to advise the Secretary of Defense on matters of broad policy relating to the Armed Forces and to consider and report on such other matters as the Secretary of Defense may direct. The Council meets upon call of the Secretary of Defense or upon approval by the Secretary of Defense of a request by any individual member to hold a meeting of the AFPC.

The Council membership includes the Secretary of Defense as Chairman; the Deputy Secretary of Defense; the Secretary of the Army; the Secretary of the Navy; the Secretary of the Air Force; the Under Secretary of Defense for Policy; the Under Secretary of Defense for Research and Engineering; the Chairman of the Joint Chiefs of Staff; the Chief of Staff, United States Army; the Chief of Naval Operations; the Chief of Staff, United States Air Force, and the Commandant of the Marine Corps. Other officials of the Department of Defense and other departments and agencies in the executive branch, as designated by the Secretary of Defense, are invited to attend appropriate meetings of the Council. Department of Defense Directive 5105.3, 2 January 1959, as amended, prescribes Council membership, functions and administration.

The weekly staff meeting held by the Secretary of Defense is built around the statutory Armed Forces Policy Council described above. In addition, the Secretary of Defense meets individually with the Service Secretaries for discussion of subjects of current interest relating to each Service.

CIVILIAN AIDE PROGRAM

Program History and Background

The Civilian Aide Program was initiated in 1922 and has been maintained under the direct purview of the Secretary of the Army since 1951.

The program operates by having civilian representatives throughout the country help explain and interpret Army policies and programs to their civilian communities and reflect civilian attitudes and opinions back to Army officials.

Civilian Aides are available to assist in solving problems which involve both civilian and military interests.

Civilian Aides are appointed for 2-year terms; they serve without pay.

A total of 70 positions represent each of the 50 states, the District of Columbia, Puerto Rico, Virgin Islands, each Army area, and At-Large.

Although the other services have frequently studied the feasibility of instituting a similar program, the Army remains the sole service with this type of program.

Nomination and Appointment Procedures

One hundred and twenty days prior to the expiration date of the incumbent Civilian Aide, the Army Commander (who handles nominations from the field) submits to the Secretary an evaluation of the Aide's performance. He makes recommendation for or against the Aide's reappointment. Two additional nominees are also presented for the Secretary's consideration.

Based on recommendations and evaluations, the Secretary selects the nominee deemed most qualified for the Civilian Aide position.

The Special Assistant's Office in OSD is notified of the selection; OSD comments in writing regarding the selection to OSA.

For an initial appointment, the appropriate Army Commander is asked to telephone the nominee selected to determine his or her availability and to explain the program. The response is reported to the Secretary as expeditiously as possible.

After being notified that the nominee is able and willing to serve, the Secretary offers the appointment by letter. In a reappointment situation, the Secretary corresponds directly with the incumbent.

Upon official acceptance, the Secretary confirms the appointment and the Military Assistant for the Civilian Aide Program informs:

-- The Chief of Staff.

-- The press through the Office, Chief of Public Affairs.

-- Appropriate Congressmen and Senators.

-- Others as appropriate.

Emeritus Program

In an effort to retain a knowledgeable corps of community leaders, maintain lasting recognition for true friends of the Army, and to ensure continuity for the overall Civilian Aide effort, Secretary Hoffman instituted a program in October 1976. On a very selected basis, an individual leaving the active category is designated as a "Civilian Aide Emeritus to the Secretary of the Army."

Significant features of the program include:

-- Position intended as an honorary title.

-- No length of term associated with his or her appointment.

-- A certificate of appointment is issued at the time of appointment on a one-time basis.

-- Individual is kept on the active mailing list.

-- Invited to National and Army Conferences at his or her own expense.

Communication

The Secretary of the Army and a Military Assistant in his immediate office have been the sole points of contact in coordinating material for dissemination to the Aides. Quite naturally, the Chief of Staff and the respective Army Commanders have a direct link to the Aides; however, bulk communication to the Aides must go through the Secretary's office.

The Civilian Aides relate directly with the Secretary and his position. It is absolutely imperative that this communication process be protected and afforded the opportunity to nurture on an individual basis.

Conferences

The Civilian Aides participate in two conferences a year, these are:

-- National: All Aides are invited. It is hosted by the Secretary of the Army in the Washington area at the National War College, usually in the April/May time frame. It is a three-day conference: two working days, with a concerted effort to put before the Aides the most salient issues of the Army and Defense.

-- Army Area: Hosted by the respective Commanders from First, Fifth and Sixth Armies in their geographical areas approximately six months after the National Conference.

	FIRST ARMY AREA (Cont'd)	Term Expires
Florida	Mr. Hugh K. Howton Civilian Aide to the Secretary of the Army 4907 Ortega Forest Dr. Jacksonville, Florida 32210 Phone: (904) 354-6828 (Bus.) Spouse: Jane	3/81
Georgia	Dr. Fred C. Davison Civilian Aide to the Secretary of the Army The University of Georgia Athens, Georgia 30602 Phone: (404) 542-1214 Spouse: Dianne	4/81
Maine	Mr. Charles R. Sanford Civilian Aide to the Secretary of the Army Guy Gannett Broadcasting Services WGAN AM-FM-TV, Broadcast Center Northport Plaza Portland, Maine 04104 Phone: (207) 797-9330 Spouse: June	2/82
Maryland	Mr. Kenneth O. Wilson Civilian Aide to the Secretary of the Army Afro-American Newspapers 628 N. Eutaw Street, P.O. Box 1857 Baltimore, Maryland 21203 Phone: (301) 728-8200 Spouse: Genevieve	5/82
Massachusetts	Mr. Herbert S. Hoffman Civilian Aide to the Secretary of the Army M. Hoffman & Co., Inc. 160 North Washington Street Boston, Massachusetts 02114 Phone: (617) 523-6700 Spouse: Diane	7/81
Mississippi	Dr. James D. McComas Civilian Aide to the Secretary of the Army Mississippi State University P. O. Box J Mississippi State, Mississippi 39762 Phone: (601) 325-3221 Spouse: Adele	10/81

FIRST ARMY AREA (Cont'd)		Term Expires
New Hampshire	Mrs. H. Eileen Foley Civilian Aide to the Secretary of the Army New Hampshire Disaster Planning Office Room 3, Building 257 Pease Air Force Base, New Hampshire 03801 Phone: (603) 436-2450 Spouse: John	8/81
New Jersey	Mrs. Mary G. Roebling Civilian Aide to the Secretary of the Army The National State Bank 28 W. State Street, P.O. Box 880 Trenton, New Jersey 08605 Phone: (609) 396-4030 Spouse: Widow	3/81
New York (North)	Mr. John B. Johnson Civilian Aide to the Secretary of the Army Watertown Daily Times 260 Washington Street Watertown, New York 13601 Phone: (315) 782-1000 Spouse: Catherine	1/82
New York (South)	Mr. Earl G. Graves Civilian Aide to the Secretary of the Army Earl G. Graves, Ltd. 295 Madison Avenue New York, New York 10017 Phone: (212) 889-8220 Spouse: Barbara	10/81
North Carolina	Mr. William T. Huckabee, III Civilian Aide to the Secretary of the Army Builder Mart of Albemarle, Inc. 422 South First Street, P.O. Box 609 Albemarle, North Carolina 28001 Phone: (704) 982-2114 Spouse: Bridget	5/82
Pennsylvania (East)	Mr. Dominic A. Antonelli Civilian Aide to the Secretary of the Army Standard-Speaker 21 North Wyoming Street Hazleton, Pennsylvania 18201 Phone: (717) 455-3636 Spouse: Carmella	2/82

FIRST ARMY AREA (Cont'd)		Term Expires
Pennsylvania (West)	Dr. Howard J. Burnett Civilian Aide to the Secretary of the Army Washington & Jefferson College North Lincoln Street Washington, Pennsylvania 15301 Phone: (412) 222-4400, ext. 200, 201 Spouse: Barbara	11/80
Puerto Rico	Julian O. McConnie, Jr., Esq. Civilian Aide to the Secretary of the Army Office of the Attorney General Commonwealth of Puerto Rico Box 192 San Juan, Puerto Rico 00902 Phone: (809) 725-8158/1160 Spouse: Ernestine (Cuqui)	10/80
Rhode Island		
South Carolina	Mr. John G. Wellman Civilian Aide to the Secretary of the Army Wellman Industries, Inc. P. O. Box 188 Johnsonville, South Carolina 29555 Phone: (803) 386-2011 Spouse: Charlottie	11/81
Tennessee	Mr. Thomas F. Elam Civilian Aide to the Secretary of the Army Old & Third National Bank Bldg. P. O. Box 250 Union City, Tennessee 38261 Phone: (901) 885-2011 Spouse: Kathleen	8/80
Vermont	Mr. Bennett Evans Greene Civilian Aide to the Secretary of the Army Office of the Attorney General 109 State Street Montpelier, Vermont 05602 Phone: (802) 828-3171 Spouse: Carolyn	1/81

	FIRST ARMY AREA (Cont'd)	Term Expires
Virginia	Dr. James T. Wall Civilian Aide to the Secretary of the Army Department of History Northern Virginia Community College 8333 Little River Turnpike Annandale, Virginia 22003 Phone: (703) 323-3257 Spouse: None	4/81
Virgin Islands	Mr. Louis Shulterbrandt Civilian Aide to the Secretary of the Army P. O. Box 544 Charlotte Amalie St. Thomas, Virgin Islands 00801 Phone: (809) 774-6700 Spouse: Eldra	3/82
West Virginia	Mr. Angus E. Peyton Civilian Aide to the Secretary of the Army 1 Valley Square, Suite 1000 P.O. Box 226 Charleston, West Virginia 25321 Phone: (304) 343-5501 Spouse: Ruth	1/81
	FIFTH ARMY AREA	
Fifth Army (Northern Area)	Mr. William B. French Civilian Aide to the Secretary of the Army M&I Marshall & Ilsley Bank 770 North Water Street Milwaukee, Wisconsin 53202 Phone: (414) 765-7811 Spouse: Carolyn	1/82
Fifth Army (Southern Area)	Mr. Roy J. Smith Civilian Aide to the Secretary of the Army 611 Nolan Circle Killeen, Texas 76541 Phone: (817) 634-2236 Spouse: Jimmie	10/82
Arkansas	Dr. Jefferson D. Farris Civilian Aide to the Secretary of the Army University of Central Arkansas Conway, Arkansas 72032 Phone: (501) 329-2931, ext. 301 Spouse: Patsy	2/81

FIFTH ARMY AREA (Cont'd)		Term Expires
Illinois		
Indiana	Mr. Frederick W. Heckman, Jr. Civilian Aide to the Secretary of the Army 2835 North Illinois Street Indianapolis, Indiana 46208 Phone: (317) 924-5211 Spouse: Barbara	2/81
Iowa	Mr. William F. Vernon, Jr. Civilian Aide to the Secretary of the Army The Vernon Company 604 W. 4th Street N. Newton, Iowa 50208 Phone: (515) 792-2880 Spouse: Marilyn	1/82
Kentucky	Miss Katherine Graham Peden Civilian Aide to the Secretary of the Army Katherine G. Peden and Associates, Inc. Citizens Plaza, Suite 2306 Louisville, Kentucky 40202 Phone: (502) 589-6030 Spouse: None	2/82
Louisiana	Dr. Norman C. Francis Civilian Aide to the Secretary of the Army Xavier University of Louisiana 7325 Palmetto Street New Orleans, Louisiana 70125 Phone: (504) 486-7411, ext 221 Spouse: Blanche	4/82
Michigan	Dr. Marjorie S. Ross Civilian Aide to the Secretary of the Army American Bank Bldg., Suite 416 Battle Creek, Michigan 49017 Phone: (616) 963-3439 Spouse: None	8/81

FIFTH ARMY AREA (Cont'd)		Term Expires
Minnesota	Mr. Stuart A. Lindman Civilian Aide to the Secretary of the Army 441 Boone Avenue North Minneapolis, Minnesota 55427 Phone: (612) 546-1111 Spouse: None	3/81
Missouri (East)		
Missouri (West)	Wm. Coleman Branton, Esq. Civilian Aide to the Secretary of the Army Slagle & Bernard Law Firm 127 West 10th Street, Suite 500 Kansas City, Missouri 64105 Phone: (816) 842-2315 Spouse: Mary	2/81
Ohio (North)	Mr. Alva T. Bonda Civilian Aide to the Secretary of the Army 1700 Ohio Savings Plaza Cleveland, Ohio 44114 Phone: (216) 696-6346 Spouse: Marie	2/82
Ohio (South)	Dr. Lionel H. Newsom Civilian Aide to the Secretary of the Army Central State University Wilberforce, Ohio 45384 Phone: (513) 376-7435/6332 Spouse: Maxine	5/81
Oklahoma	Mr. Bill F. Bentley Civilian Aide to the Secretary of the Army Lawton Publishing Co., Inc. P. O. Box 648 Lawton, Oklahoma 73502 Phone: (405) 353-0620, x200 Spouse: Shirley	1/82

	FIFTH ARMY AREA (Cont'd)	Term Expires
Texas (South)	Mr. Louis H. Stumberg Civilian Aide to the Secretary of the Army RJR Foods, Inc. 2600 S.W. Military Dr. P.O. Box 21100 San Antonio, Texas 78221 Phone: (512) 923-3411 Spouse: Mary Pat	3/81
Texas (West)	Dr. Willard W. Schuessler Civilian Aide to the Secretary of the Army Suite 4-C, Medical Center 1501 Arizona Avenue El Paso, Texas 79902 Phone: (915) 533-6362 Spouse: Louise	3/81
Texas (Central)	Mr. Roy Butler Civilian Aide to the Secretary of the Army Coors of Austin, Inc. P.O. Box 9190 Austin, Texas 78766 Phone: (512) 837-6550 Spouse: Ann	4/81
Wisconsin		

SIXTH ARMY AREA

Sixth Army Area		

SIXTH ARMY AREA (Cont'd)		Term Expires
Arizona	Mr. Tereso Valdez Civilian Aide to the Secretary of the Army Valdez Transfer, Inc. P.O. Box 6985 Phoenix, Arizona 85005 Phone: (602) 278-8574 Spouse: Frances	10/82
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Colorado	Mr. Henry G. Reyes Civilian Aide to the Secretary of the Army 915 Lake Avenue Pueblo, Colorado 81004 Phone: (303) 542-1603 Spouse: Dorothy	6/81
Idaho	Dr. William J. Keppler Civilian Aide to the Secretary of the Army Boise State University 1910 University Drive Boise, Idaho 83725 Phone: (208) 385-1414 Spouse: Nancy	10/81
Kansas	Mr. John G. Montgomery Civilian Aide to the Secretary of the Army Montgomery Publications P.O. Box 129 Junction City, Kansas 66441 Phone: (913) 762-5000 Spouse: Jolana	2/81

SIXTH ARMY AREA (Cont'd)		Term Expires
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Nevada	Mr. Harry Wald Civilian Aide to the Secretary of the Army Caesars Palace 3570 Las Vegas Boulevard, South Las Vegas, Nevada 89109 Phone: (702) 731-7110 Spouse: Pamela	6/82
New Mexico	Mr. Oscar M. Love, Jr. Civilian Aide to the Secretary of the Army Albuquerque National Bank P.O. Box 1344 Albuquerque, New Mexico 87103 Phone: (505) 765-2104 Spouse: Beverly Ann	1/82
North Dakota	Mr. Harry R. Arneson, Jr. Civilian Aide to the Secretary of the Army Arneson Company Box 2742 Fargo, North Dakota 58108 Phone: (701) 235-5547 Spouse: Mildred	1/82
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Utah		
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Alaska	Mr. Lawrence H. Landry Civilian Aide to the Secretary of the Army Alaska Mutual Savings Bank 5th & F Street, P.O. Box 1120 Anchorage, Alaska 99510 Phone: (907) 274-3561 Spouse: Ginny	9/81

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Hawaii	Mr. John D. Bellinger Civilian Aide to the Secretary of the Army First Hawaiian, ~~Inc.~~ BANK 161 South King Street Honolulu, Hawaii 96813 Phone: (808) 525-8888/9 Spouse: Joan	11/80

CIVILIAN AIDES AT-LARGE

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Dr. Benjamin W. Watkins
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Spouse: Ruth

Department of the Army Advisory Committees

The Federal Advisory Committee Act, Public Law 92-463, sets forth the provisions under which the Executive Branch may establish or utilize advisory committees. The Act defines an advisory committee as any committee that is not composed wholly of full-time officers or employees of the Federal Government. Such committees provide a means of obtaining advice, views, and oral recommendations from non-government industrialists, businessmen, scientists, engineers, educators and other public and private citizens. Unless otherwise specifically provided by statute or Presidential direction, advisory committees will be utilized solely for advisory functions. Determinations of action to be taken and policy to be expressed with respect to matters in which an advisory committee reports or makes recommendations will be made solely by the President or an officer of the Federal Government.

The practical effect of this is that although government officials may seek the advice of outside experts and consultants, such advice from a group of consultants even on a one-time basis - would cause that group to come under the provisions of the Federal Advisory Committee Act.

The Administrative Assistant to the Secretary of the Army is responsible for overall management of advisory committees within the Department of the Army. A Department of the Army Committee Management Officer is designated within the Office of the Administrative Assistant with responsibilty to the Secretary of the Army for administration of the DA Committee Management Program.

The establishment or continuation of advisory committees requires the approval of the Secretary of the Army and the concurrence of the Secretary of Defense and the Administrator of the General Services Administration. Their existence is reviewed annually and they must be rechartered every two years. The charters for the advisory committees must be published in the Federal Register for public comment, and filed with the appropriate committees of the Congress and the Library of Congress. The President must submit an annual report to Congress on the activities of all such committees.

Non-government members of advisory committees must be approved by the Secretary of the Army with the concurrence of the Secretary of Defense prior to appointment.

A list of Department of Army Advisory Committees is attached.

DEPARTMENT OF THE ARMY ADVISORY COMMITTEES

1. Army Science Board
2. Armed Forces Epidemiological Board 1/
3. U.S. Army Medical Research & Development Advisory Panel
4. Board of Visitors, U.S. Military Academy 2/
5. Army Advisory Panel on ROTC Affairs
6. Scientific Advisory Board of the Armed Forces Institute of Pathology 1/
7. Command and General Staff College Advisory Committee 3/
8. U.S. Army Coastal Engineering Research Board 4/
9. Chief of Engineers Environmental Advisory Board 5/
10. Department of the Army Historical Advisory Committee
11. National Board for the Promotion of Rifle Practice 6/

1/ Joint DOD committee - Secretary of the Army designated by Secretary of Defense as management agent. Authority has been redelegated to the Surgeon General.

2/ Presidential advisory committee and specifically established by 10 U.S.C., Section 4355.

3/ Required to meet provision of P.L. 93-365

4/ Civil Works Program committee and specifically established by P.L. 88-172.

5/ Civil Works Program Committee

6/ Advises on Civilian Marksmanship Program established by U.S.C., Section 4307-4313.

January 1981

The Role of the Secretary of the Army in the Appointment of Consultants/Experts and Advisory Committee Members

There has been considerable interest in consultants, experts and advisory committee members in recent years. They are frequently referred to as the "Shadow Government" and are often the subject of special Congressional interest. Consequently the appointment of these individuals has traditionally received the attention of senior departmental officials. Accordingly, the appointment of a consultant or expert to any official of the Headquarters, Department of the Army must be approved by the Secretary of the Army and by the Special Assistant to the Secretary and the Deputy Secretary of Defense. All advisory committee members, regardless of to whom the committee reports, must also be approved by the Secretary of the Army and the Special Assistant to the Secretary of Defense and Deputy Secretary of Defense.

The Administrative Assistant to the Secretary of the Army handles the technical, procedural, and policy aspects of appointments of consultants/experts, coordinating with the appropriate Secretariat offices and the Immediate Office of the Secretary prior to transmittal of nominations to the Office, Secretary of Defense for final approval.

It normally takes 45 days to process a consultant/expert appointment. However, under extreme emergency situations it is possible to process such an appointment in a matter of hours.

Incl

II

BASING AND PREPOSITIONING IN SOUTHWEST ASIA

Increasing Soviet presence, continued regional instability and protection of Western oil supplies have resulted in the recent emphasis to enhance United States power projection capabilities for non-North Atlantic Treaty Organization contingencies, with priority to the Southwest Asia (SWA) region. Enhancement of these capabilities will support deterrence as the fundamental objective of United States strategy in this region. However, the military approach to deterrence in SWA is vastly different from that of Europe, with its well developed infrastructure and prepositioned war materiel. In SWA the United States must develop an infrastructure which will support increased force presence as well as facilitate and accelerate reinforcements.

To date the Army has focused on identifying requirements and options that would, in the near term, reduce strategic mobility requirements for Army elements and, in the longer term, improve the overall basing infrastructure in the region to support a rapid commitment of substantial ground forces. This effort has resulted in the identification of an Army requirement for austere staging facilities near the Persian Gulf.

Ras Banas, Egypt, an Egyptian air and naval instalation on the Red Sea, has been selected for development as the Preliminary cost estimates of have been provided for the development of Ras Banas into an austere facility capable of supporting a

is required but has not yet been identified. The key to rapid and effective deployment of United States forces will be early access to forward facilities on the Arabian Peninsula (principally in Saudi Arabia, Oman or Bahrain). Efforts should continue to seek increased access to potential staging facilities in this area and to explore the possibilities of Saudi construction of facilities in excess of their requirements and prepositioning of United States high tonnage consumable supplies in Saudi Arabia.

No SECURITY objection to PUBLIC RELEASE
JAN 19 1981
SECURITY REVIEW, ACSI, HQDA

Atch: ASA(IL&FM), 24 November 1980
CLASSIFIED BY: JCS MSG [illegible] DTG [illegible]

Incl 2 - Copy 1

ARMY MODERNIZATION

(U) Army modernization efforts were deferred during the 1960's and early 1970's as funds were diverted to support the overall war effort in Southeast Asia. The development of new weapon systems began in earnest in the mid-1970's. The need to modernize has become even more apparent as the Soviets continue their modernization programs and their military buildup. Their numerical advantage is now being complemented with qualitative improvements and large magnitude annual production rates. This shift in overall Soviet capability gives rise to concerns about the Army's long term ability to offer a credible deterrent to possible Soviet adventurism. Consequently, the Army is now in the midst of a comprehensive and expensive equipment modernization program.

(U) Unfortunately, this modernization effort has been significantly curtailed by the restrictive economic environment that has plagued the Nation in recent years. The ongoing funding constraints have placed in jeopardy our stated modernization goals, [redacted] In spite of these difficulties, it is still possible for us to meet these goals. Equipment to meet the equivalency goal has been developed and is now ready for procurement; it awaits an adequate level of funding. [redacted]

(U) It is apparent that economic fluctuations in the value of the dollar have had a detrimental impact on our modernization efforts. Projected inflation rates have traditionally been lower than those actually experienced in the market place. When the impact of actual inflation is recognized, there is an inevitable requirement for substantial increases in funding if the planned procurement program is to be achieved. The Army has traditionally been directed to absorb these increases by either reducing or deferring the quantities originally budgeted for procurement. Occasionally, it has been necessary to cancel some programs outright.

(U) Modernization has also been hampered by the need to improve our near-term readiness in preparation for possible operational contingencies in locations other than Europe. Costs for this near-term readiness and its associated support and manpower expenses have diverted dollars from the Army's investment accounts. The Army recognizes that a

balance has to be maintained among these competing needs. Soldiers without modernized equipment, regardless of training and morale, would be significantly handicapped in a confrontation with a larger Soviet force. Similarly, readiness without sustainability will not permit forward based forces to survive, unless general mobilization of the manpower and industrial base can be rapidly achieved.

(U) In spite of these difficulties, the Army is firmly moving forward with its modernization programs. Key systems and associated support equipment that must be given high priority funding status are:

o Blackhawk (UH-60) - the most cost effective helicopter capable of performing the Army's tactical airlift missions in all expected geographical environments and surviving;

o Advanced Attack Helicopter (AAH) - a highly lethal anti-armor weapon system which can fight worldwide and survive;

o Chinook (CH-47D) - the Army's modernized medium lift helicopter provides a day/night all-weather capability and can transport the Rapid Deployment Force's (RDF's) M198 howitzer with crew and ammo;

o Fighting Vehicle System (FVS) - complements XM-1 and required on line with XM-1 to modernize the combined arms team to meet the 1980's threat;

o Division Air Defense (DIVAD) Gun - required to counter the rapidly increasing Soviet fixed and rotary wing air threat to forward deployed, XM-1/FVS equipped, armored and mechanized forces;

o Patriot Missile System - required to counter the significantly increasing air threat to United States forces;

o Multiple Launch Rocket System (MLRS) - required to counter the numerical superiority of Warsaw Pact artillery;

o Improved Hawk (I HAWK) - a mobile, all-weather, day-and-night, low-to-medium air defense guided missile system capable of operating effectively in an electronic countermeasures (ECM) environment;

o Roland - a highly mobile, air-transportable, short-range, air defense system. It will provide an all-weather, day-and-night defense of high value targets against high-performance, low-flying aircraft;

o Stand-Off Target Acquisition System (SOTAS) - Division commanders must have heliborne radar to see and target enemy formations well beyond ground line-of-sight, in time to attack them at maximum range and concentrate friendly combat power to defeat them;

o Single Channel Ground Air Radio System (SINCGARS) - a new family of combat net radios. It will provide secure, jam-resistant communications not currently available. The SINCGARS are critical for Army communications on the electronically hostile battlefield of the future;

o High Mobility Multi-purpose Wheeled Vehicle (HMMWV) - 1 1/4 ton vehicle; tri-Service requirement, needed for Rapid Deployment Force, Ground Launched Cruise Missile, and to replace obsolescent Army and Marine Corps vehicles.

(U) The Army is open to any innovative procurement techniques that would help stabilize its overall modernization program. Concepts currently under consideration include accelerated selective procurement of key combat multiplier systems, multi-year programming, reindustrialization incentives, and procurement and sustainability linkage incentives, to name a few.

(U) In summary, essential modern equipment has been developed. Additional funding must be made available if we are to procure this equipment and place it in the hands of our soldiers.

Army: ASA(RDA) 1 December 1980

ORGANIZING AND MANNING THE COMBAT SERVICE SUPPORT FORCE

Initiatives over the past few years have increased the combat to support ratio in the Army's force structure. The reduction of support units in the NATO area and to support other contingency operations.

Approximately two-thirds of the manned combat service support (CSS) force required to support the Army is in the Reserve Components (RC). Many of these units are short people, equipment, or both. In addition, the total requirement for CSS units includes about manpower spaces in the unmanned component of the force structure.

The prepositioning to additional division sets of equipment CSS units to that mission. This will require an increase in the manning, equipment levels and readiness of those units.

The number of Active Component CSS units available in Continental United States to support the Army component of the Rapid Deployment Force (RDF-A)

Providing full support to the RDF-A and accomplishment of Army responsibilities for interservice support would require the use units. The major areas of reliance on the In addition, the RDF-A includes Active Component units The deployment of these units with the RDF

The Office of the Secretary of Defense FY 81-85 Amended Program Decision Memorandum directed an in the Active Component CSS structure during the period FY 82 through FY 85. This decision of the proposed logistical support unit enhancements and for the RDF and NATO missions.

Our reliance on host nation support has been increased to complement or substitute for the Army's CSS capability. Host nation support during the early days of a NATO conflict provides a means to offset CSS shortfalls and reduce requirements for critically needed strategic air and sealift.

While Army forces reinforcing NATO , forces deployed elsewhere must be logistically self-sufficient. Both missions require a viable nucleus of organic support units and a logistics network that can be quickly projected forward from the Continental United States base.

Army: ASA(IL&FM), 24 Nov 80

the enhanced radiation controversy and a Department of Energy funding shortfall. The programmed stockpile is will be W70 Mod 4s.

The PERSHING II system, with the W85 air burst/ surface burst warhead, will replace the PERSHING Ia in United States forces starting in the 1st quarter, FY 84.

The PERSHING II will provide greater range, with greater accuracy,
The FY 80 Program Decision Memorandum cancelled all funding for an earth penetrator warhead for PERSHING II.

Army: ASA(RDA) 1 December 1980

No SECURITY objection to
PUBLIC RELEASE

JAN 19 1981

SECURITY REVIEW, ACSI, HQDA

RESTRICTED DATA

ARMY THEATER NUCLEAR FORCE MODERNIZATION

(S) The continued deterrent and warfighting capabilities of Army theater nuclear forces are

the Army is modernizing many of its theater nuclear warheads.

(SRD) The W82 155mm nuclear projectile will replace the current W48 155mm nuclear projectile that has a The W82 projectile can be fired to a range of 30km The Initial Operational Capability (IOC) is year slip necessitiated by an Office of Management and Budget FY 81 budget cut. The Army requirement however, the Calendar Year (CY) 80 Amended Program Decision Memorandum limits deployments to

(SRD) The W79-0 8-inch nuclear projectile will replace the current W33 8-inch nuclear projectile that requires and has limited range. The W79-0 projectile is the standard fission version of the enhanced radiation warhead whose production was deferred by the 7 April 1978 Presidential statement on enhanced radiation warheads. The W79-0 nuclear projectile can be converted to enhanced radiation by installing the necessary components when directed by the President; however, this conversion could require unless the decision is made during the production cycle. The W79-0 is rocket assisted to a range of 29km. It will provide improved target coverage with reduced collateral damage. Production has been delayed approximately two years because of the enhanced radiation controversy. The IOC is The Army requirement is however, the CY 80 Program Decision Memorandum limits deployment to

(SRD) Deployment of the W70 Mod 4 warhead will complete production of warheads for the LANCE missile system. The W70 Mod 4 is the standard fission version of the enhanced radiation warhead that was deferred by the 7 April 1978 Presidential statement. As with the W79-0 8-inch warhead, the W70 Mod 4 can be converted to enhanced radiation, but the same time penalty applies. The IOC is - a delay of more that was caused by

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UNCLASSIFIED
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NEGOTIATION OF A TREATY TO BAN CHEMICAL WEAPONS (U)

(S) Presidential Decision/National Security Council Memorandum - 28 (PD/NSC-28) (January 1978) declared that

(S) Bilateral negotiations between the United States and the Soviets began in July 1977 following three rounds of technical talks. The United States goal is a joint United States-Union of Soviet Socialist Republics (US-USSR) proposal to the Committee on Disarmament (CD) which would subsequently negotiate a multi-lateral treaty banning development, production, stockpiling, acquisition, or transfer of chemical warfare weapons/agents. This treaty would be open for all nations to sign. The most recent series of negotiations, Round 12, began in May and concluded in July 1980. Consideration is being given to initiating Round 13 in January 1981.

(S) Negotiations on substantive issues have been unsuccessful and the United States and USSR continue to remain far apart on several major points. The United States wants each state to provide detailed information

after becoming a party to the convention. The USSR desires to provide general information concerning these areas

(S) During the 1980 session, a chemical warfare working group was established within the Committee on Disarmament for the purpose of defining the issues regarding chemical warfare arms control. Pressure is mounting within the Committee on Disarmament to extend the charter of the working group to the 1981 session. The United States may

On the other hand, the work group forum

Army: DAMO-NCC, 24 November 1980

~~CLASSIFIED BY: Multiple Sources~~
~~REVIEW ON: 31 December 2000~~

a comprehensive and verifiable chemical warfare treaty would be in the best interests of the United States. However, until a verifiable treatv can be reached and implemented, the United States must maintain an effective chemical warfare retaliatory capability to deter the use of chemical warfare.

No SECURITY objection to
PUBLIC RELEASE

JAN 19 1981

SECURITY REVIEW, ACSI, HQDA

DEMILITARIZATION OF TOXIC CHEMICAL MUNITIONS/AGENTS

(S) There are currently toxic chemical munitions identified for demilitarization; in addition, munitions have been identified as leakers. As weapons systems become obsolete, the usable stockpile of chemical munitions will be reduced

The demilitarization requirement will increase accordingly and should be addressed as a national issue. Total destruction of the entire stockpile will eventually be required either through modernization with binary munitions, continued deterioration, or treaty with the USSR banning the use of such weapons.

(U) Demilitarization of the obsolete and deteriorating stockpile requires a comprehensive plan which consideres the public sensitivity to these weapons, public and environmental safety, and the requirements of public law. Congressional and public interest can be expected to increadse as stockpile modernization with binary begins and the enormous cost of demilitarization is addressed.

(U) There are currently only two prototype systems in use which are designed to demilitarize chemical munitions; the Drill and Transfer System (DATS), and the Chemical Agent Munition Disposal System (CAMDS). DATS is a portable system designed to handle small numbers of munitions at storage installations. It does not destroy agent or munition, but merely separates the two for later disposal. DATS has completed testing and is currently scheduled for operations at Pine Bluff Arsenal, Arkansas in early 1981. CAMDS is an experimental industrial size facility located at Tooele Army Depot, Utah. It is designed to develop and demonstrate advanced procedures and equipment for large scale demilitarization. Initial testing for both DATS and CAMDS has proven the effectiveness of the overall design, and has shown that operating personnel and the surrounding population are not subject to any safety or health hazards.

(U) Resource funding for a total program to initiate demilitarization facilities at chemical munitions storage installations in the United States and at Johnston Island in the Pacific. Resources required in the FY82-86 time frame are $331M. Estimated cost for completion of the total stockpile demilitarization is $3.7 billion.

(U) The inherent risk involved in allowing the deterioration of the stockpile to continue without regard to the public and environmental safety is unacceptable. Implementation of a total demilitarization program is required in the near term to begin elimination of the potential hazard.

Army: ASA(IL&FM), 2 December 1980

~~CLASSIFIED BY: Multiple Sources~~

~~REVIEW ON: 31 December 2000~~

No SECURITY objection to
PUBLIC RELEASE

JAN 19 1981

SECURITY REVIEW, ACSI, HQDA

CHEMICAL WARFARE AND POLICY GUIDANCE US AND NATO (U)

(S) The chemical warfare (CW) policy of the United States is ultimately to achieve a comprehensive treaty banning chemical weapons and, in the interim, maintaining a CW capability to deter the use of chemicals and to retaliate in kind if deterrence fails. Due to a

This review is still underway. The issue to be resolved is, "what is required to meet the requirements of National policy--deter the use of chemicals in war and ultimately secure an effective, comprehensive, and verifiable treaty--considering the threat to National security?"

(U) The CW capabilities of the Soviet-Warsaw Pact (WP) forces for offensive operations (delivery means and protective posture) continue to improve, even during bilateral negotiations on CW disarmament. They are, and will remain, the best equipped and trained military force in the world to employ chemical weapons and conduct sustained operations in a CW environment.

(S) The United States has a capability for meeting the requirement of National policy. This capability of the retaliatory stockpile is attributable to cessation of munition production in 1969, and the conscious Administration decision to refrain from making any improvements while pursuing total disarmament. The production/mobilization base for the current family of both weapons and agents is obsolete. Under current policy.

The preferred option for improving the retaliatory force stockpile is the binary munitions system, which would provide the proper weapons and chemical agent mix to counter the threat.

(C) Defensive or protective measures are not, in themselves, sufficient to deter the use of chemicals. Protection sought from chemical agent effect is afforded by a combination of unit equipment, e.g. alarms, shelters, and decontamination, and individual protective equipment and clothing. Although much has been done in years ago, more remains to be accomplished in meeting as well as pursuing an aggressive

research, development and testing program for second and third generation equipment.

(S) NATO policy on CW stresses defensive measures, relying primarily on its but possessing the capability to employ effectively lethal CW agents, in retaliation, on a This policy predates and, in general, NATO forces have to survive in a toxic environment. These, as well as the fact that most NATO countries have renounced the retaliatory use of chemical weapons, dictate the need for an in-depth review of CW policy and programs within NATO. Of particular importance will be the

Army: SAUS, 1 December 1980

~~CLASSIFIED BY: Multiple Sources~~
~~REVIEW ON: 31 December 2000~~

No SECURITY objection to
PUBLIC RELEASE

JAN 19 1981
SECURITY REVIEW, ACSI, HQDA

[redacted]

PRODUCTION AND DEPLOYMENT OF REDUCED BLAST/ENHANCED RADIATION (RB/ER) WEAPONS

(U) The President deferred a decision in April 1978 on RB/ER weapons, pending Soviet restraint in arms programs and force deployments. The Soviets have not demonstrated restraint since that time.

~~(SRD)~~ The current program is to produce 8" Artillery Fired Atomic Projectiles (AFAPs) and Lance warheads capable of conversion to RB/ER.

The Army strongly supports the production and deployment of 8" and Lance warheads in an RB/ER configuration.

The Army recognizes that the RB/ER issue raises several important domestic and international political questions because of the way it has been handled in the past.

No SECURITY objection to PUBLIC RELEASE

JAN 19 1981

SECURITY REVIEW, ACSI, HQDA

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[redacted]

Army: ASA(RDA), 25 November 1980

[redacted]

INDUSTRIAL PREPAREDNESS

(U) The Army finds itself in the unfavorable position of having insufficient war reserve stocks with an industrial base not prepared to supply the combat demands when these stocks [redacted] are depleted. This situation limits our options by lowering the nuclear threshold, reducing conventional deterrence, signaling a lack of national resolve and lowering the credibility of United States support to our allies.

(U) Presently, the Army's industrial base for production of modernization hardware has been sized for peacetime use rates due to constrained investment guidance and resources. The facilities are capable of supporting only a fraction of the combat sustaining requirements. There are some notable exceptions where production can be expanded beyond peacetime rates (standard artillery ammunition and cannon and gun tubes); however, even these are insufficient to sustain the Force beyond war reserve levels. The current industrial base can make a contribution if, far in advance of hostilities, actions are taken to convert and reactivate the commercial and reserve industrial base. However, history does not support the likelihood of that happening.

(U) While the industrial base for older hardware items has been sized for emergency or mobilization production quantities, many facilities are not in production or are operating at a low rate. Of those not in production, most are in layaway or in deep standby and many of the component suppliers have left the business. Even though the reserve facilities now in layaway will be less responsive than desired, they can provide the older types of hardware and ammunition far sooner than if we had to start from scratch. It must be recognized, however, that in most cases these older items cannot defeat the current Soviet items.

(U) To improve the responsiveness of the industrial base, we must first develop a national commitment for the need to be able to mobilize. Specific actions for improvements should focus on improved planning with industry for emergency operations; the need to provide incentives to industry for capital investment; and the need to revise Office Secretary of Defense (OSD) facilitization guidance (present guidance allows only peacetime facilitization with no surge capability). Additionally, procedures should be established to review all legislative proposals for commerce, business and industry in terms of their impact on the nation's industrial base responsiveness/mobilization capability.

(U) Consideration should be given to the utility of selectively mobilizing portions of the industrial base to send powerful diplomatic signals to both our allies and potential adversaries. Such an effort would have the additional benefits of improving our war reserve stock posture and stimulating our domestic economy.

(U) Recommended areas for immediate action to enhance industrial preparedness planning and responsiveness include the following:

(U) a. Seek a statement of industrial preparedness policy at the highest level of government which supports the requirement for a strong, responsive industrial base.

(U) b. Develop an improved industrial preparedness planning system and fund what is necessary to make it viable.

(U) c. Improve near reserve stocks to a level comparable with the responsiveness of the industrial base for the more critical defense items.

(U) d. Seek automatic waivers/variances/exemptions from the many social health acts which inhibit expanding the industrial base in a crisis/emergency or mobilization (a top-down approach is required with legislation on the books that would become effective under a given set of circumstances).

Army: ASA(IL&FM) 1 December 1980

~~SECRET~~

DOD HUMINT REFORM (U)

~~(S/NOFORN)~~

5 USC 552 (b) (1)

~~(S/NOFORN)~~ The Army has taken the lead in driving DOD HUMINT reform for over a year, in large measure because the Army's ground mission traditionally demands superior intelligence on plans, intentions and capabilities.

5 USC 552 (b) (1)

~~(S/NOFORN)~~

5 USC 552 (b) (1)

ARMY: Under Secretary, 25 NOV 80
OACSI, DA

Classified by: DOD HUMINT Study, dated 1 July 80

Review on: 1 July 2000

~~SECRET~~

DEPARTMENT OF THE NAVY

The attached documents were provided to the Carter-Reagan Transition Team. Attachment (1) contains those documents releasable in their entirety; attachment (2) is comprised of those documents which have been segregated and are releasable; attachment (3) lists those documents denied in their entirety and attachment (4) provides the appropriate FOI exemptions claimed, rationale, and the Initial Denial Authority.

If you wish to appeal the denial of any of the above documents or information you should address your appeal to the Department of the Navy, Office of the General Counsel, Washington, D. C. 20360.

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

30 January 1981

SECRET (UNCLASSIFIED UPON THE REMOVAL OF ATTACHMENTS)

MEMORANDUM FOR THE DIRECTOR, FREEDOM OF INFORMATION AND SECURITY REVIEW, OASD (PA)

Subj: U.S. News and World Report and the Armed Forces Journal Freedom of Information Requests for Transition Issue Papers (DFOI-81-44; DFOI-81-49)

In response to your January 13, 1981 request (Ref: CORR 81-11), four attachments are provided. Attachment (1) contains those documents releasable in their entirety; attachment (2) is comprised of those documents which have been segregated and are releasable; attachment (3) lists those documents denied in their entirety; and attachment (4) provides the appropriate FOI exemptions claimed, rationale, and the Initial Denial Authority.

H. A. Hope Jr.
H. A. HOPE JR.
CAPT USN
Executive Assistant & Naval Aide
to the Secretary of the Navy

ATTACHMENTS

SECNAV CONTROL # 1100741 83

SECRET

SECRET

CATEGORY I DOCUMENTS

RELEASABLE IN ENTIRETY

ATTACHMENT (1)

ATTACHM

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7 December 1980

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OP-090/24 Nov 1980

MARITIME ASPECTS OF U.S. STRATEGY

The limits of U.S. national security interests extend far beyond our territorial boundaries. Setting aside the obvious requirement to deter strategic nuclear attack, the need to deter threats in distant areas to our vital overseas interests or those of our allies requires maritime strength and a forward strategy. It also requires that the U.S. maintain military forces which are ready and on-scene to preserve peace and foster stability, forces which have sufficient mobility and self-sustainability to operate virtually anywhere in the world, forces which are powerful enough to be credible when deployed to a region of interest and victorious when committed to action.

Maritime strength rests on the nation's economic power and political will; it is manifested in naval forces, a merchant marine, a coast guard, fishing and research fleets, the capacity to build and repair ships, ports and cargo handling facilities, and command and control. Of these, naval forces contribute most conspicuously to deterrence and to influencing events in a way favorable to national interests. Even if non-naval options are chosen in the commitment of military power, the adequacy and security of sealift are crucial to the deployment and logistics support of U.S. forces. Naval forces--the Navy and Marine Corps--combine the mobility, range, versatility, controllability, and logistical independence that are most often useful in dealing with crises abroad. Naval forces have offensive capabilities--air strike, shore bombardment, mine laying, landing of Marines--that are highly relevant and uniquely credible in time of crisis or confrontation. Because military options should facilitate, rather than complicate, reaction to crisis, the fact that naval forces can be employed quickly, and generally without political impediment, is of central importance.

After a quarter-century of unquestioned maritime superiority following World War II, the U.S. faces a growing world-wide challenge at sea from the Soviet Union. This challenge sweeps across the whole spectrum of maritime power, from the Navy to the merchant fleet, to the shipbuilding industry. Of concern is our ability to influence events in regions of interest as nations of the world perceive that the maritime balance is shifting. The U.S. refrains from tending to the maritime aspects of national security at its peril.

OP-965/28 Nov 1980

NAVY/MARINE CORPS OVERVIEW

Today's Navy/Marine Corps Team consists of:

- 456 active fleet ships
  - 376 combatants
  - 80 support ships

- 82 additional ships
  - 49 Naval Reserve Force (NRF) ships
  - 26 Naval Fleet Auxiliary Force (civ manned)
  - 7 TAKX/RX (preposition ships)

- 5542 aircraft
  - 3168 Navy (Active
  - 1119 USMC (Active)
  - 618 NRF/4th MAW
  - 637 Pipeline

- USMC is organized in:
  - 3 active and 1 reserve divisions.
  - 3 active and 1 reserve air wings.

There are:

- Navy: 528,000 active (68,000 officers; 460,000 enlisted)
  Of these 4,639 officers, 29,891 enlisted are women.
  87,000 reserve (17,000 officers; 70,000 enlisted)

- Marine Corps: 188,000 active (18,000 officers; 170,000 enlisted)
  Of these 528 officers, 6,343 enlisted are women.
  30,000 reserve (3,000 officers; 27,000 enlisted)

- Civilians: 314,000

- Flag/General Officers: 219 USN line (8-4 star, 30-3 star)
  42 USN staff
  66 USMC (2-4 star, 7-3 star)

These forces are maintained and operated with approximately 31% of the DOD budget broken down as follows:

- FY81 Pres. Budget as Amended

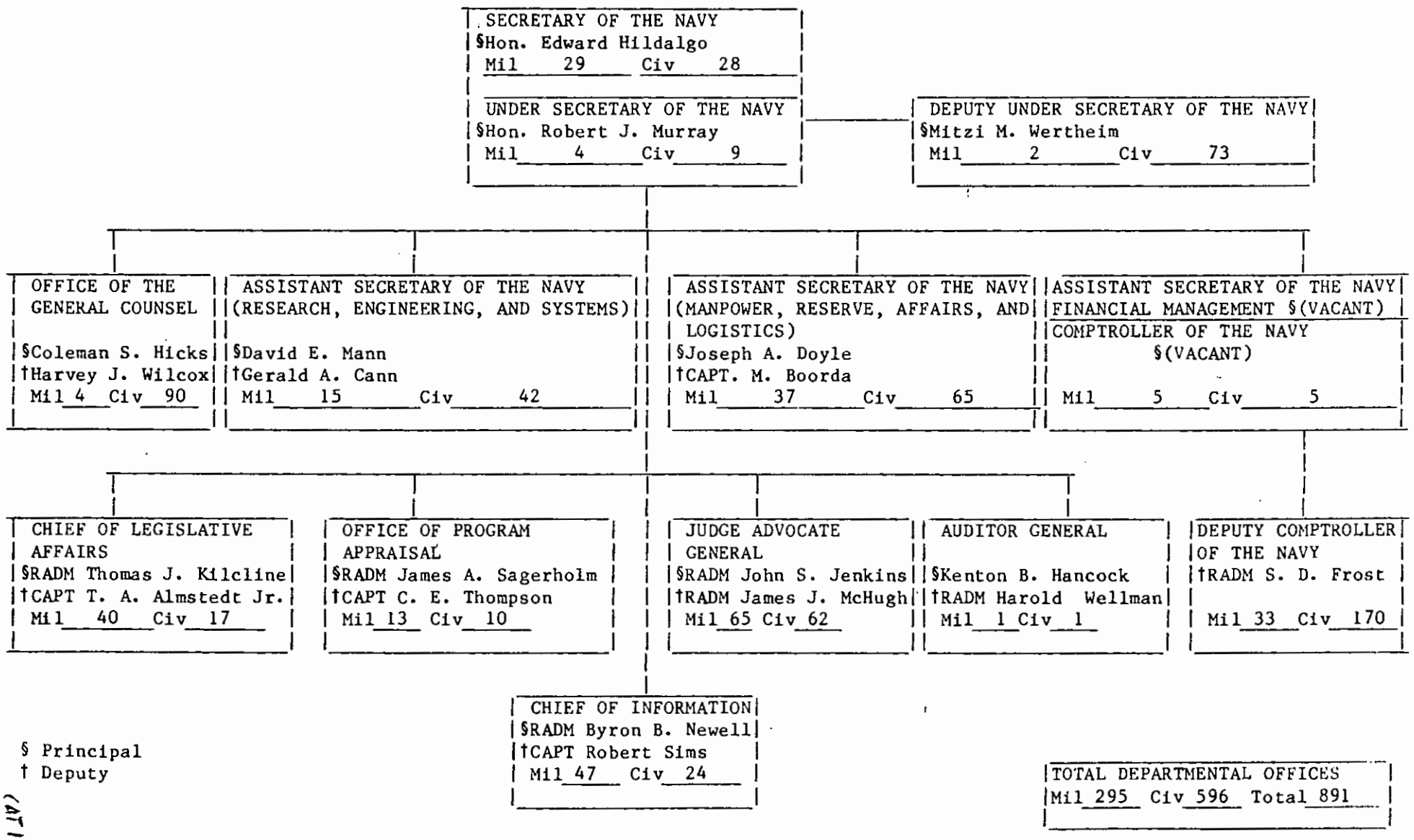
	Navy ($M)	USMC ($M)
Military pay	$ 7,795	$2,355
Operations & Maintenance	17,139	981
Procurement	16,504	470
RDT&E	4,862	-
Stock fund	4	-
TOTAL	$46,176	$3,806

- Ordnance expenditures - FY81: USN: $1,154M
  USMC: 81M

- Fuel costs - FY81: USN: $3,542M
  USMC: 61M

Cat 1/965

DEPARTMENT OF THE NAVY SECRETARIAT AND STAFF OFFICES
FISCAL YEAR 1981



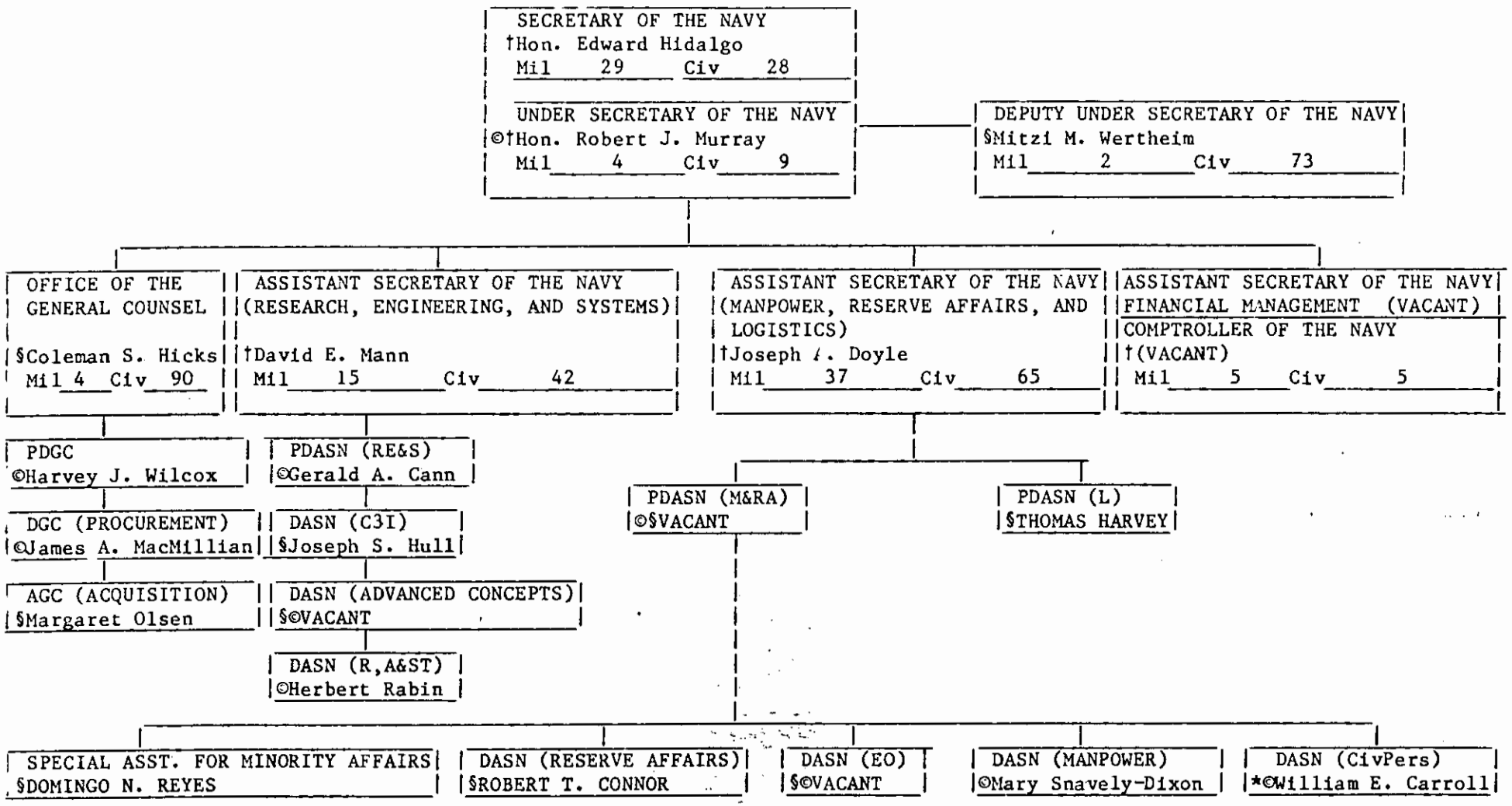
§ Principal
† Deputy

TOTAL DEPARTMENTAL OFFICES
Mil 295 Civ 596 Total 891

(ATI / DKSN)

DUSN

DEPARTMENT OF THE NAVY SECRETARIAT AND STAFF OFFICES
FISCAL YEAR 1981



§ SES NON-CAREER APPOINTMENTS
† PRESIDENTIAL APPOINTMENTS
© SES CAREER
* Position not permanently established, although currently occuppied on a reimbursable basis payable to International Communication Agency.

PAT 1/DSN

SCHEDULE "C" INCUMBENT AND POSITION LIST

SECRETARY OF THE NAVY

Mary Golden	Staff Assistant to the SECNAV	(GS-301-12)

UNDER SECRETARY OF THE NAVY

Charlotte McCabe	Private Secretary to the UNSECNAV	(GS-318-11)
Ronald L. Jackson	Special Assistant to the UNSECNAV	(GS-301-15)
Eddie Serrano	Special Assistant to the UNSECNAV	(GS-301-12)
William F. Cuff	Special Assistant to the UNSECNAV	(GS-301-12)
Clifford J. Sharrock	Special Assistant Emergency Planning	(GS-301-12)

DEPUTY UNDER SECRETARY OF THE NAVY

Mary Margaret Goodwin	Special Assistant for Environment	(GS-301-15)
J. Regan Kerney	Staff Assistant	(GS-301-13)

ASSISTANT SECRETARY OF THE NAVY (RESEARCH, ENGINEERING, AND SYSTEMS)

Rose Marie Moore	Private Secretary to the ASN(R&D)	(GS-318-10)

ASSISTANT SECRETARY OF THE NAVY (MANPOWER, RESERVE AFFAIRS, AND LOGISTICS)

Donna Lloyd	Private Secretary to the ASN(MRA&L)	(GS-318-10)

ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT)

Rebecca A. Doniff	Private Secretary to the ASN(FM)	(GS-318-10)

CAT 1 / DUSN

Cdr R.J. Zlatoper, USN; EA, DIR OPA
X79396 19 Nov 1980

OFFICE OF PROGRAM APPRAISAL (OPA)

BACKGROUND

- OPA is a small appraisal staff office under the immediate supervision of SECNAV.
- Mission is to provide SECNAV with evaluations of existing and proposed Navy/Marine Corps programs for his use in the decision-making process.

HISTORY

- 1952-1963: Office of Analysis and Review was comprised of civilians whose mission was to review mobilization/operations plans and requirements for balance/validity.
- 1963-Present: OPA was formed following the 1962 Dillon Board Study of DON organization to provide military/civilian analysts solely and immediately responsive to SECNAV.
- Current composition: 12 military, 4 civilian, with varied disciplines to span Navy/USMC programs.

OPA FUNCTIONS

- Analyze validity, adequacy, feasibility and balance of proposed DON programs to provide SECNAV a basis for assessing overall directions and priorities.
- Conduct, coordinate, or provide guidelines for special studies requested by SECNAV and key Civilian Executive Assistants.
- Appraise and advise SECNAV and his Civilian Executive Assistants on items relating to the Planning, Programming and Budgeting System (PPBS).
- Review/evaluate the responsiveness of DON's programming system in meeting SECNAV needs. Present recommendations as required.
- Analyze/appraise correspondence, reports and studies. Present recommendations to SECNAV and Assistants.
- Prepare backup material for SECNAV's annual authorization/appropriation Congressional appearances.
- Prepare special analyses/reports as SECNAV directs.

INTERFACES

- Office of Secretary of Defense - PA&E
- Navy Secretariat - All OASN's
- OPNAV - OP-090; OP-90; OP-92; OP-96; OP-098
- HQ, USMC - Requirements and Programs

CAI/OPA

UNCLASSIFIED

CAPT S. F. Loftus, USN
EA ASN(FM), 72325, 20 Nov 1980

SUBJECT

The Navy Comptroller Function

BACKGROUND

The Comptroller of the Navy is the ASN(FM); "double-hatting" is unique to Department of the Navy only since function encompasses both Navy and USMC. Comptroller is responsible for policy and procedures related to:

- Budget development, justification, and execution
- Reporting fiduciary information to DOD and Treasury
- Financial systems, procedures, and practices
- Special procedures for contract financing and military banking

DISCUSSION

Budget for FY 1981 cleared SAC in November 1980 and will probably go to Conference in December. Budget for FY 1982 has been developed and will be presented to Congress in January. Budget execution for FY 80 resulted in 88.3% obligation against availability (100.7% against plan) and 99.7% expenditure against availability/plan. Required reports have been rendered to DOD and Treasury.

Navy financial systems are not fully approved by GAO - we are under pressure to revise and update to meet GAO standards. A massive effort both in time (10 years) and dollars ($50 million). Solid plans have been developed and implemented.

PROBLEMS

Budget schedule is always hectic - driven by White House, Congressional, and DOD schedules. Navy has strong reputation for consistently preparing quality budget and documentation - significant effort under constant pressure. SECNAV is intimately involved in major issues.

Financial systems are not glamorous but require manpower, dollars, and ADP investment to improve and update. These systems are critical to sound financial management and budget execution.

FY 81 and 82 Budgets may require early supplemental/amendment action to meet Presidential program goals, Will need timely program and fiscal guidance - even so, process is time-consuming.

ACTION REQUIRED

None - for information only.

CAPT ASN(FM)

OFFICE OF THE CHIEF OF NAVAL OPERATIONS

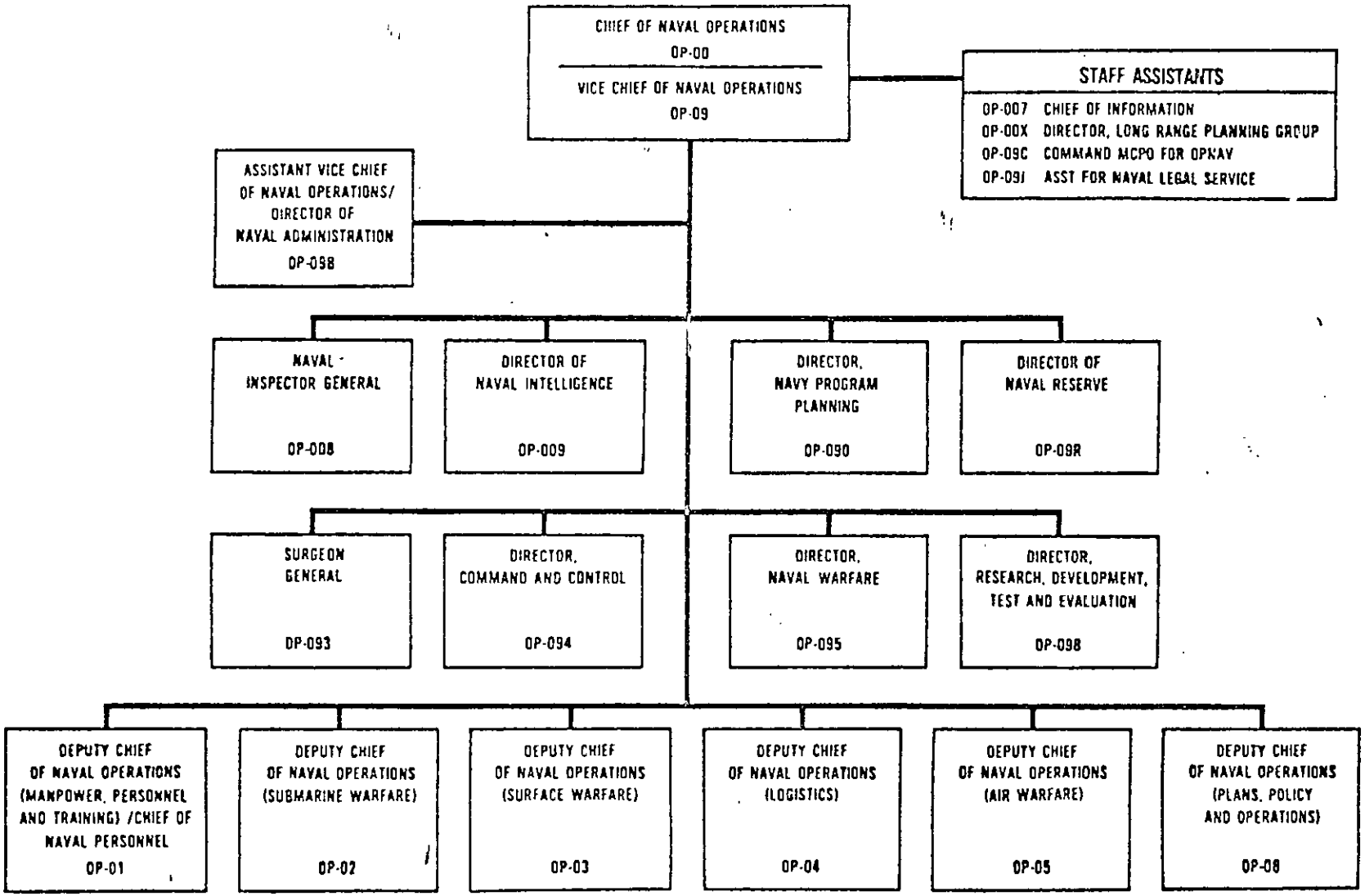
- Chief of Naval Operations (CNO)
  - statutory position
  - senior military officer of Department of the Navy (DON)
  - principal naval adviser to the President and Secretary of the Navy (SECNAV) on conduct of war
  - principal naval adviser and naval executive to SECNAV on the conduct of activities of the DON
  - Navy member of the Joint Chiefs of Staff
  - Incumbent is ADM Thomas B. Hayward, appointed in July 1978 for a four-year term.

- Vice Chief of Naval Operations (VCNO)
  - statutory position
  - also a four-star officer, he directs the staff of the Chief of Naval Operations and is his alternate as a member of the JCS.
  - the incumbent is ADM James D. Watkins, appointed in September 1979.

- Office of the Chief of Naval Operations (OPNAV)
  - headquarters of the Navy
  - advises and assists CNO in discharge of his responsibilities
  - formulates Navy-wide policy
  - plans, programs for, and supervises activities of the Navy
  - consists of 1693 personnel: 867 military officers, 224 enlisted, 602 civilians
  - organized around six Deputy Chiefs of Naval Operations (DCNO) and five Directors of Major Staff Offices (DMSO), who are vice admirals, and supporting elements.

- OPNAV organization chart is provided at TAB A.

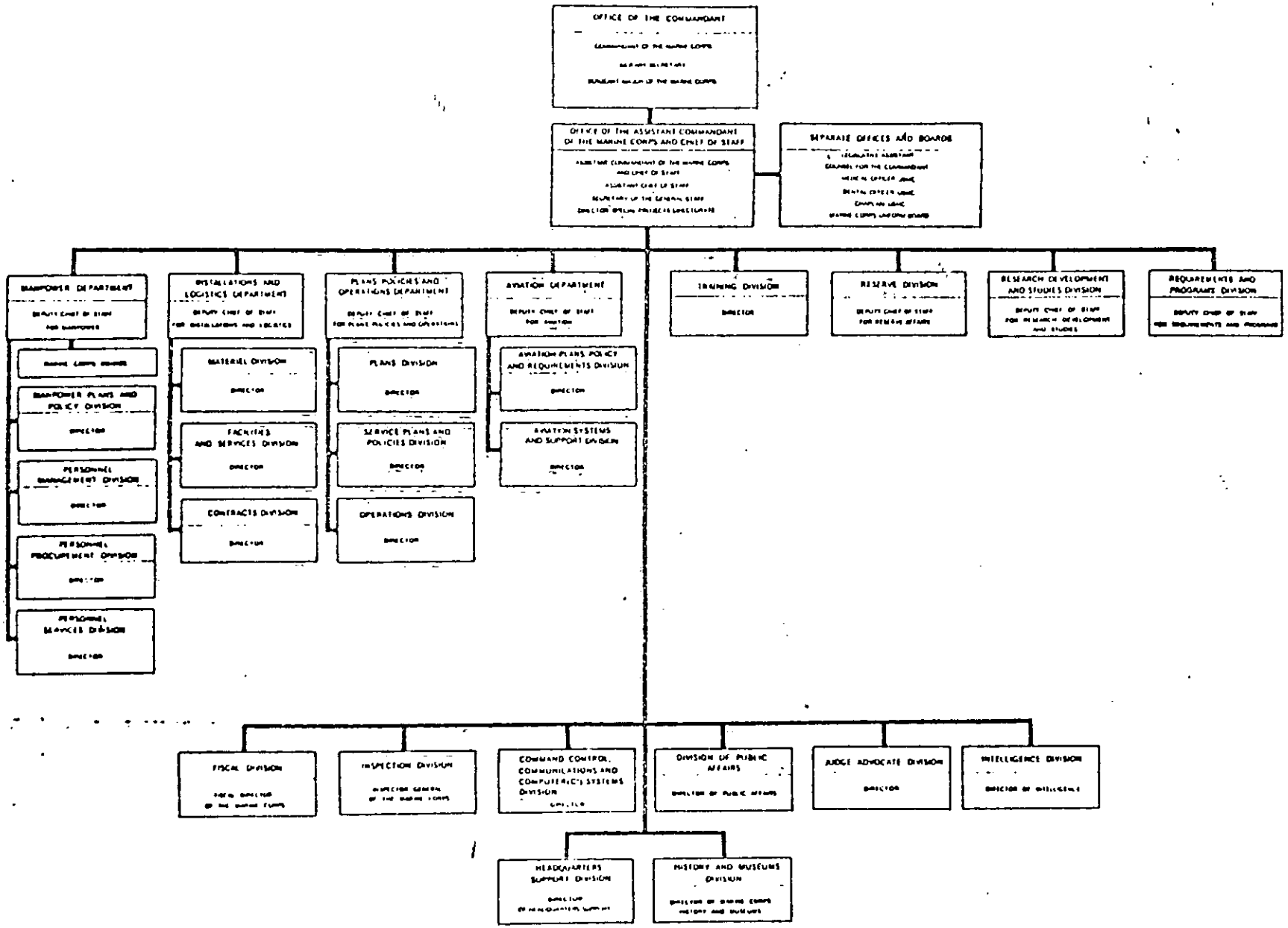
OFFICE OF THE CHIEF OF NAVAL OPERATIONS



OFFICE OF THE COMMANDANT OF THE MARINE CORPS

- CMC
  - statutory position
  - commands and is responsible for the total performance of the Marine Corps
  - principal adviser to SECNAV on Marine matters
  - not a part of CNO Command structure
  - close relationship with CNO within the DON
  - Marine member of Joint Chiefs
  - incumbent is Gen. Robert H. BARROW, appointed on 1 July, 1979.
- ACMC
  - statutory position
  - also a four star officer, he directs the General Staff and is the Commandant's alternate as a member of the JCS
  - the incumbent is Gen Kenneth MCLENNAN, appointed on 1 July 1979
- Headquarters Marine Corps (HQMC)
  - Headquarters of the Marine Corps
  - advises and assists the Commandant in discharge of his responsibilities
  - plans, programs for, and supervises the activities of the Marine Corps
  - organized around eight general officer Deputy Chiefs of Staff and six Directors of Major Divisions.
- HQMC Organization Chart is provided at Tab A.

HQMC ORGANIZATION CHART



CNM/24 Nov 1980

NAVAL MATERIAL COMMAND

- The Naval Material Command (NMC) is the Navy's single agency for acquisition and logistics support of all ships, aircraft, weapons, electronics equipment, and supporting systems. Its responsibilities encompass research and development, procurement, production, installation, maintenance, overhaul and modernization.

- The NMC is structured as shown at TAB A, and commanded by a four-star officer. The major operating divisions are the five systems commands:
  - Air Systems Command (3-star) -- aircraft, missiles, airborne weapon systems.
  - Electronic Systems Command (2-star) -- communications and electronics equipment other than weapon systems.
  - Facilities Engineering Command (2-star) -- planning, design, construction, maintenance and disposal of shore facilities.
  - Sea Systems Command (3-star) -- ships, submarines, weapon systems, sensor systems.
  - Supply Systems Command (2-star) -- logistic support, resupply.

- Over 200 separate shore activities provide a nucleus of trained personnel to perform specialized functions on a basis not normally adaptable to contracting.

- Eight Research and Development Centers centrally managed by the Chief of Naval Material provide a core capability in research and development organized on a "Center of Excellence" basis.

- The Chief of Naval Material reports to the Chief of Naval Operations in the performance of his duties. The incumbent is ADM Alfred J. Whittle, appointed in August, 1978.

END STRENGTH/BUDGET

- FY 81 authorized end strength is 14,200 military and 204,800 civilian personnel.

- FY 81 budget is $28.6 billion.

Cy 1/CNM

NAVAL MATERIAL COMMAND

PERSONNEL SUMMARY
(Mil & Civ, End FY-81 Authorized)

Hq Naval Material Command	933
CNM Project Managers Offices	1,031
R&D Centers	20,177
Other Shore activities	3,840
Air Systems Command	43,410
Electronic Systems Command	3,681
Facilities Engineering Command	20,605
Sea Systems Command	101,050
Supply Systems Command	24,246
Total Naval Material Command	218,953

CHIEF OF NAVAL MATERIAL

VICE CHIEF OF NAVAL MATERIAL

DEPUTY CHIEF OF NAVAL MATERIAL

HEADQUARTERS NAVAL MATERIAL COMMAND

PROJECT MANAGERS

Strategic Systems	PM-1
Trident	PM-2
Joint Cruise Missiles	JPM-3
Anti-Submarine Warfare Systems	PM-4
Saudi Navy Expansion	PM-5
High Energy Laser	PM-22
Tactical Nuclear Warfare	PM-23

SHORE ACTIVITIES

R&D CENTERS

Air Development Center, Warminster, PA
David W. Taylor Ship R&D Center, Bethesda, MD
Weapons Center, China Lake, CA
Ocean Systems Center, San Diego, CA
Underwater Systems Center, Newport, RI
Surface Weapons Center, Dahlgren VA
Coastal Systems Center, Panama City, FL
Personnel Research & Development Center, San Diego, CA

LOGISTIC ACTIVITIES

Industrial Resources Data Center, Philadelphia, PA
Training Equipment Center, Orlando, FL
(ADCU to CNM for Acquisition Matters)
Maintenance & Supply Support Office, Norfolk, VA
Maintenance Support Office, Mechanicsburg, PA

STRATEGIC SYSTEMS SUPPORT

Astronautics Group, Point Mugu, CA
Ordnance Test Unit, Cape Canaveral, FL
Plant Representative Office, Pittsfield, MA
Plant Representative Office, Sunnyvale, CA
Polaris Missile Facility, Atlantic, Charleston, SC
Strategic Weapons Facility, Pacific, Bremerton, WA

In Development Status:

Submarine Base, Bangor, Bremerton, WA
Submarine Support Base, Kings Bay, GA
Trident Refit Facility, Bangor, Bremerton, WA
Trident Training Facility, Bangor, Bremerton, WA

NAVAL AIR SYSTEMS COMMAND

SHORE ACTIVITIES:

Aviation Logistics Center
Air Rework Facilities (6)
Logistic Support Activities (2)
Plant Representatives (7)
Test and Engineering Activities (8)
Other (5)

NAVAL ELECTRONIC SYSTEMS COMMAND

SHORE ACTIVITIES:

Systems Engineering Centers (4)
Systems Engineering Activity
Security Engineering Center
Space Systems Activity

NAVAL FACILITIES ENGINEERING COMMAND

SHORE ACTIVITIES:

Regional Field Divisions (6)
Public Works Centers (8)
Construction Battalion Centers (3)
Officers in Charge of Construction (8)
Other (3)

NAVAL SEA SYSTEMS COMMAND

SHORE ACTIVITIES:

Supervisors of Shipbuilding (18)
Shipyards (8)
Inactive Ship Facilities (2)
Weapon Stations/Support Centers (8)
Ordnance Stations (2)
Undersea Warfare Station
Sea Support Centers (2)
Combat Direction Systems Activities (2)
Test and Engineering Activities (8)
Plant Representatives (4)
Other (12)

NAVAL SUPPLY SYSTEMS COMMAND

SHORE ACTIVITIES:

Supply Centers/Annexes (7)
Inventory Control Points/Branches (3)
Fleet Material Support Office
Contracting Offices (4)
Fuel Activities (2)
Publications and Printing Activities (5)
Resale Activities (28)
Other (8)

TAB A

NAVY ACQUISITION PROCESS

opment and procurement programs
- 500+ individual programs in DON
- 19 designated as "major" (i.e., SECDEF decision authority) monitored by Defense Systems Acquisition Review Council (DSARC)
- DON decision authority delegated program by program to SECNAV, CNO, DCNO/DMSO, CNM. Selected programs monitored by Department of the Navy Acquisition Review Council (DNSARC), chaired by SECNAV.

- Acquisition Policy set by OSD
  - requirements based on mission area needs
  - phased development, periodic decision authority reviews
  - procedures for major (OSD decision authority) and DON controlled programs similar

- Basic/Applied Research
  - Managed by Chief of Naval Research/Chief of Naval Development
  - Maintains a technology base
  - Developments support ongoing programs or initiate new systems

- Mission Area Analysis (MAA)
  - establishes existence of a deficiency or technological opportunity
  - stand alone studies or in support of POM development
  - conducted within OPNAV
  - basis for requirements documents

- Requirements documents
  - Mission Element Needs Statements (MENS) for potential major program
  - Operational Requirement (OR) for all other
  - drafted by OPNAV program sponsor
  - approved by either CNO, SECNAV or SECDEF as appropriate

- Development Phases
  - Concept Formulation, Demonstration & Validation, Full Scale Development, Production
  - each phase preceeded by a program milestone

- Key milestones
  - Milestone Zero: program initiation, need agreement, MENS/OR approval
  - Milestone II: system deployment commitment

- Program reviews
  - at each milestone by the decision authority
  - yearly as part of POM/Budget development
  - monitor progress and approve development plans

- Program management
  - day-to-day technical and business/financial management by SYSCOM Program/Project Manager
  - OPNAV oversight by Resource Sponsor, Director, RDT&E and Director, Navy Program Planning
  - SECNAV oversight by ASN(RE&S)/ASN(MRA&L)

Cat 1/96E

CAPT C. T. WHITLEY
OPA EXT. 79152
17 December 1980

PROGRAM BALANCE

BACKGROUND

- In Navy and Defense program and budget resource allocation, balance refers to the distribution of prospective assets which, over an extended time, against a dynamic and considerably uncertain threat, and arrayed against a large variety of functional demands, is likely to result in the greatest overall effectiveness and the least probability of unacceptable outcomes.

- Such a balance, for greatest total naval capability and the best maritime defense, can be, and is, addressed in many ways. To cite a few:

  - Force Levels vs Modernization vs Readiness

  - Strategic Forces vs General Purpose Forces vs Support and Mobility Forces vs General Support

  - Active Forces vs Reserve Forces

  - Strike vs Anti-Air vs Anti-Surface vs Anti-Submarine vs Mine Warfare

  - Peacetime Presence vs Non-Mobilization Contingency vs General Mobilization War

  - Initial Combat Capability vs Combat Sustainability

  - Power Projection vs Sea Control

- All of these, and other, ways of setting up the cost-effectiveness equations address means to the same end. In a severely constrained fiscal environment, however, these requirements appear, not as mutually supportive parts of a harmonious whole, but as active competitors for scarce resources. It is obvious that some reasonable balance must be struck in every case. Over-emphasis on one or some, at the expense of the other(s) leads to a diminished overall effectiveness and less likelihood of success in carrying out our future national tasking.

DISCUSSION

- All resource allocation decisions, large and small, affect these balances in some way. These decisions are judgment calls; almost all based on imperfect knowledge and not demonstrably correct beyond reasonable doubt.

CAPT 1 /OPA

- Sometimes, as in the immediate post-Vietnam period, imbalance is fairly obvious and generally agreed. In this case, both modernization (ship-building) and readiness (material condition) had suffered due to emphasis on Force Levels (keeping older ships), operating tempo, ordnance expenditure, and replacement/repair of battle-damaged aircraft. The dramatic decrease in active fleet ship forces during the 70's reflects not only a rebalancing toward modernization and readiness, but the end of service life of World War II capital investments.

- It is fair to assume that the present program is reasonably in balance. Most of it has been reviewed and refined many times by multiple management levels, both within and without the Navy.

  - To illustrate, $325M is about ½% of the present DON budget. Identification of offsets, from within another account, to add one $325M unit to the shipbuilding program is difficult and almost certainly causes or enlarges significant problems elsewhere. The same would be true in offsetting a $325 increment to construction, maintenance, development, or weapons inventories.

- Also, discretionary access to resources in the DON program, and hence management flexibility, are much more restricted than might be assumed.

  - Large, immediate costs of ownership must be paid.

  - Long standing programs representing large sunk costs are abandoned or redirected with difficulty.

  - Institutional resistance to change or innovation exists both within and without the Navy.

  - Political sensitivities or pressures sometimes inhibit or thwart otherwise desirable actions.

  - Lead times are long and tenure is, in most cases, shorter.

- In seeking to maintain this balance, pitfalls are numerous. Some involve loss of objectivity or judgment within too narrow a context. Some arise from uncertainty, evitable or inevitable, and inability to perceive alternative implications fully.

  - Sincere, able advocates are highly persuasive.

  - The need for X system or program, considered alone, is compelling.

  - Intuitive fixations (more and cheaper, technological innovation, quick payoff, traditionalism, threat over/under stated) mislead.

- Well-intentioned overmanagement from too high a level (as we perceive in OSD/OMB and the Congress) loses sight of too many significant factors.

- Time alone, frequently more than a human generation, obscures the outcome of a given course of action.

- Navy headquarters management, like the program it oversees, is an evolutionary product. It is, in its present state, necessarily responsive to top-down direction, but it also reflects a large degree of bottom-up approach to decision making.

  - Many needs and proposals, generally products of experience, are generated by fleet and shore commands.

  - These, together with threat assessment from intelligence sources, top-down guidance, resource limitations, and internally generated factors, are appraised at sponsoring staff levels intimately familiar with narrow sectors of the program.

  - Sponsor staffs then present their appraisals of capabilities, needs, shortfalls, and options to first level decision makers.

  - The first level decision makers pass judgment on numerous of these appraisals, seeking best balance and most effectiveness within their broader areas of cognizance, but still without need or responsibility to place their areas or problems in proper balance or context within the much greater whole of the DON program.

  - First level areas and requirements are then aggregated for second level consideration, and so on.

  - While all programs and decisions do not rigorously follow the somewhat simplified and idealized process described, practically all DON resources and plans are submitted to as many as four levels of such review one or more times a year.

  - By this approach, a minimum of relevant detail is overlooked and fuller implications are taken into account before, rather then after, the fact of the decision. Obviously, the level of detail directly considered gets progressively higher as the scope of consideration broadens to encompass eventually the entire DON.

CONCLUSION

Perfect program balance at the scale of the DON is, for all practical purposes, impossible to achieve or to recognize. Present balance is, by all accounts, reasonable now. Needs change, and grow. Significant improvements in balance or overall capability are very difficult to achieve with

confidence, lacking increased real resources. The present imperfect system works fairly well. Management devices such as MBO and ZBB do not necessarily render the undertaking more tractable nor enhance likelihood of success except to the degree that they permit botton-up participation and afford reasonable insight at each decision level. While, at each decision level, advocates compete vigorously for support of their programs' needs, an atmosphere of teamwork and good faith is essential. Suspicion and adversary relationships, particularly between decision levels, compound the difficulty of an already arduous task. Balanced inadequacy, or equal distribution of dissatisfaction, may be the best answer in prospect.

OP-965/26 Nov 1980

NAVY PLANNING, PROGRAMMING AND BUDGETING PROCESS

BACKGROUND

- Planning Phase: Five Year Defense Plan (FYDP) produced in previous fiscal cycle is appraised in warfare and support areas, deficiencies are identified and alternatives proposed for correcting deficiencies. Conducted by OP-96.

- Programming Phase: Fiscally constrained resources are applied to manpower, hardware, operating and R&D requirements to achieve the proper balance between readiness, force structure, sustainability, and modernization. Conducted by OP-90.

- Budgeting Phase: Programs approved for funding are scrubbed for pricing, executability, and conformance to guidance. Concentration is on first year of FYDP, which will be submitted to SECDEF as Navy Budget. Conducted by OP-92.

DISCUSSION

- Services prepare Program Objectives Memoranda (POM) beginning in Fall each year, submit to OSD in May. OSD reviews, enters into dialogue with Services, SECDEF decides major issues by August.

- Budgets are prepared at field level beginning in Spring, reviewed at Department level in July/August, adjusted to SECDEF program decisions in August, submitted to OSD/OMB in September.

- SECDEF and OMB jointly review department budget requests and establish overall priorities in November and render final budget decisions in December. Final fiscal control by OMB determines funding cut off level. Budget to Congress in January.

- TABS A and B provide a more detailed overview of the programming/budgeting process.

Cat 1/965

TAB A

DEPARTMENT OF THE NAVY PROGRAMMING PROCESS FOR FY83

EVENT	DOCUMENT	REMARKS	TIME
SECDEF issues policy guidance	Defense Policy Guidance (DPG-83)	National strategy and objectives, planning assumptions, force sizing and special interests.	November 1980
SECNAV issues policy, programming guidance	Department of the Navy Planning and Programming Guidance (DNPPG-83).	Identifies areas requiring special attention in the Navy programming process. Amplifies or supplements SECDEF guidance as necessary.	November 1980
SECDEF issues programming guidance	Consolidated Guidance (CG-83)	The authoritative statement of fundamental strategy, issues and rationale. Provides fiscal guidance for development of service programs.	Draft in January 1981, approved version in April 1981
SECNAV forwards Navy Program to SECDEF	Navy Program Objectives Memorandum (POM-83)	SECNAV's recommendations to SECDEF on the Navy's resource requirements. Recommends force levels, manpower, procurement within fiscal guidelines specified by SECDEF. Covers a five-year period.	May 1981
JCS assessment of composite Defense Program	Joint Program Assessment Memorandum (JPAM-83)	JCS risk assessment of POM composite force recommendations. Evaluates capabilities of POM force and support levels to execute the approved national military strategy.	June 1981
OSD Issues vis a' vis Navy POM	Issue Papers	Interaction between DON and OSD on major program issues related to force levels, system acquisition and rates/ levels of support.	June 1981

EVENTS	DOCUMENT	REMARKS	TIME
SECDEF issues tentative program decisions	Program Decision Memorandum (PDM)	SECDEF tentative decisions on service and agency POMs.	July 1981
SECNAV contests unfavorable PDM actions	Navy Reclama to PDM	Formal appeal to SECDEF for reconsideration of issues which have been disapproved (in whole or in part).	July 1981
SECDEF issues final program decisions	Amended Program Decision Memorandum (APDM)	Final decision on service programs.	August 1981

OP-96/24 Nov 1980

U.S. NAVY MISSION AND FUNCTIONS

- The mission of the U.S. Navy, as set forth in Title 10, U.S. Code, is to be prepared to conduct prompt and sustained combat operations at sea in support of U.S. national interests.
  - The U.S. Navy must be able to defeat, in the aggregate, potential threats to continued free use of the high seas by the United States.
  - The U.S. Navy carries out its mission within the framework of a national strategy, in joint coordination with other services and in combined planning with U.S. allies.
- The Navy's basic interrelated functions are sea control and power projection.
  - Sea control is the fundamental function of the U.S. Navy.
    - -- Connotes control of sea areas of interest and the associated air space and underwater volume.
    - -- Selectively exercised when and where needed;
    - -- Enhances security for sea-based strategic deterrence forces.
    - -- Power projection can be a necessary element to ensure sea control of contiguous land areas essential to control of the seas.
  - Power projection as an independent function is a means of supporting land or air campaigns.
    - -- Covers a wide spectrum of offensive naval operations.
    - -- An essential element is the amphibious task force, the nation's only means of inserting substantial U.S. ground forces into hostile environment.
    - -- Employment of power projection forces requires sea control.
- In the exercise of its mission responsibilities the Navy has three main roles:
  - Strategic nuclear deterrence.
  - Forward deployed forces operationally ready to support allies and protect U.S. interests.
  - Security of the sea lines of communication.

Cat 1/965

OP-96/24 Nov 1980

U.S. NAVY STRATEGIC CONCEPTS

- Naval forces must have global reach because any conflict between NATO and the Warsaw Pact will almost certainly be worldwide in scope.
  - Control of sea approaches to Eurasia is essential to support forward-based forces and allies
  - Critical to maintain naval forces that can go anywhere and stay as long as necessary to support national objectives.

- Naval forces must have the capability to take the offensive to the Soviets.
  - Must be able to destroy hostile forces at times and places carefully selected to provide maximum advantage to our side.
  - Gives option to take the initiative and force Soviets into defensive mode
    - -- Taking advantage of Soviet geographic disadvantages
    - -- Compelling them to concentrate forces close to home where they can threaten sea lines of communication (SLOCs) least.

- Flexibility in concepts for force employment is central to planning and force structure development.
  - Naval forces serve as an instrument of foreign policy, providing the National Command Authority with a variety of options for dealing with crises.
  - Implies capability to operate across the spectrum of warfare tasks--from deterrence through forward deployment of forces in peacetime to the full range of wartime tasks.

- Naval forces must have the degree of sophistication dictated by most likely threats.
  - The most severe threat is defined by the Soviet Union--which has made substantial investments in military procurement, R and D, and construction--and the expansion of Soviet naval power.
  - No choice but to meet the Soviet challenge with forces of requisite quality, sophistication and capability.

- Taking into account the probability that international instability is high, naval forces must be responsive.
  - Implies forward deployment or prepositioning of forces and concern for supporting infrastructure.
  - Implies capability to move rapidly to the scene of the crisis to deter and to contain conflict.
  - Implies capability to perform a full range of warfare tasks.

Cat 1/905

Col O. K. STEELE, USMC, PL2, 44221
19 November 1980

SUBJECT
Maritime Strategy

BACKGROUND

- Although the U.S. is continental in scope, the inescapable fact remains that we are an insular nation with global economic, political and security interests.

  — We are a nation that:

    — Has a 180 billion dollar investment overseas

    — Transacts 74 to 80 billion dollars in foreign commerce annually

    — Imports, in addition to our energy needs, 90% of the minerals and metals needed to supply our industries

    — Uses the sea to transport 99% of all of its foreign trade

    — Has legal and moral security commitments with nations of other hemispheres, many of which share with us a historic and cultural tie.

DISCUSSION

- The trends for the 1980s and beyond:

  — Despite strong national interests and increasing competition for scarce resources, interdependence between nations will increase and become a dominant economic trend.

  — The importance of the third world regional powers will grow

  — Competition for resources will intensify

  — Access to raw materials will be threatened by producer restraint

  — Open passage on the high seas will be endangered by enlarged national claims

  — Political alignments will be increasingly based on economic ties.

  — An expanding Soviet merchant fleet, backed by a modern navy with greater global reach; this can threaten the U.S. in two ways:

    — Indirectly: loss of trading partners through presence and domination

    — Directly: loss of lines of communication during times of war or international crisis.

- It should be clear that if the U.S. must depend on the freedom of the seas for its future well-being and survival, then it is imperative that the leadership of this country revive a nation-wide interest in that strategy which can best guarantee this objective. It is to this nation's misfortune that this vital element of power has been cast adrift for too long.

  — National maritime power consists of two mutually supporting components:

    — Maritime Commerce: Maritime commerce embraces a wide range of institutions ranging from transport and fishing fleets to shipbuilding and port and repair facilities that support international trade.

— Naval Forces - Naval forces maintain secure bases and can deploy and operate in a manner that ensures sea lines of communication remain open to both national and friendly merchantmen. In addition to this basic function, naval forces:

- o play a major role in diplomatic affairs by representing the U.S. around the globe
- o can respond with aid and assistance during natural disasters
- o can respond as a show of force during times of international crisis
- o engage the enemy during conflict, destroying his forces, suppressing his commerce, and projecting U.S. power beyond its own borders without maintaining sizable land or air forces on foreign soil

SUMMARY

- Meeting our future national security and economic needs will depend in large measure on our ability to selectively control and exploit the seas and the sea lines of communication. If we are to survive, the nation must look again to strengthening its maritime posture.

ACTION REQUIRED

- Initiate a program to enhance public awareness of the contribution naval forces make to American security.
- Promote the requirement for a National Maritime Strategy.
- Support initiatives that strengthen the maritime aspects of the national strategy.

NAVY AND MARINE CORPS
OPERATING FORCE ORGANIZATION

- Fleet Commanders in Chief and subordinate numbered fleet commanders have geographically oriented responsibilities and are permanently organized and assigned to a unified (theater) command.
  - CINCLANTFLT, the Navy component of the ATLANTIC COMMAND
    -- SECOND FLEET (Atlantic)
  - CINCPACFLT, the Navy component of the PACIFIC COMMAND
    -- THIRD FLEET (EAST/MID PACIFIC)
    -- SEVENTH FLEET (Western Pacific, Indian Ocean)
  - CINCUSNAVEUR, the Navy component of the U.S. EUROPEAN COMMAND
    -- SIXTH FLEET (Mediterranean)

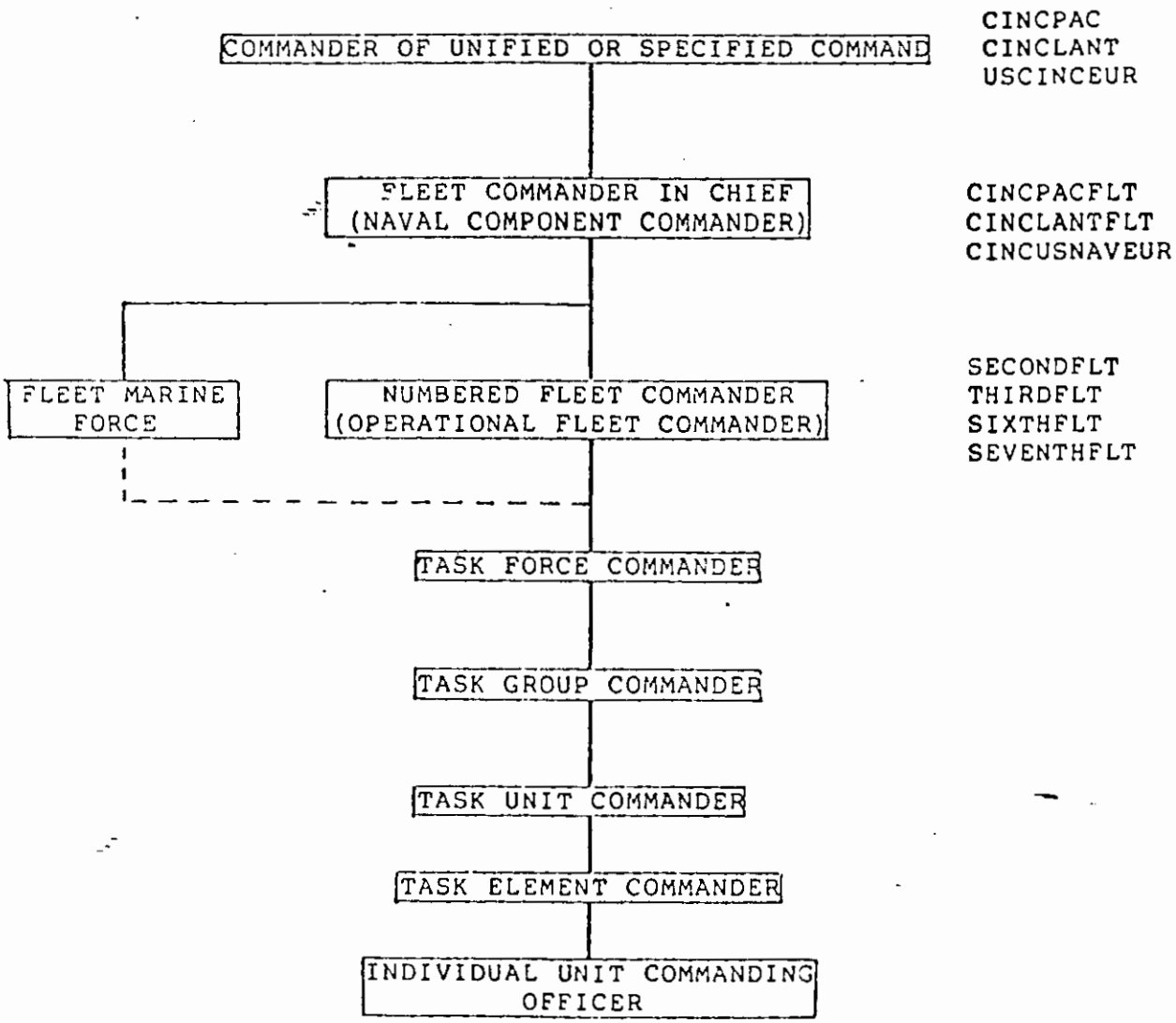
- Below the numbered fleet level, the operational chain of command is task oriented.

- The purpose of tactical force organization is to group Navy and Marine Corps units to achieve the proper balance of individual forces for specific tactical employment.
  - Units are tactically deployed in task organizations tailored to the intended employment of the force.
    -- Task forces are normally constituted to conduct broad naval warfare missions, e.g. to establish local naval superiority.
  - The principal task organization of Navy forces is that established to meet hostile forces in battle at sea.
  - The principal task organization of Marine forces is that established to conduct amphibious operations.

- Battle forces are formed for the specific purpose of challenging the enemy's main combatant force at sea.
  - Each included battle group must be able to perform effectively the full spectrum of at-sea offensive warfare tasks.
  - Battle groups at a minimum include within the task organization a carrier, surface combatants and submarines in direct support.
  - Task groups, units and elements normally have progressively narrower operational missions within the broader mission of the task force.

- Other naval tasks may require other types of task forces composed of ships and units with other capabilities, e.g., maritime surveillance and reconnaissance force and mobile logistics support force.

- Fleet Marine Forces are under operational command of the Fleet Commanders in Chief.
  - Fleet Marine Forces are employed as integrated Marine Air Ground Task Forces (MAGTF's) containing command, ground, aviation and combat service support elements.
    -- Subordinated to the numbered fleet commanders when deployed operationally as part of a naval task force.
  - Types of MAGTF's are:
    -- Marine Amphibious Force - division/wing team;
    -- Marine Amphibious Brigade - regimental landing team and provisional air group as basis;
    -- Marine Amphibious Unit - battalion size with an air squadron.


COMMANDER OF UNIFIED OR SPECIFIED COMMAND
CINCPAC
CINCLANT
USCINCEUR
FLEET COMMANDER IN CHIEF
(NAVAL COMPONENT COMMANDER)
CINCPACFLT
CINCLANTFLT
CINCUSNAVEUR
FLEET MARINE FORCE
NUMBERED FLEET COMMANDER
(OPERATIONAL FLEET COMMANDER)
SECONDFLT
THIRDFLT
SIXTHFLT
SEVENTHFLT
TASK FORCE COMMANDER
TASK GROUP COMMANDER
TASK UNIT COMMANDER
TASK ELEMENT COMMANDER
INDIVIDUAL UNIT COMMANDING OFFICER

TAB A

LtCol WALKE, USMC, POC14, 43059
19 Nov 80

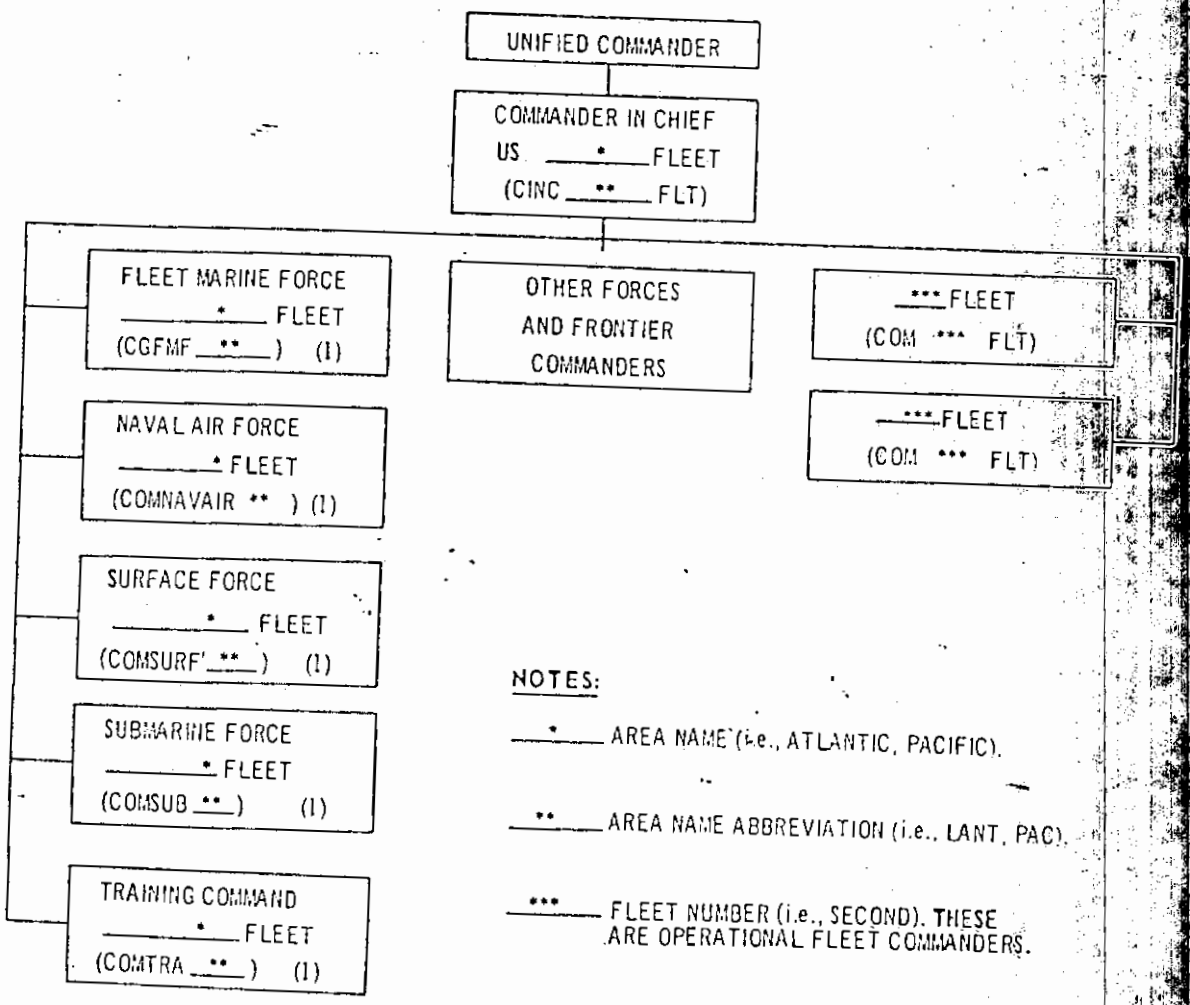
SUBJECT

Organization of Fleet Marine Forces

BACKGROUND

- Fleet Marine Forces (FMF) are assigned to the Atlantic and Pacific Fleets. See figure 1.
- Fleet Marine Forces are organized around Marine Division/Wing Force Service Support Group Teams. See Figure 2.
- Marine Forces are tactically employed by tailoring Marine Air Ground Task Forces (MAGTF) from forces assigned the FMF for each specific requirement. MAGTFs are temporary in nature, but nucleus headquarters are maintained for operational planning and to facilitate formation of task forces when directed. See figure 3.

FLEET ORGANIZATION



NOTES:

___*___ AREA NAME (i.e., ATLANTIC, PACIFIC).

___**___ AREA NAME ABBREVIATION (i.e., LANT, PAC).

___***___ FLEET NUMBER (i.e., SECOND). THESE ARE OPERATIONAL FLEET COMMANDERS.

(1) TYPE COMMANDERS.

Figure 1

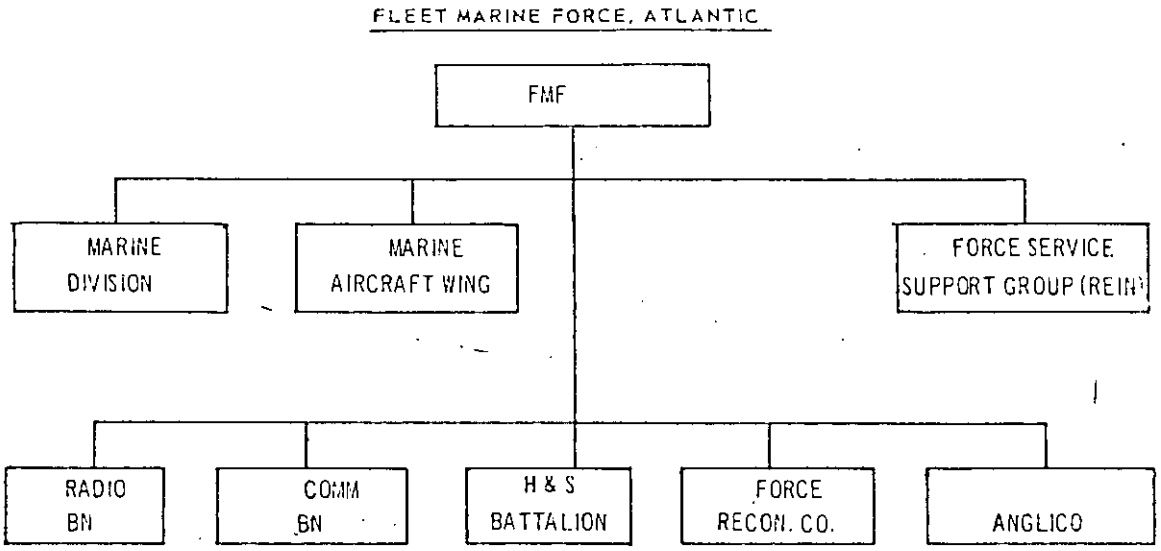


Figure 2

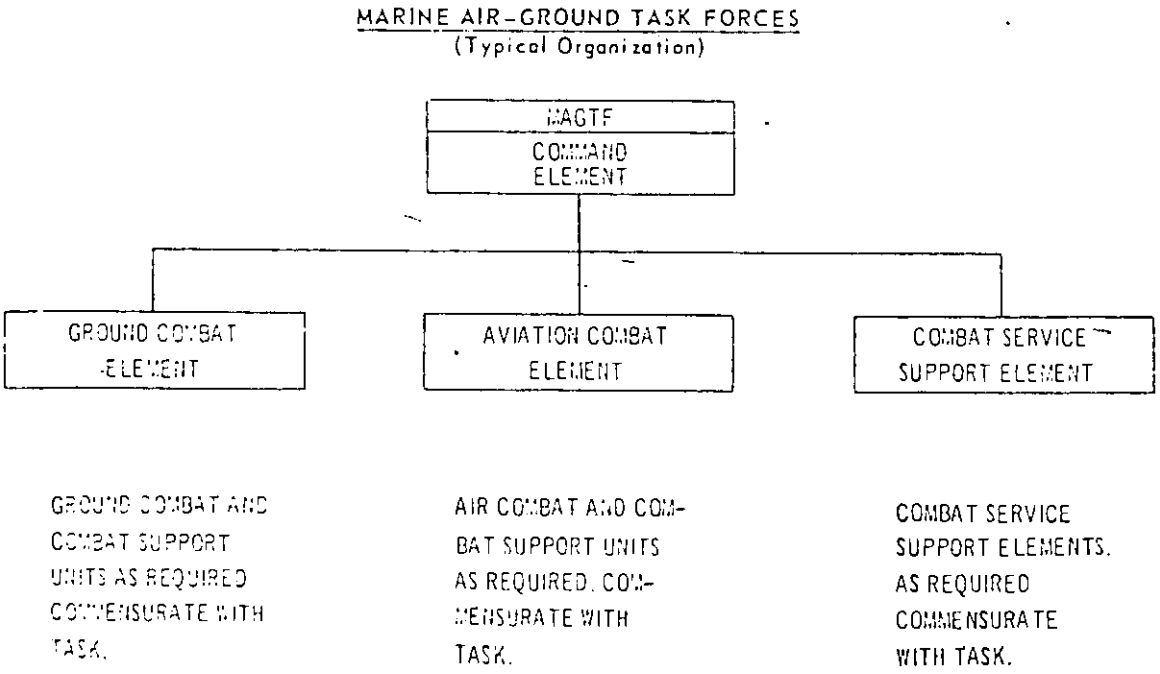


Figure 3

Maj W. M. HATCH, USMC
POG12, 4-2529, 19 Nov 80

MARINE CORPS TACTICAL FORCE ORGANIZATION

BACKGROUND

Fleet Marine Forces are comprised of air, ground, combat support, and combat service support (CSS) units which are routinely task organized into Marine Air-Ground Task Forces (MAGTF's) for training exercises and deployments. These integrated, combined arms forces, properly task organized for combat, can perform missions which range across the spectrum of conflict and crisis situations.

MAGTF's are capable of being rapidly deployed by any strategic mobility means. Deployed in amphibious shipping, these forces represent the nation's foremost force-in-readiness capable of being immediately employed under an appropriate level headquarters as a balanced air-ground team of combined arms and service support.

DISCUSSION

Marine Corps policy is that Fleet Marine Forces will normally be employed as integrated air-ground teams. The Fleet Marine Forces are capable of task-organizing air-ground task forces required by the assigned mission. This capability is designed to exploit the combat power inherent in closely integrated air and ground operations. These task organizations are called Marine air-ground task forces.

Regardless of the size of the MAGTF, it will include the following four major components:

- A command element.

- A ground combat element.

- An aviation combat element.

- A combat service support element (including Navy support elements).

Although a MAGTF is a task organization tailored to accomplish a specific mission, there are three basic types of MAGTF's. These types are:

- The Marine amphibious unit is a task organization which is normally built around a battalion landing team and a composite squadron. It is normally commanded by a colonel and employed to fulfill routine forward afloat deployment requirements. The MAU provides an immediate reaction capability to crisis situations and is capable of relatively limited combat operations. Because of comparatively limited sustainability, it is not envisioned that the MAU will routinely conduct amphibious assaults. When committed, the MAU is normally supported from its seabase. The MAU is considered to be the forward afloat deployed element of a larger landing force, such as the MAB, which would be constituted as required from CONUS/ forward based combat ready Fleet Marine Forces.

- The Marine amphibious brigade is a task organization which normally built around a regimental landing team and a provisional Marine aircraft group. It is normally commanded by a brigadier general and is capable of conducting amphibious assault operations of limited scope. During potential crisis situations, a MAB may be forward deployed afloat for an extended period in order to provide immediate response and may serve as the precursor of a MAF. Under these conditions, MAB combat operations may be supported from the seabase, facilities ashore, or a combination of the two.

- The Marine amphibious force, largest of the MAGTF's, is normally built around a division/wing team. However, it may range in size from less than a complete division/wing team up to several divisions and aircraft wings, together with an appropriate combat service support organization. The MAF is commanded by either a major general or a lieutenant general, depending on its size and mission. It is capable of conducting a wide range of amphibious assault operations and sustained operations ashore. It can be tailored for a wide variety of combat missions in any geographic environment. Currently I MAF is on the West Coast, II MAF is on the East Coast and III MAF is in the Central and Western Pacific.

The MAGTF is not a permanent organization; it is task organized for a specific mission and, after completion of that mission, is dissolved in accordance with prearranged plans. A MAF, because of its size, may be forward based, but not forward deployed. The effectiveness of a MAGTF is far superior to the sum of its separate air, ground, and combat service support capabilities. Separate employment of elements of the MAGTF under another command structure is not permitted, in that combat effectiveness is reduced, combat power is fragmented, and the tactical and logistic supportability of the force becomes questionable.

MAGTF's, task organized for amphibious operations, usually deploy as the landing force aboard amphibious task force shipping. MAGTF's may also be deployed for rapid response or reinforcing roles by use of tactical or strategic air or sealift. MAGTF's may be formed and deployed for combat, contingency deployments, and training exercises. They may be committed to combat from contingency deployments.

When employed in other than amphibious operations, MAGTF's are capable of functioning as self-sustaining uniservice forces under the operational command of unified, subordinate unified, or joint task force commanders.

The preplanned, coordinated tactical employment of two MAGTF's is not contemplated except where operations are separated in space or time, or are of a limited duration. Where a given situation requires added combat power, a larger MAGTF should be deployed to join and absorb the smaller force.

A forward deployed MAGTF is a contingency force usually deployed aboard amphibious shipping with the fleet. It is not task organized in the classical sense, since its structure is not oriented for the accomplishment of any given mission. Rather, it is configured based upon available forces and shipping, with consideration given to a variety of potential mission requirements. Forward deployed MAGTF's

are capable of rapid but limited response in a variety of possible contingencies. When committed to a combat role, they are normally considered as the forward element of a larger MAGTF, such as a MAF. The functions and roles which may be performed by forward deployed MAGTF's include:

- Assist U. S. diplomatic efforts through peaceful projection of influence and, during periods of threatening crisis, provide a selective show of force and interest.

- Permit early commitment of U. S. forces to combat when required.

- Preserve options limiting the degree, direction, and character of U. S. involvement.

- Assist allies through provision of flexible and selective levels of military assistance.

- Provide humanitarian assistance/disaster relief.

- Protect/evacuate noncombatants or installations.

ACTIONS REQUIRED

Background only; no action required.

OP-60/24 Nov 1980

SHORE ESTABLISHMENT: BASES AND STATIONS

- The shore establishment consists of all activities ashore assigned to support the operating forces in terms of personnel, material, supply, and fiscal procurement; training; maintenance; and planning and operational guidance.

- Principal Navy shore commands under the Chief of Naval Operations

  - Naval Material Command
  - Bureau of Medicine and Surgery
  - Naval Education and Training Command.

- Fleet Commanders-in-Chief command over four hundred shore activities; principal activities:

  - Atlantic:
    - -- Naval Bases: Charleston, SC; Guantanamo Bay, Cuba; Norfolk, VA; and Mayport, FL.
    - -- Naval Air Stations: Norfolk, VA; Brunswick, ME; Oceana, VA; Key West and Jacksonville, FL.

  - Pacific:
    - -- Naval Bases: San Diego, CA; Pearl Harbor, HI; Guam; Subic Bay, RP.
    - -- Naval Air Stations: Cubi Pt., RP; North Island, CA; Barbers Point, HI; Alameda, CA; Miramar, CA.

  - Europe:
    - -- Naval Station: Rota, Spain.
    - -- Naval Support Activity: Naples, Italy.
    - -- Naval Air Facilities: Sigonella and Naples, Italy.

- Marine Corps - The Commandant of the Marine Corps commands the Marine Corps shore establishment. The principal Marine Corps shore installations are:

  - Marine Corps Bases: Camp Lejeune, NC; Camp Pendleton, CA; Camp Butler, Okinawa.

  - Marine Corps Air Stations: El Toro, CA; Kaneohe, HI; Futema, Okinawa; Iwakuni, Japan; Cherry Point, NC; and Beaufort, SC.

Cat 1/06

LtCol E.O. LeROY
Code LFF-1
21 Nov 1980

MARINE CORPS INSTALLATIONS

BACKGROUND

o The shore establishment of the Marine Corps supports the operations, training, maintenance and administration of Marine forces.

o The Marine Corps operates 23 major installations in the Continental United States and overseas.

DISCUSSION

o These installations are located as follows:

- East Coast
  - Marine Corps Base, Camp Lejeune, NC
  - Marine Corps Air Bases, Eastern Area
    - Marine Corps Air Station, Cherry Point, NC
    - Marine Corps Air Station, Beaufort, SC
    - Marine Corps Air Station(H), New River, NC
  - Camp Elmore, Norfolk, VA
  - Marine Corps Development and Education Command, Quantico, VA
  - Marine Corps Recruit Depot, Parris Island, SC
  - Marine Corps Logistics Base, Albany, GA
  - Marine Barracks, Washington, DC
  - Henderson Hall, Arlington, VA
- West Coast
  - Marine Corps Base, Camp Pendleton, CA
  - Marine Corps Air-Ground Combat Center, 29 Palms, CA
  - Marine Corps Air Bases, Western Area
    - Marine Corps Air Station, El Toro, CA
    - Marine Corps Air Station, Yuma, AZ
    - Marine Corps Air Station(H), Tustin, CA
    - Marine Corps Auxiliary Landing Field, Camp Pendleton, Ca
  - Marine Corps Recruit Depot, San Diego, CA
  - Marine Corps Logistics Base, Barstow, CA
- Pacific
  - Commander, Marine Corps Bases, Pacific
    - Camp H.M. Smith, Oahu, HI
    - Marine Corps Air Station, Kaneohe Bay, Oahu, HI
    - Camp Smedley D. Butler, Okinawa, JA
    - Marine Corps Air Station(H), Futenma, Okinawa, JA
    - Marine Corps Air Station, Iwakuni, JA

OP-11/24 Nov 1980

ORGANIZATION OF THE NAVY'S TRAINING ESTABLISHMENT

- Deputy Chief of Naval operations for Manpower, Personnel and Training (OP-01) is responsible for planning, programming, and monitoring execution of naval training.

- Deputy Chiefs of Naval Operations for Surface, Subsurface and Air Warfare (OP-03, OP-02, OP-05) assist OP-01 in identifying training requirements and allocating resources to accomplish identified requirements.

- Six major Training Agents exercise command of and provide support for major increments of the Department of the Navy's training effort:

  - The Chief of Naval Education and Training (CNET) is responsible for assigned shore-based education and training of Navy, certain Marine Corps, and other personnel in support of the Fleet, Naval Shore Establishment, Naval Reserve, Interservice Training Program, and Military Assistance and Foreign Sales Programs.

  - Fleet Commanders in Chief (CINCLANTFLT and CINCPACFLT) are responsible for afloat, underway, operational, and overall readiness training of units assigned.

  - Chief of Naval Reserve is responsible for mobilization training of surface, air, and ashore reserve units.

  - Chief of Bureau of Medicine and Surgery is responsible for all medical, dental, nursing, and physician assistant training.

  - Chief of Naval Material is responsible for overall industrial training and in addition, provides major material support to other Training Agents.

Cat 1/01

BRIEFING PAPER

UNCLASSIFIED

LtCol Kutchma, USMC, Code TRB, 694-2056

TRAINING ESTABLISHMENT

BACKGROUND

The Marine Corps training establishment provides both individual and collective training. They are under the military command and management control of the Commandant of the Marine Corps. The purpose of all Marine Corps training is the development of skilled forces-in-readiness prepared at all times to carryout any assigned mission.

DISCUSSION

Marine Corps training installations include the Marine Corps Development and Education Command, recruit depots, special schools, and other commands dedicated to training.

-Specific formal training locations include:

-Marine Corps Development and Education Command, Quantico, VA

-Marine Corps Recruit Depot, Parris Island, SC

-Marine Corps Recruit Depot, San Diego, CA

-Camp Lejeune, NC

-Camp Pendleton, CA

-Twentynine Palms, CA

-Albany, GA

-Aviation training is conducted at various Marine Corps air bases/stations after basic training in the naval air training command.

-Unit training is accomplished at home base facilities as well as at a variety of locations visited during deployed status. These areas include, but are not limited to Okinawa and Camp Fuji, Japan, Subic Bay, P.I., Korea, the Mediterranean area, and in Hawaii.

-The Commanding Generals, 4th Marine Aircraft Wing and 4th Marine Division are responsible for the training of reserve units. This training is conducted at both active force facilities and at local training areas.

-Also, other service schools are utilized extensively for the formal training of Marines.

-For information only.

UNCLASSIFIED

OP-04/24 Nov 1980

ORGANIZATION OF INDUSTRIAL FACILITIES

- Navy Industrial facilities consist of shipyards and weapons/ordnance facilities which operate under direction of Commander Naval Sea Systems Command (NAVSEA), and Naval Aviation repair facilities under Commander, Naval Air Systems Command (NAVAIR).

- Shipyard facilities

  - Sixteen Supervisor of Shipbuilding, Conversion and Repair offices which administer and manage new ship construction contracts, ship repair, modernization and conversion efforts. (FY80 end strength: 3748 civilians/320 military).

  - Eight shipyards operated by the Navy (FY80 end strength: 67,508 civilians/840 military).

  - Three Ship Repair Facilities managed by CINCPACFLT to support U.S. Seventh Fleet operations in Western Pacific.

- Fifteen weapons/ordnance facilities (6 operated by contractors) manufacture and repair weapons. (FY 80 end strength: 18,273 civilians/1300 military).

- Six Naval Air Rework Facilities perform depot level maintenance of airframes, engines, and associated components. (FY 80 end strength: 22,700 civilians/200 military).

- The Naval Avionics Center performs depot level maintenance of avionics components. (FY 80 end strength: 2300 civilians/ 8 military).

- Overseas Repair Activities perform minor repairs and support services for deployed units and are manned by foreign nationals.

- Commercial Contractors complement/supplement organic aviation maintenance facilities.

Cat 1/04

RECRUITING ORGANIZATION

- Navy Recruiting Command (NAVCRUITCOM):
  - recruits men and women for enlisted and officer programs (less Naval Academy) in regular and reserve components of the Navy.
  - under command of Commander, Naval Military Personnel Command/Deputy Chief of Naval Personnel.
  - receives policy guidance and recruiting goals from Deputy Chief of Naval Operations (Manpower, Personnel and Training).
  - divided into 6 geographic recruiting area commands:
    - -- Recruiting Areas divided into 43 Recruiting Districts.
    - -- Recruiting Districts maintain over 1400 field Recruiting Stations.
  - FY80 end strength 6164: 610 officers, 5054 enlisted, 500 civilian.

Cat I

UNCLASSIFIED

LtCol S.B. GRIMES, HQMC
Code MRP, 694-2162
20 Nov 1980

SUBJECT

Organization of Marine Corps Recruiting Service

BACKGROUND

The present organization of the recruiting service has been in effect since 1 June 1976.

DISCUSSION

The Marine Corps recruiting service is unique in that there is no single recruiting command. Responsibilities are shared between HQMC and recruit depots.

Organization of the Marine Corps Recruiting Service

- Personnel Procurement Division, Manpower Department Headquarters Marine Corps

  -- Officer Procurement: Operational and administrative control direct to six districts

  -- Enlisted Procurement: Administrative, fiscal and logistics, recruitment advertising, plans, policy and management control.

- Marine Corps Recruit Depots (Eastern Region - Parris Island, South Carolina and Western Region - San Diego, California)

  -- Officer Procurement: Not applicable

  -- Enlisted Procurement: Operational control of and responsible for quantity and quality of total accessions within geographical area.

- Marine Corps Districts (1st - Northeast; 4th - Eastern Central; 6th - Southeast; 8th - Central and South Central; 9th - Northern Central; and 12th - Western)

  -- Responsible for officer and enlisted procurement

- Marine Corps Recruiting Stations

  -- Forty-seven throughout the United States

  -- Forty-five stations have one or more Officer Selection Teams for a total of fifty-four teams.

- Recruiting Offices (1,041 throughout the United States) consisting of Recruiting Substations and Permanent Contact Stations for enlisted procurement.

ACTION REQUIRED

None - For information only

UNCLASSIFIED

NAVAL RESERVE

- Provides trained units and qualified individuals for active duty in times of war or national emergency and at such other times as national security requires.
- Under direction of Director of Naval Reserve/Chief of Naval Reserve. Incumbent: RADM Frederick F. Palmer, USN.
- Three Categories of Personnel:
  - Ready Reserve: 254,000
  - Retired Reserve: 128,000
  - Standby Reserve: 23,000
- Ready Reserve composed of both active and inactive reservists.
  - 65,000 reservists on active duty.
  - Inactive reserves composed of
    - -- 87,000 Selected Reserves to meet earliest post-mobilization requirements. They train in paid drill status and are assigned to:
      - --- Commissioned Units: provide complete operational entity (ship, aircraft squadron, or construction battalion) to operating force.
      - --- Reinforcing Units: augment active commissioned units and operating staffs.
      - --- Sustaining Units: augment fleet and force support activities.
    - -- 96,000 Individual Ready Reserves available to meet mobilization requirements, but not trained as regularly as Selected Reserve. 6,000 drilled without pay.
    - -- 6,000 Naval Reserve Officer Training Corps.
- Naval Reserve Fleet Ships:

- Destroyers	6
- Mine Warfare	22
- Amphibious Warfare	6
- Mobile Support, Auxiliaries	8
TOTAL	42

- Naval Reserve Aviation Squadrons:

- VF Squadrons	4
- VAL Squadrons	6
- VAQ Squadrons	4
- VAW Squadrons	2
- VP Squadrons	13
TOTAL	29

Cat 1/09R

OP-92/24 Nov 1980

CONTINUING RESOLUTION AUTHORITY (CRA) LIMITS

BACKGROUND

- In the absence of an FY 1981 Appropriation Act, the DOD has been operating under Continuing Resolution Authority, which provides fund availability through 15 December 1980.

- The FY 1981 CRA permitted the obligation of funds at a rate of operation not to exceed the rate provided in the House Appropriation Bill. However, the Committee directed that agencies avoid obligating funds for controversial programs or at rates which would restrict the prerogatives of the Congress.

- Within DOD, obligation of funds for items not included in the President's budget is not permitted unless an exception is granted by DEPSECDEF.

DISCUSSION

- If the Congress does not complete work on the FY 1981 DOD Appropriation Act during the current session, then another CRA would be required. It is assumed that a second CRA would provide the same limitations as contained in the current CRA and that OSD would support requests for exceptions to the current OSD imposed limitations.

PROBLEMS

- The most serious limitations imposed by Continuing Resolution Authority are restrictions on reprogrammings, and funding of discretionary items due to the need to prevent eventual overobligation of funds.

- Late enactment of the FY 81 Appropriation could impact on the availability of obligational authority in the operating accounts which could lead to invoking R.S. 3732 authority (used to incur obligations in excess of available appropriations for fuel, pay, transportation, etc.).

STATUS

- It appears likely that Congress will complete action on the FY 1981 DOD appropriation bill prior to 15 December.

Cat 1/92

OP-92/24 Nov 1980

SECOND CONCURRENT BUDGET RESOLUTION

BACKGROUND

- The Congressional Budget Act of 1974 requires the enactment of two concurrent resolutions which establish recommended levels for budget authority, outlays, and revenue.

- The first concurrent resolution is required in May before any of the appropriation bills are voted.

- The second concurrent resolution is enacted after Congress completes action on the appropriations bills. This resolution may revise or reaffirm these initial targets. Once it is approved, Congress is not permitted to enact appropriations which would exceed the amounts specified.

- The second concurrent resolution may be revised to permit Congress to enact supplemental appropriation. For example, in FY 1980, a revision was required before Congress could act on the FY 1980 Supplemental request for DOD.

DISCUSSION

- Concurrent resolutions apply to the National Defense function which encompasses DOD appropriations less military construction plus relatively small amounts for DOE (atomic energy) and HUD (selective service). None of the individual military departments are separately identified.

- Concurrent resolutions are internal Congressional actions not requiring DOD participation.

- DOD is not restricted in its request for additional FY 1981 funding by the existence of second concurrent resolution levels.

PROBLEM

- Second concurrent resolution approved by the Congress on 19 November 1980, may not be sufficient to permit the Congress to approve the full amount expected to be required for Defense during FY 1981, i.e., the FY 1981 appropriation bill plus supplemental requests for pay, inflation, fuel, and Indian Ocean related costs.

- Levels established in the second concurrent resolution would be a problem for DOD only if Congress were unwilling to revise them.

Cat 1/92

OP-92/24 Nov 1980

FY 1981 APPROPRIATIONS BILL

BACKGROUND

- The FY 1981 DOD Appropriation Act has not yet been passed by Congress, requiring program execution under Continuing Resolution Authority.

DISCUSSION

- The Military Construction Appropriation Act, signed into law on 13 October 1980, provides $801.0 million for the Military Construction, Navy and Naval Reserve appropriations.

- The Authorization Act for DOD appropriations, signed into law on 8 September, authorizes $22.7 billion or $4.2 billion more than requested in the President's Amended Budget for DON (includes USMC) programs requiring authorization.

- The House appropriations bill, passed on 16 September 1980, provides $52.9 billion in total obligational authority (TOA) or $2.7 billion more than requested for DON programs in the President's Amended Budget.

CURRENT STATUS

- Senate Committee markup, completed on 19 November, provides $54.3 billion of TOA. This bill excludes the proposed Indian Ocean budget amendment now being forwarded to Congress.

- Senate passed on 21 November. Awaits joint conference action.

Cat 1/92

CONGRESSIONAL BUDGET STATUS REPORT 11/22/00
ACTION ON APPROPRIATION

		PRESIDENT'S BUDGET AS AMENDED	AUTHORIZATION ACT	HOUSE BILL	SENATE BILL	HOUSE COMPARED TO PRES. BUDGET	SENATE COMPARED TO PRES. BUDGET	SENATE COMPARED TO HOUSE
MILITARY PERSONNEL, NAVY	TOA	7,533,294	-	7,644,094	7,867,173	110,800	333,879	223,079
MILITARY PERSONNEL, MARINE C	TOA	2,260,051	-	2,284,951	2,359,836	24,900	99,785	74,885
RESERVE PERSONNEL, NAVY	TOA	262,174	-	288,274	297,003	26,100	34,829	8,729
RESERVE PERSONNEL, MARINE COR	TOA	95,224	-	93,424	104,567	-1,800	9,343	11,143
OPERATION & MAINT., NAVY	TOA	16,635,952	-	16,865,275	16,544,229	229,323	-91,723	-321,046
OPERATION & MAINT., MARINE C	TOA	952,900	-	994,200	990,050	41,300	37,150	-4,150
OPERATION & MAINT., NAVY RES	TOA	502,545	-	597,145	510,235	94,600	7,690	-86,910
OPERATION & MAINT., MARCORPS	TOA	28,394	-	28,654	28,694	260	300	40
AIRCRAFT PROCUREMENT, NAVY	TOA	5,013,200	6,150,600	6,057,607	6,140,707	1,042,307	1,125,407	83,100
WEAPONS PROCUREMENT, NAVY	TOA	2,253,500	2,818,500	2,679,829	2,818,500	426,329	565,000	138,671
SHIPBUILDING & CONVERSION, NA	TOA	6,179,200	8,363,200	7,300,800	7,803,200	1,121,600	1,624,000	502,400
OTHER PROCUREMENT, NAVY	TOA	3,055,547	-	2,983,125	3,062,097	-72,422	6,550	78,972
PROCUREMENT, MARINE CORPS	TOA	469,700	183,358	477,141	513,313	7,441	45,613	38,172
RESEARCH, DEVEL., TEST&EVAL., N	TOA	4,862,879	5,163,115	4,508,263	5,110,015	-354,616	247,136	601,752
STOCK FUNDS	TOA	4,417	2,760	4,417	4,417	-	-	-
DOD APPROPRIATION ACT	TOA	50,111,077	22,683,533	52,807,199	54,156,036	2,696,122	4,044,959	1,348,837

MILITARY RETENTION (NAVY)

ENLISTED RETENTION

- Enlisted retention goals established as percentage of those eligible for reenlistment in each of three categories: completing 1st enlistment (1st term), completing 2nd enlistment (2nd term), finishing 3rd or later enlistment (3rd term and beyond).
  - FY-80 enlisted retention/steady state goals:
    1st Term - 36.7%/45%
    2nd Term - 50.5%/60%
    3rd Term & beyond - 91.6%/95%
  - Retention rates have declined between 1975 and September 1980, particularly in career force (3rd Term and beyond).
    -- A serious shortage, 21,000 midgrade petty officers, resulted, impacting readiness.
    -- To eliminate petty officer shortfall, must achieve recruiting and retention goals for several years in a row.

OFFICER RETENTION

- Goal is 60% retention overall. Two major areas of concern in officer retention:
  - 39% shortage of Lieutenant pilots relative to billets authorized; shortfall projected to increase to 46% by end FY82.
  - Nuclear submarine officer retention: 36% in FY80, projected to decline to 24% in FY82. Nuclear submariner can now expect to spend 15 of first 18 years of service on sea duty.

CORRECTIVE ACTION

- Inadequate compensation identified as most significant factor contributing to poor retention. Purchasing power of military members has declined steadily since advent of All Volunteer Force in 1972.

- Major initiatives proposed for FY81 to improve compensation are summarized at TAB A.

- Significant improvements became effective 1 October 1980; they are expected to have positive effect on retention, but it is too soon to tell. Initiatives for FY82 are summarized at TAB B.

PROBLEMS

- 11.7% pay raise authorized for FY81 good start...does not recoup lost purchasing power.

- Selective Reenlistment Bonus requirement underfunded $24.5M for FY81.

- Aviation Continuation Bonus not expected to be funded.

- Present levels of reimbursement for PCS inadequate.

- Sea Pay and Submarine Duty Pay levels inadequate.

Cat 1/61

TAB B

FY82 COMPENSATION ISSUES

	1982 Goals ($M)	Programmed 1982-86 ($M)
Basic Pay	$465 1/	$0
Enhanced Sea Pay 2/	$200	0
Increased Sub Pay 2/	35	
50% increase to Aviation Career Incentive Pay	11	0
Quarters Allowance when afloat (E-5 and up)	25	0
Travel reimbursement	96	0
Transportation & Living Expenses	52	0
Selective Reenlistment Bonuses	84	400

1/ To fund 6.6% growth - first step toward catch up to lost purchasing power. Uncapped cost of living increase would be in addition.

2/ Potential for Congressional authorization for FY81.

TAB A

MAJOR FY81 COMPENSATION INITIATIVES

		Authorized	Appropriated3/ 4/
1.	Basic Pay	Yes1/	
2.	Variable Housing Allowance	Yes	(Situation changing rapidly. Will update prior to SECDEF submit)
	Increased Travel Reimbursement	No	
4.	Transportation & Living Expenses	No	
5.	Selective Reenlistment Bonus Enhancement	Yes	
6.	Aviation Continuation Bonus	Yes2	
7.	25% increase in Aviation Career Incentive Pay	Yes	
8.	15% increase in Sea Pay	Yes	
9.	Physicians Pay	Yes	

1/ $11.7% basic pay raise authorized. Navy request was for additional $1.2B as first step toward catch up to lost purchasing power.

2/ Discretionary authority.

3/ As of 19 Nov 1980, Senate Appropriations Committee has recommended funding of all items except
- 11.7% pay raise to be funded in FY81 supplemental.
- Aviation Continuation Bonus. If DOD provides plan for payment, committee will consider recommending funding through reprogramming or supplemental.

4/ House Appropriations Committee recommended funding only items 2, 5, 7, 8 above and other Nunn-Warner increases.

LtCol T.W. Steele, USMC
MPP-47, 694-1464
20 November 1980

END STRENGTH (U)

BACKGROUND (U)

- Between 1972 and 1978, Marine Corps end strength declined from 198.2K to 190.8K as a result of strength shortfalls and congressionally mandated reductions.
- For POM-81, the Marine Corps programmed a 10,000 man end strength reduction for a more balanced allocation between manpower, procurement, and operations and maintenance.
- By late summer of 1979 in recognition of new RDF/MPS requirements and congressional concern regarding strength levels, the Marine Corps request for FY 1981 was increased to 185.2K.
- Improved retention trends experienced in summer of 1980 led to actions by the Congress to fund a 2,900 strength increase in FY 1980 and FY 1981.
- The drawdown from Vietnam and the difficulties of recruiting and retaining qualified manpower in the AVF environment have contributed to an erosion of a firm structure requirements benchmark.

DISCUSSION (U)

- In May 1980, UNITREP established the force structure immediately required for war as the criteria for measuring readiness.
- Current 1981 FYDP structure represents POM-82 decisions on force manning, strength, achievability, and resource allocation.
- Increased FY 1980 and 1981 end strength (+2900) permits higher manning levels.
- Considerable disparity exists in readiness and force capability between the UNITREP and FYDP structures primarily in the activation and manning of logistics and certain aviation units. The differences in force structure are shown below:

	Officer	Enlisted	Total	
FYDP Structure	18,172	165,918	184,090	(185.2K E/S)
△ Improved FY80 Retention		+2,900	+2,900	
Revised FYDP Structure	18,172	168,818	186,990	(188.1K E/S)
△ to fill UNITREP	+2,160	+23,993	+26,153	
UNITREP Structure	20,332	189,911	210,243	

PROBLEMS (U)

- While current retention improvements are encouraging, the true limiting feature to any significant increase in strength above FYDP levels is the number of qualified individuals that can be trained in the critical skill areas.

Critical skill shortages are far more serious and bounding on force capability than overall end strength.

- Programs to attract higher quality recruits (MG I & II) must be introduced to insure sufficient quality in the AVF environment.

- Force expansion without such programs or the draft can only be achieved by reducing current physical, mental and educational standards.

ACTIONS (U)

- Action should be initiated to introduce a GI Bill-like education program to attract higher quality recruits.

- Retention initiatives improving compensation should be continued to retain the attractiveness of military service.

UNCLASSIFIED

LtCol T.W. Steele
MPP-47, 694-1464
20 Nov 1980

MILITARY COMPENSATION (U)

BACKGROUND (U)

- The FY 1981 DOD Authorization Act and the Military Personnel and Compensation Amendment of 1980 provided significant increases in compensation - most notably, VHA, PCS enhancements, 11.7% pay raise, increased per diem, flight pay, subsistence and bonuses.

- FY 1982 POM initiatives continue these enhancements and in the case of PCS reimbursements increase the FY 1981 levels.

DISCUSSION (U)

- Although FY 1981 and FY 1982 actions have not achieved comparability with 1972 levels, they have improved overall QOL and purchasing power.

- OSD projections for retention improvements to the career force (Marines in 5-30 years of service) resulting from compensation initiatives support the Marine Corps' career force objective levels of 49-50K.

- Although considered optimistic, funding to support a richer career force content was added in the PDM by OSD.

- The ability to recruit and retain sufficient numbers of qualified and skilled personnel at least partially depends on continued improvements to include, inter alia, the following:

  -- A stable compensation system which restores 1972 purchasing power levels, removes pay caps, maintains PCS reimbursements compatible with other Federal employees, modernizes and updates various special/incentive pays.

  -- A non-contributory educational program which provides additional incentives for entering and continuing service and permits transfer of entitlements to spouse or dependent.

  -- An improved military health care program with more military physicians and dentists, improved CHAMPUS care and a CHAMPUS dental care program.

PROBLEMS (U)

- To recruit and retain the numbers of qualified personnel necessary to man the force structure requires sufficient allocation of resources.

- The alternative is a short-term, rapid turnover personnel inventory sustained by the draft.

ACTION (U)

- Action to provide the resources to adequately recruit and retain needed quality Marines must be continued.

UNCLASSIFIED

OP-49/24 Nov 1980

CIVILIAN MANPOWER CEILING REDUCTIONS/HIRING FREEZE

BACKGROUND

- Since FY74, marking the end of the Vietnam War for all practical purposes, Department of the Navy (DON) civilian employment has decreased by 26,500 (8%). Military manpower has decreased by 21,300 (4%) during the same period.

- Civilian hiring freeze imposed on 1 March 1980 limits outside-DOD hiring of full time permanents to one for every two vacancies.

- Majority of DON civilians are in readiness and quality of life functions (e.g. industrial facilities, medical, training).

DISCUSSION

- DON has accommodated reduction/freezes by hiring temporaries to perform budgeted readiness related work and releasing them prior to the end of the fiscal year, resulting in inefficient workyear utilization rate. Appropriate use of temporaries is for workload surges at industrial activities.

- At end FY-80, DON was 2,700 below its FY-80 Full Time Permanent (FTP) ceiling as a result of the current freeze and 10,200 below its budgeted FY-81 FTP end strength.

- OMB will impose a full-time equivalent (FTE) or workyear ceiling government-wide in FY-82. Part time and temporary personnel will have to be counted against these ceilings. If ceilings are not keyed to funded workload, they will constrain ability to hire temporaries and thus will impact on ability to accomplish workload.

- Contracting out to circumvent personnel ceilings is prohibited by congressional restriction and OMB circular A-76.

PROBLEMS

- Failure to accomplish budgeted work loads at DON activities, affected by civilian manpower reductions, has direct impact on overall fleet readiness.

Cat 1/04

OP-443/24 Nov 1980

A-76 EFFECTS ON CONTRACTING OUT

BACKGROUND

- With the objective of reducing the size of the Federal payroll, OMB Circular A-76, as modified and reissued on 29 March 1979, requires a detailed study comparing costs of alternative means of carrying out functions--use of civilian employees of DON vs contracting with the private sector--in every case where the line item is in excess of $100,000.

- In FY80, Congress required a cost comparison study for all functions to be contracted out. Additionally, Congress required notification of all intents to review, study, and award contracts before any action was taken. The requirement became permanent law in FY81.

DISCUSSION

- Flexibility in contracting out provided by the original Circular A-76 has been virtually eliminated. The necessity to conduct cost comparison studies for all functions regardless of size requires development of an in-house organization, an in-house bid, and an independent review. This can add as much as six months to the process leading to the actual contract.

PROBLEMS

- In practice, the requirement for detailed cost studies delays proposed contracting out actions, creates turmoil in workload planning, and diverts limited manpower and funding resources from productive effort. DON has not been able to achieve budgeted civilian personnel reductions imposed in anticipation of contracting out. For example, in FY80, DON contracted out 637 of 4427 end strength reductions budgeted in anticipation of contracting out. A total of 194 studies remain incomplete. The FY81 budget assumes an additional 2241 civilian spaces will be contracted out. On a cumulative basis a restoration of 4300 ceiling spaces has been requested for FY81 in the FY82 Budget. The result is a budget execution problem; either critical work goes undone or Navy must request restoration of civilian personnel ceiling to levels higher than statutory and administrative constraints allow.

- Repeal of section 502 of the 1981 DOD authorization Act (PL 96-342) and raising the $100,000 A-76 threshold to $500,000 would reduce the resource requirements for operating the program and permit DON to proceed to contract out, when feasible, without undue delay.

STATUS

- Announcement of functions for cost studies which affect approximately 1400 military and 5500 civilian positions are before ASN(MRA&L).

- Issue of boosting $100,000 threshold to $500,000 is endorsed by the Defense Audit Service and presently in staffing at OSD.

CY1/04

LtCol. W. H. WHITE, USMC
Code RPR-5 (X42081)
24 November 1980

READINESS AND SUSTAINABILITY

BACKGROUND

- Readiness is the capability of a unit, formation, ship, weapon system or equipment to perform its primary mission.

- Sustainability is the ability to maintain the level and duration of combat activity necessary to achieve the desired national objectives.

DISCUSSION

- Readiness

  - Primarily measured by the UNITREP reporting system.
  - Marine Corps combat/combat support units are generally reporting that they are substantially ready with the primary areas of degradation being personnel and equipment.

- Sustainability

  - Primarily measured through the quantities of war materiel on-hand and in the pre-positioned war reserves (PWRS)

  - The Marine Corps is marginally ready with the primary area of degradation being ammunition.

PROBLEMS

- Readiness - Previous and current funding limitations have required that certain combat service support organizations be cadred. Organizations such as bridge, bulk fuel, port operations, marginal terrain vehicle, etc. are rarely used in peacetime but are critically needed during war.

- Sustainability - Previous and current funding limitations have precluded the procurement of sufficient quantities of ammunition in order to achieve and maintain the desired inventory objective.

READINESS AND SUSTAINABILITY

° Although deficiencies exist in both readiness and sustainability, modest improvement are projected through funds currently programmed in the out years.

ACTION REQUIRED

° Action, Longer Term

°° Increased end strength, to include increased funding levels, to allow activation of currently cadred combat service support units.

°° Increased funding levels to allow the procurement of critically needed equipment and war materiel, e.g. ammunition, bridging, electronic countermeasures and chemical warfare equipment, etc.

UNCLASSIFIED

Mr J. L. LOCKE, USMC, Code LMG 695-1191
19 November 1980

SUBJECT

Marine Corps Ground Combat Ammunition

BACKGROUND

o Ground ammunition is fired principally from weapons (artillery, tanks, mortars, hand guns) but also includes non-weapon types such as signals, demolitions, pyrotechnics, hand grenades, etc.

DISCUSSION

o Funds in budget not adequate to procure minimum requirements. Defense Consolidated Guidance (DCG) authorizes acquisition of 60 days combat munitions (and sustain training).

PROBLEMS

o Funds in FY82 and prior year budgets not adequate. Forecast funding for POM down years (FY83-86) are much higher but historically have been reduced as subsequent budgets moved forward. In either case, funds not adequate to procure/support minimum requirements.

CURRENT STATUS

o Attainment of FY82 programmed quantities will provide for only:

- 27 days modern and 36 days non-modern ammunition for all active MAFS and priority units of IV MAF LESS RDF and prepositioning requirements; OR

- 13.5 days modern and 18 days non-modern ammunition for all active MAFS and priority units of IV MAF PLUS RDF and prepositioning requirements.

SUMMARY

o Funds for ammunition procurement is inadequate.

ACTION REQUIRED

o Action will be required; longer term.

UNCLASSIFIED

UNCLASSIFIED

J. W. BLINN (Civ), USMC
Code LMM-1 (X41775)
20 November 1980

WAR RESERVE MATERIEL (WRM) AND SPARES

BACKGROUND

° Secondary item stores deficiencies exist within the fundable level addressed in the Consolidated Guidance.

DISCUSSION

° As of 31 October 1980 approximately 55% of the summary dollar value of the requirements to include sustainability had been attained.

° Requirements are projected to increase in the out years due to new equipments, e.g., Chemical Protective Clothing; additional outfitting requirements for cold weather items and the MPS program.

SUMMARY

° Although there are existing deficiencies, improvements are projected from funds programmed in the out years.

° Corrective actions include continued refinement of the requirement data base.

ACTION REQUIRED

° Action will be required, longer term.

UNCLASSIFIED

NAVSEA/24 Nov 1980
Rev. 1

SHIPBUILDING CLAIMS

BACKGROUND

- Value of outstanding claims against the Navy by shipbuilders totaled $2.7 billion in April 1977
- In an effort to avoid future claims and alter the then existing adversary relationship between the Navy and some members of industry, the Naval Ship Procurement Process Study (NSPPS) was initiated in early 1977. Final report was published in July 1978.
- All major claims outstanding were settled Mid-1978

DISCUSSION

- The objective of the NSPPS was to identify the problem areas which over the years had emerged between the Navy and the shipbuilding industry and to find the means with which to resolve outstanding issues and minimize the potential for future claims.
- Thrust of the study recommendations was the improvement of acquisition procedures and the more equitable allocation of risks between the government and the shipbuilding industry. General areas targeted for improvement included acquisition planning, contract types and techniques, contract management, and change management. Specific recommendations were included for a number of subject elements within these general areas.
- Navy processing of the NSPPS report resulted in the identification of 65 significant topics. These topics were analyzed and a Navy position developed for each. As a result of this effort, 85% were adopted, and 15% were not.

STATUS

- SECNAV/Shipbuilder meeting held in April 1980 to review progress on NSPPS recommendations
- To date 54% of the recommendations have been implemented.
- At present, there are no outstanding claims on Navy shipbuilding contracts. However, as shown on TAB A, other claims totaling $12.3 million are being evaluated and negotiated by the Navy or are before the Armed Services Board of Contract Appeals (ASBCA) for resolution.

Cat 1/CNM

CURRENT SHIPBUILDING CLAIMS POSTURE

CONTRACTOR	AMOUNT (Millions)	TYPE OF WORK	STATUS
Sun Shipbuilding and Drydock	$3.7	Overhaul of LKA-117	Being evaluated and negotiated
Sun Shipbuilding and Drydock	$1.0	Overhaul of LPD-15	Being evaluated and negotiated
Norfolk Shipbuilding and Drydock	$6.4	Construction of PF-107 (FMS)	Being evaluated and negotiated
Norfolk Shipbuilding and Drydock	$0.3	Overhaul of LSD-32	Claim submitted to Armed Services Board of Contract Appeals (ASBCA) for resolution
Merritt-Chapman & Scott	$0.9	Interest claim	Claim submitted to Armed Services Board of Contract Appeals (ASBCA) for resolution
TOTAL	$12.3		

TAB A

PMA265/24 Nov 1980

F/A-18

BACKGROUND

- As the replacement for F-4 and A-7 aircraft, the F/A-18 is designed for strike escort, fleet air defense, interdiction and close air support roles. Reconnaissance and trainer versions are also planned within a total production of 1,366 aircraft.

DISCUSSION

- All development aircraft are in flight test; over 2,500 flight hours have been accumulated. Navy preliminary evaluations have demonstrated flying qualities and carrier suitability. Initial test and evaluation scheduled for completion Dec 80. All major milestones expected to be met except on-time completion of fatigue testing and start of Navy Board of Inspection and Survey trials.

PROBLEMS

- Flight test program five months behind schedule, but good aircraft availability has permitted us to regain some of the lost time.
- Acceleration and takeoff weight thresholds will require adjustment. Wing redesign to correct roll rate deficiency not yet verified.
- Two accidents--one unmistakably engine-related, the other not yet determined--have marred an otherwise extraordinary development program.

CURRENT STATUS

- $3.7B sunk cost through Oct 80. Navy FY 82 Budget (Basic level) total procurement cost is $35.1B; program cost is $37.4B and unit flyaway cost for 1366 aircraft will be $21M.
- Inflation, exceeding OSD/OMB projection, has absorbed funds needed for changes and support. Navy has asked for additional $121M for FY 82 airframe escalation adjustment. Cost growth and September 80 crash of an R&D aircraft have created a $78.5M+ RDT&E funding shortfall over Navy FY82 budget.

Cat 1/05

AV-8B

BACKGROUND

- The AV-8B light attack aircraft is designed with a vertical/short take-off and landing (V/STOL) capability to provide increased responsiveness to ground force close air support requirements through basing flexibility and high sortie rates.
- The Flight Demonstration Phase of the AV-8B program -- approved in March 1976--was successful.

DISCUSSION

- Development/procurement have not been supported throughout OSD. Issue has historically centered on affordability.
- DON continues to support development and procurement of the AV-8B for the Marine Corps, if funding levels become high enough to meet other tactical aircraft procurement goals at the same time.
- Congressional action in FY78, 79 and 80 restored RDT&E funding. Recent action by the Congress assured FY81 funding of $243M in RDT&E and $90M in long lead procurement for the first 12 production aircraft.

PROBLEMS

- The technical capability of the aircraft has not been a primary issue. The aircraft has met or exceeded all performance test objectives in the vertical takeoff mode and conventional performance mode, and has surpassed expected performance in the various short takeoff modes.

CURRENT STATUS

- RDT&E for FY82 currently at the enhanced level of the OSD Budget Request (Band 6).
- The AV-8B is the highest priority Marine aviation modernization program. Required funding to meet Congressionally directed FY85 IOC:

	82	83	84	85	86
RDT&E	231.1	97.5	47.7		
APN	667.3	773.6	1309.1	1143.5	1116.4
#A/C	(12)	(24)	(54)	(54)	(54)

UNCLASSIFIED

LtCol C.T. HUCKELBERY, APW-22, 4-1741
19 November 1980

ANTI-ARMOR (U)

BACKGROUND (U)

- Present mobile armor threat to MAGTF operations cannot be adequately countered with present spectrum of anti-armor weapons.
- Work situations dictates a special urgency for the RDF.
- General Requirements
  - Precision Guided Munitions (PGM) for high kill probability and stand off which reduces aircraft attrition.
  - Area weaponry for conditions which preclude precise target designation.
  - Area denial weaponry to canalize and impede the armor threat.
  - Multi-purpose aircraft gun that is versitile, responsive and complimentary to other weapons.

DISCUSSION (U)

- Current inventory consists of iron and laser guided bombs, TOW, and an area weapon-ROCKEYE.
- Funded developmental programs are: Laser Maverick (FY-84), Infrared Maverick (FY-85), GATOR (FY-85) and AV-8B 25mm Gun (FY-85).
- Available unfunded programs: Laser Zuni, Hellfire, 20mm Ammo Improvement.

PROBLEMS (U)

- Laser Zuni available in near term (FY-83), however, it is unfunded.
- Laser Maverick requires increased funding in FY-82 for FY-83 IOC.
- Air Force has withdrawn funding for GATOR from POM-82 and affordability an issue for USMC stand alone procurement.
- Hellfire is main weapon on Army advanced attack helicopter. USMC submitted in FY-81 but failed to be funded by DON.
- 25mm funding delays gun until FY-85 and has insufficient monies for an adequate supply of ammunition.

CURRENT STATUS (U)

Program ($M)	FY-81	FY-82	FY-83	FY-84	FY-85	FY-86
Laser Maverick	3*	5*	60	73	122	164
Infrared Maverick	10	14	-	36	65	77
GATOR	2	-	-	37	47	82
25mm Gun	11	26	47	73	63	63

* Joint Conference

SUMMARY (U)

- CNO Executive Board scheduled to review DON Anti-Armor Capability by end of November 1980.

ACTION REQUIRED (U)

- Action will be required; longer term.

SAN DIEGO HOSPITAL CONSTRUCTION

BACKGROUND

- Replacement required due to age of existing facility
  - commissioned 1919
- Present site, 78 acres in Balboa Park, determined inappropriate for construction of new facility due to:
  - proximity to San Diego Airport
    - -- noise and aircraft accident potential
  - problems entailed in maintaining hospital operations during construction of new site.

DISCUSSION

- Navy selected site adjacent to Balboa Park in Florida Canyon in December 1979.
- Florida Canyon land obtained by condemnation in February 1980.
- Seismic fault running through chosen site discovered in Spring 1980.
- City of San Diego voters chose to convert use of Helix Heights site from cemetery to hospital in June 1980.
  - Helix Heights location previously proposed by City of San Diego in early 1979.

CURRENT STATUS

- Construction project authorized at $293 million
  - First phase funded at $25 million in the FY81 program
  - Funding approval for $202 million in FY82 will be requested
  - Balance to be requested in subsequent year.
- Construction contract for $25 million to be let in late 1981.

SUMMARY

- Congressional language requirement
  - House Appropriations Committee directed construction be on land owned by U.S. Government.
  - Senate Armed Services Committee directed comparative study of Florida Canyon and Helix Heights sites.
- Study near completion
  - local government and interest group comments being incorporated.

ACTION REQUIRED

- SECNAV make final site selection.
- Submit report of comparative study to Senate Armed Services Committee prior to obligating construction funds.
- Action anticipated prior to 20 January.

Cat 1/04

OP-44/24 Nov 1980

FORT ALLEN SUPPORT FACILITY

BACKGROUND

- On 23 September 1980 the Administration's Cuban/Haitian Task Force directed DOD to establish, operate and maintain a reception/holding facility for Cuban/Haitian refugees at the former Naval Communications Station, Fort Allen, Ponce, Puerto Rico.

- The Department of the Army, DOD Executive Agent, tasked CINCLANT to develop the facility for 5,000 inhabitants at Fort Allen; Commander, Antilles Defense Command was designated as local agent.

DISCUSSION

- On 25 September 1980, CINCLANT was directed to erect a tent camp for 2,000 refugees within 15 days, with the capability to increase to 5,000 within 30 days. By 6 October 1980 the camp was ready to receive 3,000 refugees. Up to 1400 military and civilian personnel were involved in the preparation of Fort Allen.

- The Governor of Puerto Rico, a Commonwealth environmental agency and a citizens' group all brought suits in the Federal District Court, San Juan, to bar the Navy from further actions at Fort Allen. The District Court issued an injunction barring further actions to transfer refugees to Fort Allen.

- The Justice Department appealed the decision to the Boston Circuit Court of Appeals which subsequently reversed the decision of the District Court. When the appellate court's reversal was appealed, the U.S. Supreme Court upheld the Appeal's Court's decision.

- There has been much press interest. There have also been demonstrations, bomb threats and the discovery of a bomb which was defuzed.

- Never having received or processed a single refugee, on 18 November 1980 Fort Allen was placed in a caretaker status, capable of reopening within 10 to 14 days, if necessary.

- The camp was scheduled to become civilianized on 21 November 1980. That transition is approximately one week behind schedule.

FUNDING

- The Federal Emergency Management Agency is responsible for funding all activities related to Fort Allen, on a reimbursable basis.

Cat 1/04

OP-04/24 Nov 1980

VIEQUES

BACKGROUND

- Navy has continuing requirement for 3 air-to-ground and 2 naval gunfire support (NGFS) target complexes in Puerto Rico area.

DISCUSSION

- Until 1975, Navy used target complexes on Culebra and Vieques for weapons training.
- In response to increasing political pressure, Navy was directed to cease weapons training on Culebra and its cays by 1975.
- Public Law 93-166 (Nov 1973) provides that suitable replacement range for Culebra be made available for long term Navy use by Commonwealth of Puerto Rico. Joint DOD - Commonwealth of Puerto Rico Commission has failed to identify alternative site.

STATUS

- Navy continues to use 2 air-to-ground target complexes on Vieques, one of which can be used for NGFS.
- Various political groups, including Governor of Puerto Rico, have attempted to obtain injunctions against continued Navy use of Vieques.
  - Navy obtained temporary injunction in September 1979 against fishing activities in vicinity of Vieques when range is in use. Permanent injunction granted 13 Nov 1980.
  - Other suits against use of Vieques still pending. Final Environmental Impact Statement filed 27 October 1980. Undergoing 30 day public review. Record of decision to be prepared December 1980.
- Opposition to Navy use of Vieques continues, satisfactory alternatives have not been identified.

Cat 1/04

OP-94/24 Nov 1980

EXTREMELY LOW FREQUENCY (ELF) COMMUNICATIONS

BACKGROUND

- The extremely low frequency (ELF) communications system was recommended by the Secretary of Defense to the President in January 1978 and December 1978.

DISCUSSION

- ELF is the only currently available technology which can provide essential operational messages for submarines at increased operational speeds and depths. The ELF communications system will enhance the survivability of our strategic submarine forces and thereby improve the credibility of those forces to deter war. In addition, ELF will improve the operational effectiveness of our attack submarines.

- The transmitter portion of the system will consist of a new transmitter, located on K. I. Sawyer Air Force Base, powering a 130 mile antenna located in the Upper Peninsula of Michigan and operated synchronously with an improved, though not expanded, facility already in Wisconsin.

- The 1981 DOD Authorization Act authorized $2.5M in FY81 R&D funds for ELF. It also made available to the Secretary of the Navy FY79 R&D funds (approximately $2.7M) which had been held up by the language of the FY79 and FY80 DOD Authorization Acts, and required the President to provide the Congress by 1 April 1981, plans for deploying an operational ELF system.

CURRENT STATUS

- In November 1980 the CNO reaffirmed to the Secretary of Defense the Navy's requirement for ELF and his belief that the recommendation made to the President two years ago remains the most feasible, cost-effective way to proceed with ELF. CNO also stated some acceleration of the IOC is possible if additional resources are provided in FY81 or FY82.

SUMMARY

- The years of development and testing show that ELF works and that ELF is safe. The Navy's requirement is reaffirmed.

ACTION REQUIRED

- Action will be required by 1 April 1981 to satisfy the requirements of the 1981 DOD Authorization Act.

Cat 1/094A

OP-50/24 Nov 1980

TACTICAL AIRCRAFT FORCE LEVELS

BACKGROUND (U)

- In recent years DON has procured tactical aircraft at a rate well below that needed to maintain approved force levels, 12 Carrier Air Wings and 3 Marine Air Wings. Fiscal constraints have reduced procurement programs for many aircraft to inefficient rates, dramatically increasing unit costs.

DISCUSSION (U)

- Congressional action on the FY 81 budget request resulted in increased authorization for procurement of tactical aircraft. A-6E, EA-6B, F-14 and F/A-18 procurements were increased over the budget request. Additionally, funds were provided for development and long lead procurement for AV-8B.

- DON plans include conversion in lieu of procurement (CILOP) and service life extension program (SLEP) to upgrade capability and ease the procurement shortfall.

PROBLEMS (U)

- The F-14 procurement will not sustain the force beyond FY 87.

- EA-6B and A-6E procurement will not support the required force levels; procurement rates are inefficient with attendant high unit costs.

Category 1/05

UNCLASSIFIED

Prepared by: Babil Arrieta
DASN(EO) Office
26 November 198

FEDERAL EQUAL OPPORTUNITY RECRUITMENT PROGRAM (FEORP)

Background: The Civil Service Reform Act provided nine basic merit principles, governing all personnel practices in the Federal Government. The first merit system principle is that recruitment must occur from all segments of society for positions within the Federal government.

Discussion: Congressman Garcia introduced the requirement that all agencies conduct minority recruitment programs to help eliminate underrepresentation of minorities in the Federal workforce. The Office of Personnel Management and the Equal Employment Opportunity Commission were assigned responsibility for issuing guidance and assistance.

On 19 September 1980, the Office of Personnel Management issued FPM Letter 720-2 requiring Federal agencies to develop and implement a FEORP. Federal agencies under FEORP are required to conduct an underrepresentation analysis for minorities and women by occupation al groups and grade groupings. If underrepresentation is determined to exist, then the agency must establish specific recruitment strategies to increase the applicant pool of the underrepresented group.

The Department of Navy issued SECNAVINST 12720.1 on 4 February 1980 requiring all DON components to implement the requirements under 720-2 and for CNO and CMC to issue necessary guidance and procedures to implement and maintain a DON Equal Opportunity Recruitment Program.

Problems: In general, the requirements mandated by FEORP are not insurmountable; however, the two Federal agencies delegated to offer guidance and assistance have issued guidance that is inconsistent. FEORP guidance issued by OPM deals only with recruitment programs and targeted occupations. Guidance issued by EEOC on hiring goals is based on distinct occupational series. The programs are dependent on each other for success, but will be ineffective if ambibuity continues. The current process will create a credibility gap among managers.

Follow-up guidance from CNO and CMC has not been issued; consequently, implementation of FEORP within DON components has not been widespread.

Action required: DON must continue supporting the establishment of goals by occupational groups. OPNAV must issue FEORP instructions requiring DON components to comply with the requirements and identify the necessary actions.

UNCLASSIFIED

Cat I / DA.11 (CP)

UNCLASSIFIED

Prepared by: Babil Arrieta
DASN(EO) Office
26 November 198

EEO IN THE SES AND MPS OBJECTIVES

Background: The CSRA established the Senior Executive Service and the Merit Pay Ssytem. A primary objective of CSRA is to improve the efficiency and responsiveness of the federal government's managers and supervisors. DON established the requirement that SES and MPS incumbents must have at least one EEO objective as their first performance objective.

Discussion: The management guidance issued by SECNAV to all SES and MPS incumbents stressed that providing equal opportunity for men and women of all backgrounds must be a high priority, that EEO is an inherent responsibility of line managers, and as such, it requires management attention as to how we hire and how we use existing training programs. SES and MPS members must contribute by establishing EEO objectives that address the primary needs of their organizations. SES and MPS incumbents are the necessary ingredient in meeting the affirmative action hiring goals, as they are the officials with the authority to make an employment offer.

DON, in its training program for SES and MPS incumbents, included training concerning the establishment of the EEO objective.

Problem: EEO is a nebulous term to managers and supervisors who in the past have categorized it as a duty handled by the EEO office. DON must continue reinforcing the premise that EEO is an inherent line manager's responsibility and that actions of all managers reflect the EEO posture of the activity.

Action necessary: DON guidance on the manager's/supervisor's responsibility in EEO should be issued before the FY 82 objective setting process.

UNCLASSIFIED

Cat I/DASN(EO)

UNCLASSIFIED

Prepared by: Babil Arrieta
DASN(EO) Office
26 November 198

AFFIRMATIVE ACTION PROGRAM PLANS (AAPP)

Background: The CSRA transferred affirmative action planning to EEOC from the Civil Service Commission. The EEOC issued Management Directive 702 on 11 December, 1979. In implementing the directive, the DON developed centralized ADP support and along with many other agencies began questioning the process imposed for establishing goals.

Discussion: The EEOC established FY 80 as the transition year with regards to AAPP. During the period from May to December 1979, EEOC issued draft guidance which DON reviewed. DON supported the transfer of authority to EEOC, optimistic that guidance would provide agencies with a sensible approach to affirmative action. EEOC stated that their measurement "Bottom Line" would be the representation of women and minorities in the workforce.

The guidance issued by EEOC on 11 December 1979, was divided into two phases with the first phase due from all agencies with 500 or more civilian employees on 1 February 1980, and the second phase due 1 April 1980. The guidance required an extensive analysis of the workforce to determine if underrepresentation existed and a measurement for determining underrepresentation in the civilian labor force. Analysis had to be conducted by distinct occupational series. DON, however, argued that analysis by distinct occupational series was counter productive. Specifically, requiring a comparison to the civilian labor force was unprecedented and unsupported by court decision. Further, EEOC guidance required agencies to use a mathematical formula for establishing hiring goals. This formula created hiring goals that were viewed by agencies as completely unrealistic and unsupportable by managers responsible for meeting the hiring objectives.

DON argued with EEOC that calculation of underrepresentation should be based on the relevant civilian labor force and should be by occupational groups. Further, that the establishment of hiring goals should reflect the availability of the relevant labor force and should be by occupational groups.

Problem: EEOC is currently drafting multi-year AAP guidance for FY 82 which may require agencies to continue the unrealistic approach under Management Directive 702 and may require agencies to establish goals that will create parity for each occupation within 5 years. The transition year has been extended into FY 81. The AAP generated has created a credibility gap among DON supervisors and managers.

Action required: DON must continue the effort to bring reality into the AAPP planning process.

UNCLASSIFIED

Cat 1 / DASN(EO)

UNCLASSIFIED

Prepared by: Babil Arrieta
DASN(EO) Office
26 November 198

DEPARTMENT OF THE NAVY EQUAL OPPORTUNITY

ACCOUNTABILITY SYSTEM (DONEAS)

Background: DON is responsible for assuring that all employees and applicants are afforded equal employment opportunity in all areas of employment. Further, DON and its components are required to conduct extensive analytical surveys by OPM and EEOC.

Discussion: Compliance with EEO requirements by DON requires the utilization of ADP systems. As such, the DASN(EO), in establishing the support staff, includes specialists in this area. The development of a centralized ADP system, for evaluating DON's EEO efforts and its components, and providing the required analytical processes, has been a priority project of the DASN(EO).

The efforts expended in this area have produced a system that responds and meets the DON data requirements for internal evaluation of activities with 200 or more employees. The system can produce the analysis required by OPM and EEOC to meet their reporting requirements.

The DONEAS' capability to run the program from a centralized base provides the DASN(EO) with the necessary data to evaluate the DON in meeting its EEO objective.

Problem: The DONEAS provides all the necessary information required by OPM and EEOC. However, the DONEAS currently provides the analysis by occupational groups rather than by occupational series and the format differs from that requested by OPM and EEOC.

Action required: DON must continue to support the implementation of DONEAS and acceptance by EEOC with data provided by DONEAS.

Cat 1 / DASN (EO)

UNCLASSIFIED

UNCLASSIFIED

CAPT T. Coldwell, USN, OP-007
X76724 20 November 1980

PUBLIC AFFAIRS ORGANIZATION

Purpose

- This paper describes the Department of the Navy public affairs organization and functions and its relationship to the Department of Defense.

Discussion

- The Navy's Chief of Information (CHINFO) is the direct representative of and advisor to the Secretary of the Navy and the Chief of Naval Operations for community relations and internal and external information matters. He meets daily with these officials. Under the supervision of the Under Secretary of the Navy he operates the Office of Information and nine field activities, and he coordinates activities of the Navy Internal Relations Activity (TAB A) and Navy Broadcasting Service (TAB B). He maintains liaison with the Assistant Secretary of Defense (Public Affairs) (ASD(PA)) to ensure policy and program compliance with Department of Defense directives.

- Mission: To inform the public and naval service personnel concerning Navy policies, operations, plans and programs.

- Authority for Public Affairs Program: Vested in the ASD/PA and implemented by SECNAV Instruction 5720.44, Navy Public Affairs Regulations.

- Public Information Functions: Respond to press queries; produce and distribute news and photo feature materials on naval personnel; arrange interviews and Fleet visits for media; release official photography; release contract announcements (in accordance with public law) and other announcements through ASD(PA); and assist commercial film producers.

- Community Relations Functions: Maintain liaison with national civic organizations; arrange Navy participation in public events; sponsor the Navy Band; coordinate official ceremonies; and administer civilian guest cruise programs.

- Internal Information Functions: Produce internal print and broadcast information materials; procure and administer shipboard and shore based radio and television broadcast facilities.

- Planning and Coordination Functions: Formulate public affairs plans and policy; coordinate programs with Department of the Navy staff offices, Fleet and shore based commands, and other uniformed services.

- Both the Navy and Marine Corps are subject to the direction of the Secretary of the Navy on public affairs matters. Additionally, CHINFO coordinates all Navy and Marines Corps matters of mutual interest. No command within the Department of the Navy, except Headquarters, Marine Corps, will deal directly with OASD(PA) on public affairs matters unless authorized to do so by CHINFO.

CAT I/OI

CAPT R. K. LEWIS, JR., USN
OP-0071, 695-5710
24 November 1980

SUBJECT

The Navy Internal Relations Activity

BACKGROUND

The Navy Internal Relations Activity (NIRA) was established in 1972 to centralize the Navy's internal information efforts. NIRA is a shore activity, in an active operating status, under an officer in charge and under the command of the Chief of Naval Operations, exercised through the Chief of Information. NIRA is subject to the area coordination authority of the Commandant, Naval District, Washington, D.C.

DISCUSSION

NIRA's mission is to plan and execute those functions necessary to ensure two-way channels of communication between Navy policy-makers and the five primary internal audiences (active duty personnel, dependents, reserves, retirees and civil service employees). To disseminate authoritative and timely information to all internal audiences concerning plans, policies and actions that are being considered or implemented for the purposes of strengthening national defense, improving Navy life, promoting morale and esprit de corps and assisting in the retention of quality personnel. NIRA operates on an annual budget of $1.9 million (FY80). Of this, $1,066,000 is for military and civilian salaries. Additional funding for film and video tape production is provided by the Navy Photographic Center. NIRA is staffed by 54 personnel, including 15 officers, 23 enlisted personnel and 16 civilians who are distributed among five divisions which perform the following functions:

- ADMINISTRATIVE SERVICES DIVISION, providing overall budget and administrative assistance and to coordinate distribution of NIRA products;

- PRINT MEDIA DIVISION, producing periodicals such as All Hands, Direction, Wifeline, Navy Editor Service, Navy Policy Briefs, Captain's Call Kit and Backgrounder;

- BROADCAST MEDIA DIVISION, producing the CHINFO Newsgram and the Navy Radio News Service;

- FILM AND TELEVISION DIVISION, producing the CNO SITREP series, the Navy Video News Service, and Navy Spotlight and spot announcements;

- PROGRAM, PLANS AND EVALUATIONS DIVISION, conducting periodic evaluations of NIRA products, coordinating the CHINFO Merit Award Contest, participating in internal information seminars across the country and providing assistance for special projects.

LCDR T. C. WYLD, USN
OP-007CB/695-2919
20 November 1980

NAVY BROADCASTING SERVICE (OP-007C)

Special Assistant for American Forces Radio and Television, Department of the Navy.

Mission: Assists the Chief of Naval Operations (CNO) in providing direction and coordinated policy for the management, operation, acquisition and maintenance of American Forces Radio and Television (AFRT) in the Navy; serves as CNO project office for Shipboard Information, Training and Entertainment (SITE) TV; represents the CNO in dealing with U.S. government agencies, commercial activities, and foreign officials in broadcast matters; acts as coordinator for the CNO in dealing with NMPC, CNM, and other Navy commands. The Director acts as Special Deputy for the purpose of evaluating shipboard AFRT TV systems and providing service approval. The Navy Broadcasting Service, an echelon 2 command, operates approximately 40 detachments overseas and a few support elements in CONUS and provides radio and television services to at-sea and overseas-based Navy people and their dependents.

CAT I / OI

UNCLASSIFIED

LtCol W. S. DEFOREST, USMC, (Code PAM)

MARINE CORPS PUBLIC AFFAIRS

BACKGROUND

Marine Corps Public Affairs (Public Information, Internal Information, Community Relations) are coordinated by the Division of Public Affairs, HQMC. Navy/Marine matters are coordinated with CHINFO.

DISCUSSION

With the advent of the RDF/RDJTF and the implementation of the Near Term Ships Prepositioning Program, major news media have focused increasing attention on Marine Corps capabilities, needs, and role in the RDF. Topics of primary interest include: amphibious shipping, the light armored vehicle, maritime prepositioning, the AV-8B and F/A-18 aircraft, and Navy/Marine Corps expeditionary/force projection capabilities; continuing interest in recruiting/retention.

PROBLEMS

-The "Garwood" case; a general court-martial of a Vietnam returnee at Camp Lejeune: PA policy -- inappropriate to comment on the trial until judicial action/review complete.

-Iran hostages - nine Marine security guards held among the 52 remaining: queries referred to State Department.

-The issue of posing nude in magazines: Marine Corps policy calls for administrative discharge for failure to meet standards in most cases.

CURRENT STATUS

-NBC Magazine: plans are being made for segment on Marine Corps role in the RDF/RDJTF.

-ABC's 20/20: is producing a segment on the 1975 evacuation of Saigon.

-U.S. NEWS: is scheduled to print a story in early December about the Marine Corps.

UNCLASSIFIED

LCDR PAUL HANSON, USN
Office of Information (OI-05)
697-8711
24 November 1980

SUBJECT (U)

Clearance of information for release to the public

DISCUSSION (U)

Authority to release information from Navy is delegated to the lowest command echelon having exclusive cognizance over the matter.

- This may be local, type or fleet commander.

- However, all proposed releases having Congressional or diplomatic impact are cleared by the Assistant Secretary of Defense (Public Affairs) (ASD(PA)) through CHINFO.

- All information originated at, or proposed for release at the Seat of Government shall be submitted to ASD(PA). Information of other-than-national-interest can be released by the Service component concerned once ASD(PA) has concurred.

- Speeches touching on national policy must be cleared by Naval Security Review (OP-009D3).

PROBLEMS (U)

None involving the Secretariat.

ACTION REQUIRED (U)

None; provided for background only.

CAT 1

UNCLASSIFIED

CDR J. J. Harnes, USN
OI-21, x74627
24 November 1980

SUBJECT

INTERVIEWS

BACKGROUND

Navy Department routinely honors print and electronic media requests for interviews with uniformed and civilian Department members. The interviews are conducted on an "on background" or "on-the-record" basis.

DISCUSSION

The Office of Information (CHINFO) receives and coordinates several hundred media interview requests each year. Requests are staffed with the appropriate Navy Department office(s) or individual(s) responsible for the requested topic area. Once a request is approved and ground rules established, a CHINFO representative escorts, monitors and provides public affairs assistance during the interview. SECNAV and CNO interviews are monitored by their respective public affairs assistants. Interviews are conducted within the following guidelines:

- On Background--Information may not be quoted or attributed to the Navy official being interviewed.

- On-the-Record--The reporter receives information which may be quoted or attributed to a specific Navy official.

ACTION REQUIRED

Background only; no action required. Requests for interviews can be expected on a continuing basis.

CAT I

UNCLASSIFIED

CAPT J. L. MARRIOTT, OI-09
X76265 20 November 1980

EXTERNAL PUBLIC AFFAIRS CONGRESSIONAL LIMITATIONS

Background

- In 1972 Congress passed, as a part of the Defense Appropriation Act, language which prohibited the Department of Defense (DOD) from spending more than 28 million dollars for public affairs activities. This spending limitation remained at 28 million through 1974.

  From 1975 through 1980 the spending limitation was reduced to 25 million for public affairs.

Discussion

- "Public Affairs Activities" defined by DOD as public information and community relations.

- Public Information: All functions and activities which are performed primarily for the purpose of providing official information about the military departments and defense agencies to the public, public media, government executive agencies, and Congress.

- Community Relations: All functions and activities which are performed for the purpose of contributing to good relations between the military departments and defense agencies and all segments of the civilian population at home and abroad to help foster mutual understanding, respect, and cooperation.

- Public Affairs (PA) limitation applies to all Operation and Maintenance (O&MN) costs which includes civilian salaries and military personnel costs.

- Public affairs personnel are those who deal directly with the public in excess of 50% of their time.

- Overall limitation is for the Department of Defense and each military department is given a limitation during Congressional mark up of budget.

- The Navy Department's public affairs limitation in Fiscal Year 80 was 7.1 million dollars. This money authorization included 4.6 million for the Navy and 2.5 million for the Marine Corps.

- The following activities are specifically excluded from public affairs limitation: aerial teams, military bands, museums, exhibits, and costs of speeches delivered by other public affairs personnel.

Problems

- Continued limitation of 25 million will adversely affect Navy Department public affairs programs.

Current Status

- DOD has justified to the current session of Congress an increase in the public affairs limitation to 28 million dollars.

Action Required

- Background only; no action required.

CAT I

CAPT R. K. LEWIS, JR., USN
OP-0071 695-9184
24 November 1980

SUBJECT

Liaison with the Maritime Constituency

BACKGROUND

(NIRA Lists 60-64)

A special direct mail effort was launched in August 1966 by the Chief of Information to develop contact with reserve and retired Navy people engaged in public affairs-oriented civilian occupations and with military-oriented organizations.

Expanded in 1976 to include retired flag officers regardless of cilivian occupations plus high ranking civilians identified by CNO (OP-OOK). Expanded in 1977 to include recruiting district council chairpersons and college liaison officers. Expanded in 1979 to include selected active duty people and commands.

Names of individuals were originally obtained from naval reserve and Navy recruiting activities and naval air stations. Only individuals expressing a desire annually to receive information are retained on the distribution lists.

DISCUSSION

Materials sent to categorized lists of above described audiences include:

Materials produced by NIRA/CHINFO	Materials produced by other organizations
Navy Policy Briefs	Navy Recruiting Update (CNRC)
Newsgram Summary	CNO and SECNAV Speeches
Backgrounder	Navy Sabbath brochure (NRA)
Direction Magazine	U.S. Lifelines (OP-09D)
Items of Interest	Seapower Facts & Statistics (OP-09D)
CNO Report to Congress	PRO-Navy Cards (CNRC)
CHINFO Fact File	Shareholders Reports (CNRC)
Understanding Soviet Naval Developments	The Foreword to Jane's (Navy League)
Ships, Aircraft and Weapons Systems of the U.S. Navy	You Can Help The Navy Booklet (CNRC)
	U.S. Navy Sea Cadet Booklet (Navy League)

ADDENDUM

A representative from the Navy Internal Relations Activity participates in monthly meetings of the Navy-Marine Corps Council, semi-annual briefings for military organizations by the Navy Recruiting Command, quarterly Wifeline Association meetings and other ancillary groups.

CAT 1

UNCLASSIFIED

LCDR P. H. Saxon, OI-32A, X57113
21 November 1980

SUBJECT

NAVY-MARINE CORPS COUNCIL (N-MCC)

BACKGROUND

The N-MCC was established by SECNAV in 1967 to provide a means by which the Department of the Navy could keep organizations primarily concerned with Navy and/or Marine Corps matters informed about issues, and to provide a forum for those organizations to coordinate common interests and objectives. There are currently 12 member organizations: Fleet Reserve Association; Naval Reserve Association; Naval Enlisted Reserve Association; Marine Corps Reserve Officers Association; National Naval Officers Association; Navy Club of the United States of America; Marine Corps League; Navy League of the United States; Women Marines Association; Navy Mothers' Club of America; Navy Wives Club of America; Navy Wifeline Association.

DISCUSSION

Representatives of member organizations meet monthly with CHINFO, CRUITCOM, and HQMC representatives to exchange information. The Secretary of the Navy annually sponsors a day of briefings (usually in April) to members of Council organizations. Attendance is by invitation, and approximately 100-125 persons attend each year.

PROBLEMS

In January the Chairman of N-MCC will request by letter that SECNAV authorize this annual briefing and be the luncheon speaker. The primary date requested will be Friday, April 10. When approved by SECNAV, CHINFO and HQMC Division of Public Affairs will coordinate agenda and complete all arrangements.

ACTION REQUIRED

Action will be required within 90 days.

CAT I

UNCLASSIFIED

LCDR S. H. SAXON, OI-32A, X57113
24 November 1980

SUBJECT

Support to Military and Veterans Organizations

BACKGROUND

The Assistant Secretary of Defense for Public Affairs (OASD(PA)) establishes policy for dealing with, and coordinates military support for, all associations and organizations. CHINFO serves as the Navy's primary point of contact for military and veterans groups' national headquarters' staffs. COMNAVCRUITCOM is the point of contact for all youth-oriented organizations.

DISCUSSION

As authorized by OASD(PA) and within public affairs regulations, CHINFO coordinates support to groups such as the American Legion, VFW, The Retired Officers Association, and the Non-Commissioned Officers Association, in addition to organizations of the Navy-Marine Corps Council (see separate briefing sheet). Support includes providing speakers, patriotic music programs, color guards, assistance with visits to naval activities, and general information on Navy programs.

PROBLEMS

Close coordination between CHINFO and COMNAVCRUITCOM is required to ensure that we take advantage of all opportunities for community support, and such cooperation is evident at all levels of both organizations.

ACTION REQUIRED

Background only; no action required.

CAT 1

UNCLASSIFIED

CDR S. C. TAYLOR, USN
CHINFO (OI-23), 695-2078
21 November 1980

SUBJECT

"Navy Pride" program (CHINFO's "Goal One")

BACKGROUND

In support of CNO's retention objectives, CHINFO is mustering public affairs resources to help stimulate/reinforce a sense of pride and team spirit among naval personnel.

DISCUSSION

Stimulating all personnel to work to their full potential and retaining adequate numbers of those who do is a major objective of the CNO and SECNAV. Although individual performance remains high, more than 20,000 mid-level petty officers have left the service without relief. Serious officer shortfalls also exist, particularly in the nuclear, aviation and medical communities.

Recruiting surveys indicate job satisfaction and personal development comprise the top six "life goals" of American youth. Navy recruiting advertising, however, is keyed to the theme, "Navy: It's not just a job. It's an adventure." Retention studies indicate most people who leave the Navy do so because of inadequate compensation and excessive family separation.

Positive recognition of individuals and their outfits has a direct impact on initiative, effectiveness and retention. Although many means to provide same exist, studies indicate significant opportunities for greater cooperation, interaction and synergism.

PROBLEMS

Congressionally-imposed constraints on external public affairs activities and normal internal competition for billets and OPN funds present some limitations on "in-house" production but some resource realignments are feasible and may be recommended.

CURRENT STATUS

An ad-hoc "Washington Working Group" is developing a "Navy Pride" POA&M for approval in Nov.-Dec., refinement in Jan. by Field Activity Directors and implementation as soon as possible thereafter.

SUMMARY

Public affairs resources to stimulate personnel effectiveness and retention exist and are being marshalled to be applied most effectively, in concert with operational remedies (i.e., increased pay, adjusted operating schedules). These efforts are expected to reach fruition in late spring, 1981.

CAT 1

UNCLASSIFIED

CAPT R. K. LEWIS, JR., USN
OP-0071, 695-5710
24 November 1980

SUBJECT

Mr. Burnett Anderson, consultant to the Secretary of the Navy

BACKGROUND

At the request of Secretary of the Navy Hidalgo, Mr. Burnett Anderson, a private consultant and retired Career Minister of Information in the foreign service, is conducting a study on the Navy's public affairs program. Mr. Anderson's extensive public affairs experience in government service and in the private sector includes:

- Counselor for Public Affairs for the U.S. embassies in London (1977-79), Paris (1969-77), and Madrid (1967-69)
- Deputy Director of USIA for Policy and Plans (1965-67)
- Counselor for Public Affairs for the U.S. Embassy in Iran (1957-60)
- Deputy Director of Press and Publications Service, USIA (1955-57)
- Director of Press Relations for the U.S. Information Agency (1954)
- Press Officer for the Marshall Plan agencies in Germany (1952-54)
- Press Secretary to Governors Stassen and Thye of Minnesota (1941-44)
- News reporter and political writer for the Minneapolis Star and Tribune, Look magazine, and ABC Radio
- Writer for a variety of high-level public officials, ambassadors, and the late Edward R. Murrow

DISCUSSION

On 21 July 1980, Mr. Anderson reported to the Office of the Secretary of the Navy to begin his assigned research on Navy public affairs. Over the past four months, Mr. Anderson has met with some of the Defense Department's top management, including: CNO; Commandant of the Marine Corps; Assistant Secretary of Defense (Public Affairs); VCNO; DCNOs; Assistant Secretaries of the Navy; General Counsel and Deputy General Counsel; Chief of Information; information chiefs of the Army, Air Force, Marine Corps, and Coast Guard; and numerous Navy public affairs officers both in Washington and at major outlying commands (CINCLANTFLT, CINCPACFLT, Allied Forces Southern Europe, U.S. Naval Academy, Navy information offices in CONUS, etc.).

Mr. Anderson has focused on both the Navy's internal information program and the external facets of public affairs such as press relations, community relations, plans and policy, and recruiting. Presently, Mr. Anderson is preparing a final research report.

UNCLASSIFIED

CAT 1

CIVIL SERVICE REFORM ACT OF 1978

Background. The intent of the CSRA was to improve the efficiency and responsiveness of the federal government by changing many of the rules and systems which govern the way its personnel are managed. In implementing Reform, the Department of the Navy has developed new approaches to the management process, particularly in the areas of performance appraisal and compensation.

Discussion. The Act affected the federal systems for selecting, developing, assessing and compensating civil servants. The Civil Service Commission (CSC) was disestablished and the Office of Personnel Management (OPM) was created to develop and administer personnel policies and regulations. The CSC's equal employment opportunity responsibilities were transferred to the Equal Employment Opportunity Commission. The most significant provisions of the law were establishment of the Senior Executive Service (SES) and the Merit Pay System (MPS), the requirement to develop a new Performance Appraisal System for all employees not covered by SES or MPS, delegation of numerous personnel authorities from OPM to agencies, establishment of a probationary period for newly appointed managers and supervisors, changes in labor and employee relations procedures and a requirement to develop a recruiting plan to help eliminate underrepresentation of minorities and women in all areas of the work force. (The SES and MPS are addressed in separate papers.) The Navy's General Performance Appraisal System, which sets specific standards for job performance, has been approved by OPM and will go into operation on 1 October 1981. Training in the new system has begun with Navy-wide training scheduled for completion by April 1981.

The Labor and employee relations aspects of Reform are ongoing with the overall impact of the new requirements yet to be fully determined. The Federal labor relations program is now based in law and more closely resembles labor relations in the private sector. It is not too early, however, to recognize that the creation of the Federal Labor Relations Authority (FLRA), the Merit Systems Protection Board (MSPB) and the extension of Equal Employment Opportunity Commission (EEOC) to the public sector is causing a major increase in third party workload and a relearning of the way we do business in this area as these new independent agencies define their role in the personnel system.

Authorized by the Act, the Department of the Navy submitted the first Demonstration Project in the federal government to be approved by OPM. The Project adopts private sector personnel management methods vastly different from those in use in the federal service to two West Coast Navy activities, Naval Ocean Systems Center, San Diego, and Naval Weapons Center, China Lake.

The Department has taken an agressive interpretation of the law, aiming for improved managerial performance.

Problems: In general, the complex changes mandated by Reform have been incorporated smoothly and effectively by Navy management. This is due primarily to the high degree of management involvement in implementing Reform. There are, however, some areas of concern.

In the performance appraisal area, a great deal of union interest is evident in the establishment of standards on which individual performance will be based. If agreement is slow in being reached, it is possible that significant delays in implementation of the system will result.

Cat I/DASN(CP)

In the labor and employee relations area, the advent of FLRA and MSPB on the scene have impacted significantly. Our backlog of cases awaiting third party adjudication has tripled since passage of the reform act. There is no relief in sight and the workload, as well as expense in this area, is a very real problem. Similarly, the entry of EEOC into Navy's discrimination complaint process has lengthened an already complex procedure to an average of two years between filing and resolution. Since EEOC is making changes in affirmative action and the discrimination complaint programs, Navy is in the process of restructuring major aspects of its EEO program.

Action required: Background only; no action required.

IMPLEMENTATION OF SENIOR EXECUTIVE SERVICE (SES)

Background. The Senior Executive Service, a new personnel system covering managerial and supervisory positions above the GS-15 level of the General Schedule and below Level III of the Executive Schedule, was established on 13 July 1979 as a result of the passage of the Civil Service Reform Act. Ninety-eight percent (98%) of the Department of the Navy's (DON) eligible executives joined the new service at that time.

Discussion. The SES Management System, which covers the performance appraisal, award and pay processes for SES members, was developed and approved in September 1979. The heart of the SES system is the objective-based performance appraisal system which requires executives and their first and second level supervisors to develop a series of objectives based on their jobs. Accomplishment of their objectives forms the basis for the executive's appraisal which serves as the input in determining bonus eligibility. Approximately 700 persons, including all SES members and most of the Flag and General Officers in the Navy and Marine Corps attended training on the system. The SES system is overseen by the DON Civilian Executive Resources Board, a group of senior military and civilian officials.

The first performance appraisal cycle for SES ended in June 1980. Appraisals were reviewed and rank ordered by one of eight Performance Review Boards. The PRB recommendations were further reviewed and integrated by the Naval Executive Board which made final recommendations to SECNAV for bonus awards. SECNAV approved bonuses ranging from 7% to 20% of their salaries for 70 deserving career SES members. The bonuses were computed according to an Office of Personnel Management formula. In addition, in September 1979, the first Presidential Ranks were awarded -- three Navy executives received Distinguished Rank and 14, Meritorious Rank, with accompanying awards of $20,000 and $10,000 respectively. The biennial review of all executive level positions throughout the Department is currently underway with a final report to OSD in early December. An evaluation of the SES system to include the objective setting and appraisal process and merit staffing process will also be initiated shortly.

Problems. Staffing of SES positions continues to be a problem. This is due to additional SES spaces received at the advent of SES, unusually high turnover rates and centralized control of certain processing aspects. Success of the system also will require continued top management commitment. This can be evidenced by timely issuance of SECNAV's Annual Management Guidance, up front monitoring of objectives to ensure quality and close control of bonus dollars. This year, Congress reduced the maximum that could be given out to much below the legal maximum and the Office of Personnel Management reduced it more, causing morale problems in the SES. There is a risk that the system will become one of all sticks and no carrots if this trend continues.

Cat 1/DASN(CP)

DUSN/25 Nov 1980

DON MERIT PAY SYSTEM

Background. The Civil Service Reform Act (CSRA) requires Federal agencies to develop a Merit Pay System (MPS) in support of effective utilization of senior managers. The MPS is a management, appraisal and compensation system which covers all Department of the Navy (DON) GS-13 through GS-15 civilians whose work is of a supervisory or managerial nature (approximately 17,500 in DON).

Discussion. The Department of the Navy MPS extends the management system criteria for the Department's Senior Executive Service through the entire civilian top management structure. It utilizes an objectives-based performance appraisal system very similar to that used in SES. An individual's merit or incentive pay is based on accomplishment of objectives which were agreed upon by the MPS member and his or her first and second level supervisors.

The primary objective of the DON MPS is to assist DON managers in planning and evaluating the work performed by their organizations. Secondary objectives are improving the performance appraisal system for high grade civilians and basing their levels of compensation on how well they perform the critical tasks of their positions. The Secretary of the Navy issues annual merit pay guidance, allocates merit pay to merit pay units and prescribes a point-based formula for calculating individual merit pay awards.

To emphasize the concept of "pay for performance" and to give managers the ability to distribute merit pay to their better performers, the actual pay-out process for the MPS system is decentralized to 441 merit pay units. Actual pay decisions are made by key managers familiar with the performance of the merit pay members in their work unit. Implementation of the DON MPS is well underway. Over 18,000 MPS members and their supervisors have received training in the objective setting, performance appraisal and compensation facets of the system. Training for the managers of each of DON's 441 Merit Pay Units (MPU's) is planned for Spring 1981. This training will focus on general MPU management issues and how the MPS compensation program works. Additional guidance to the DON personnel office staff will be provided at the same time to update certain regulatory aspects of the system. Work is also underway to update current DOD ADP systems to provide the data necessary for compensation processing and evaluation. An interim evaluation of MPS implementation will be complete by March 1981. The first MPS compensation adjustments will become effective in October 1981 based on the performance appraisal period from 1 July 1980 to 30 June 1981.

Problems. We have some 413 cases from seven activities pending before the Federal Labor Relations Authority. These cases revolve around challenges to merit pay coverage in general and designations as management officials. DON has designated 94% of our GS-13's through 15's as merit pay members. As union coverage is at issue, the FLRA will be required to provide guidance. It is possible that in the near future, people who had been included in the Merit Pay System will be removed from it and revert to their GS designation. Hostility of MPS members to the new system and reluctance of members and their supervisors to accept MPS as a management tool are significant obstacle to successful implementation of MPS. Employee reaction to the first appraisals in July 1981 and to the first merit pay adjustment in October 1981 will be good indicators as to how well we've "sold" this new approach to appraisal and pay.

cat 1/DSN(C)

OLA/24 Nov 1980

RELATIONSHIP WITH KEY MEMBERS/CONGRESSIONAL COMMITTEES

BACKGROUND

- The Committees of Congress and the key members of those committees and of the party leadership in both houses impact on every aspect of the Navy Department. Most interfaces are based on meetings, discussions, briefings that turn on credibility, patience, persistence and understanding.

- The handling of these relationships is an art and must be directed with skill. Although the Office of Legislative Affairs is tasked with the day-to-day management of this series of relationships, the Secretary of the Navy sets the basic tone and personally maintains special relationships with those members of greatest significance to him.

DISCUSSION

- The basic liaison function of OLA, providing assistance to all members in their inquiries, establishes a professional relationship between the Navy and Marine liaison officers and the members and their staffs. The Committee liaison work based on daily support of those committees with naval interests results in a special professional relationship between the action officers of OLA and the professional staffs and some members of these committees. Trust and a willingness to consider Navy positions comes from credibility based on honest, sincere responsiveness and consistency of policies and positions.

- Such relationships will make it possible for SECNAV to exert great influence on the way the Congress deals with Navy Department legislation. The critical nature of these relationships makes it most important that SECNAV quickly assure himself that the basic structure is as he wants it and that he start as early as possible in developing his personal relationships.

ACTION REQUIRED

- OLA will arrange suggested calls on key members and staff shortly after January 20. The importance of effecting these introductions as early as possible cannot be overemphasized. A reception in each House will be arranged at an early opportunity.

CAT I

OLA/24 Nov 1980

RELATIONSHIP WITH HOUSE AND SENATE APPROPRIATIONS COMMITTEES

BACKGROUND

- A long standing relationship exists between the individual service comptrollers and the members of both the House and Senate Appropriations Committees (HAC/SAC) Defense Subcommittees. Within the Navy Department the Office of Director of Budgets and Reports (NCB) functions as the single point of contact between both the Navy and Marine Corps and members of the Appropriations Committees. This relationship has been formalized in appropriations report language.

DISCUSSION

- Each February or March the SECNAV testifies before the House and Senate Defense Appropriations Subcommittees' Posture Hearings as primary witness for the Department of the Navy. The CNO and Commandant of the Marine Corps accompany SECNAV and are also invited to testify. The Comptroller is present during all hearings held relative to Navy or Marine Corps Appropriations.

- During the past several years the House, with a larger staff, has tended to reduce or take issue with more Department of the Navy programs than the Senate. While committee assignments for the 97th Congress have not been finalized, we can reasonably expect the SAC to be generally supportive of Navy and Marine Corps programs. The anticipated level of support from the HAC is hard to predict, but will probably continue to be less than the SAC.

- The SECNAV participates in the appeals process on vital Navy and Marine Corps programs on various occasions during the budget cycle. The formal appeal to the Senate on the actions taken by the House on each year's budget request is the most significant action of this type. However, when requested, this participation also includes visits and telephone conversations with members of both houses.

- In addition to the personal participation of the SECNAV, various other Navy officials are involved upon request in briefings and informal meetings with both Appropriations Committee Members and committee staffs. This contact, as well as various trips to Navy facilities and installations by members and staffs of the Appropriations Committees, is coordinated by the Director of Budget and Reports.

CAT 1

OLA/24 Nov 1980

OSD-SECNAV LEGISLATIVE AFFAIRS RELATIONSHIP

BACKGROUND

- In 1977, the Office of the Assistant Secretary of Defense (Legislative Affairs) was changed to its present status as an "Assistant to the Secretary (Legislative Affairs)." The OSD Legislative Affairs function now emphasizes coordination of the department-wide legislative liaison function.

DISCUSSION

- With this shift in the OSD Legislative Affairs function, direct SECNAV involvement with the OSD legislative assistant has involved:

  - Guidance from SECDEF on treatment of major OSD legislative issues impacting on Navy.

  - Coordination of potential policy conflicts with Navy positions or testimony of Navy witnesses on the Hill.

  - Direct liaison when SECDEF takes the lead in Hill testimony or discussion on Navy issues.

  - Congressional notification of politically sensitive base closures, reductions in work forces (RIFs), shifts of major Navy ships or facilities from one Congressional District to another.

  - Coordination of all DOD sponsored congressional travel.

CURRENT STATUS

- The Navy Chief of Legislative Affairs and his deputy maintain the routine contact with OSD(LA) and regularly attend a monthly luncheon which is hosted alternately by OSD and the Service Chiefs of Legislative Affairs. The format of these luncheons is informal and discussions have centered on joint concerns resulting in many cases in the setting of common policies on actions to be followed. Pressure on the reins has been light but intelligently applied.

CAT 1

OP-906/24 Nov 1980

KEY DOD DOCUMENTS PROVIDED TO CONGRESSIONAL COMMITTEES

- Purpose: to list briefly some of the principal documents that Congress uses in its review of DOD (including Navy) programs.

FORMAL DOCUMENTS

- Presidential Budget: Includes DOD programs; initial DOD budget submission in January often is changed subsequently through DOD initiated requests for "Amendments" and "Supplementals."

- Posture Statements: Made in January-March time frame to individual congressional committees by Secretary of Defense, Service Secretaries, Service Chiefs and Chairman, JCS. They provide a status report on their respective organizations and highlight major budget programs.

- Questions-For-The-Record (QFR) and Questions and Answers (Q&A): Transmitted between DOD/Navy and Congressional committee staffs; they amplify, in writing, the oral testimony provided by DOD officials at committee hearings.

- DOD Appeals: DOD-initiated reclamas to decisions made by the Congressional Authorizations and Appropriations committees.

- Selected Acquisition Reports (SARS): Periodic status reports provided by DoD to Congress on selected major acquisition programs.

- General Accounting Office (GAO) Reports: The reports (and DOD comments on the reports) are used by congressional staffs to analyze DOD programs and policies.

DISCUSSION

- These documents, reports, and so forth represent only a small sample of the thousands of recurring and one-time reports submitted by DOD to Congress annually. Many are in response to short-notice oral requests for information and briefings. Considerable administrative effort is directed toward ensuring responses are properly coordinated within Navy/USMC/DOD and submitted on time. The size of the Congressional staff has grown and the administrative burden of responding to inquiries has expanded steadily. The level of detail involved in the process has also intensified.

POSSIBLE ACTION

- The new Administrtion might do well to join early with the 97th Congress in an effort to reestablish levels of trust and reduce markedly the exchange of detailed documentation on DOD programs, concentrating instead on policies, broad budgetary guidance and major issues.

CaX 1/90

OLA/24 Nov 1980

CONGRESSIONAL HEARINGS SCHEDULE

BACKGROUND

- Congressional Hearings schedule in flux.
  - Affected by the reorganization of the new Congress itself and awaiting new Presidential appointees.

DISCUSSION

- No schedule presently proposed for the 97th Congressional Hearings.
  - Best forecast, a review of the Congressional schedule of hearings for the 1977 Ford-Carter Transition.
- Trends of 1977 Transition hearings as follows:
  - Confirmation in January of SECDEF, Deputy SECDEF and other key OSD players. SECNAV and other Navy confirmation hearings expected in February-March.
  - Initial FY 1982 Defense Authorization Hearings (SECDEF) expected in late January for an essentially Carter Administration Budget proposal.
  - In February SECDEF comes to Congress with recommended revisions to the FY 1982 Defense Budget. Uniformed service chiefs go before Congress with annual posture statements.
  - New civilian service secretaries follow in early-mid March, preferring to take more time to study the budget prior to their initial Congressional Posture Statement.
- Schedule of 1977 Transition and Budget hearing attached.

ACTION REQUIRED

- Navy Office of Legislative Affairs (OLA) will provide hearing schedule when available.

CAT 1

CONGRESSIONAL HEARINGS

1977 Ford-Carter Transition

I. Nominations (Carter appointees)

Office	Date Nominated by President (Elect)	SASC Hearing Date	Senate Confirmation Date	Sworn In Office Date
SECDEF (Brown)	18 Dec 1976	11 Jan 1977	20 Jan 1977	21 Jan 1977
SECNAV (Claytor)	19 Jan 1977	8 Feb 1977	11 Feb 1977	14 Feb 1977
UNDER SECNAV (Woolsey)	21 Feb 1977	2 Mar 1977	4 Mar 1977	9 Mar 1977

II. Budget Hearings (FY 1978)

	Date FY 78 Defense Budget Presented (Ford Budget)	Date FY 78 Defense Budget Revision Presented (Carter)
SECDEF	25 Jan 1977 (Accompanied by CJCS)	24 Feb 1977
CNO (Holloway)	3 Feb 1977 (Maritime Posture)	
CMC (Wilson)	3 Feb 1977 (Maritime Posture)	
SECNAV (Claytor)	11 Mar 1977 (Maritime Posture, accompanied by CNO)	
SECNAV (Claytor)	17 Mar 1977 (Naval Shipbuilding, accompanied by CNM)	

Enclosure

CATEGORY II DOCUMENTS

SEGREGATED AND RELEASABLE IN

THE ATTACHED FORMAT

ATTACHMENT (2)

CONFIDENTIAL

UNCLASSIFIED

MARINE CORPS RESERVE

Background

- Mission. To maintain a Reserve component of trained units and qualified individuals for active duty in time of war or national emergency.
- Organization
  - Selected Marine Corps Reserve (SMCR). 35,451
  - Pretrained Individual Manpower (PIM): Individual Mobilization Augmentees (IMA) 101; Individual Ready Reserve (IRR) 56,862; Standby 2,047; Fleet Marine Corps Reserve (FMCR) 14,946.
  - Total 109K; SMCR 32%; IRR 52%; Standby 2%; FMCR 14%
- Employment
  - Provide trained units to bring active forces to wartime structured strength and increase combat, combat support capability.
  - Provide qualified individuals to augment active and Reserve units and expand supporting base.
  - Provide air/ground teams (Marine Amphibious Brigade (MAB) to Division/Wing Team (DWT)) to expand active force.

Discussion

- SMCR. (4th Marine Division, 4th Marine Aircraft Wing and 4th Force Service Support Group)
  - Strength: Division 16,689; Wing 8,968; FSSG 5,274; Initial Training 4,520; and Active Duty Support 4,184.
    - -- Upward trend since FY-76: 29,306 FY-76; 35,451 FY-80; 36,653 projected FY-81.
    - -- Retention up. Attrition down. First term reenlistment up from 16% in FY-77 to 52% in FY-80. Initial attrition down from 20% in FY-77 to 12% in FY-80.
    - -- Quality high - 76% high school graduates
  - Organization. Division, Wing and FSSG (See Tab 1-3).
  - Readiness

[CONFIDENTIAL DATA DELETED]

  - Exercises. FY-80. 19 Combined Arms Exercises from Norway to Panama.
- Pretrained Individual Reservist (PIR)
  - IRR
    - -- 56,862 personnel (3,873 officers, 52,989 enlisted).
    - -- Viable population. Over 50% off active duty less than one year. 51% officers captain or below. 86% enlisted lance corporal to sergeant.
    - -- Reserve Counterpart Training. FY-80 650 officers; FY-81 1,300 officers and 175 enlisted planned.

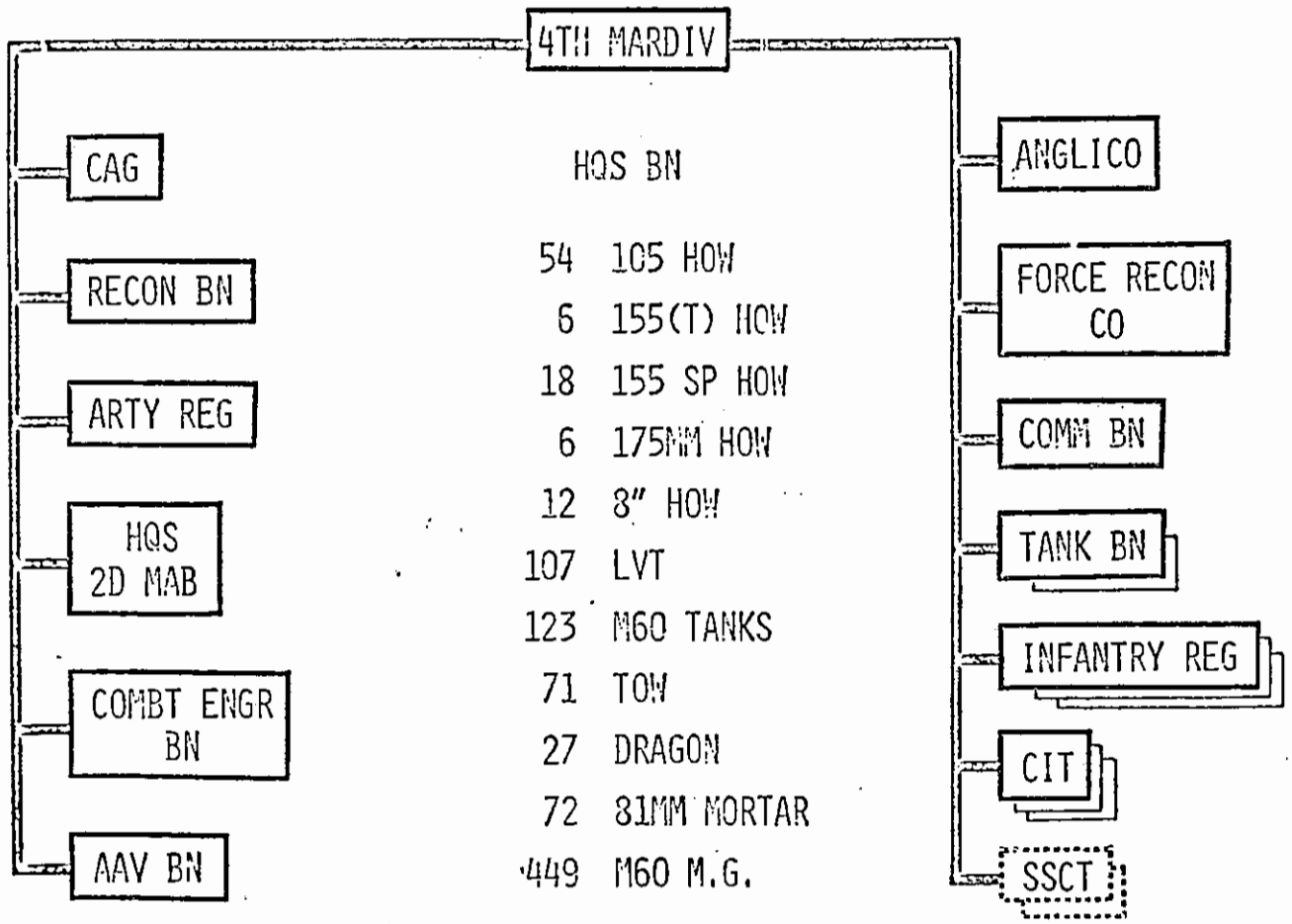
CONFIDENTIAL CATEGORY

-- Mobilization Training Units. 150 units; 1,354 officers/enlisted.
-- Mobilization Designees. 619 personnel preassigned to mobilization billets.

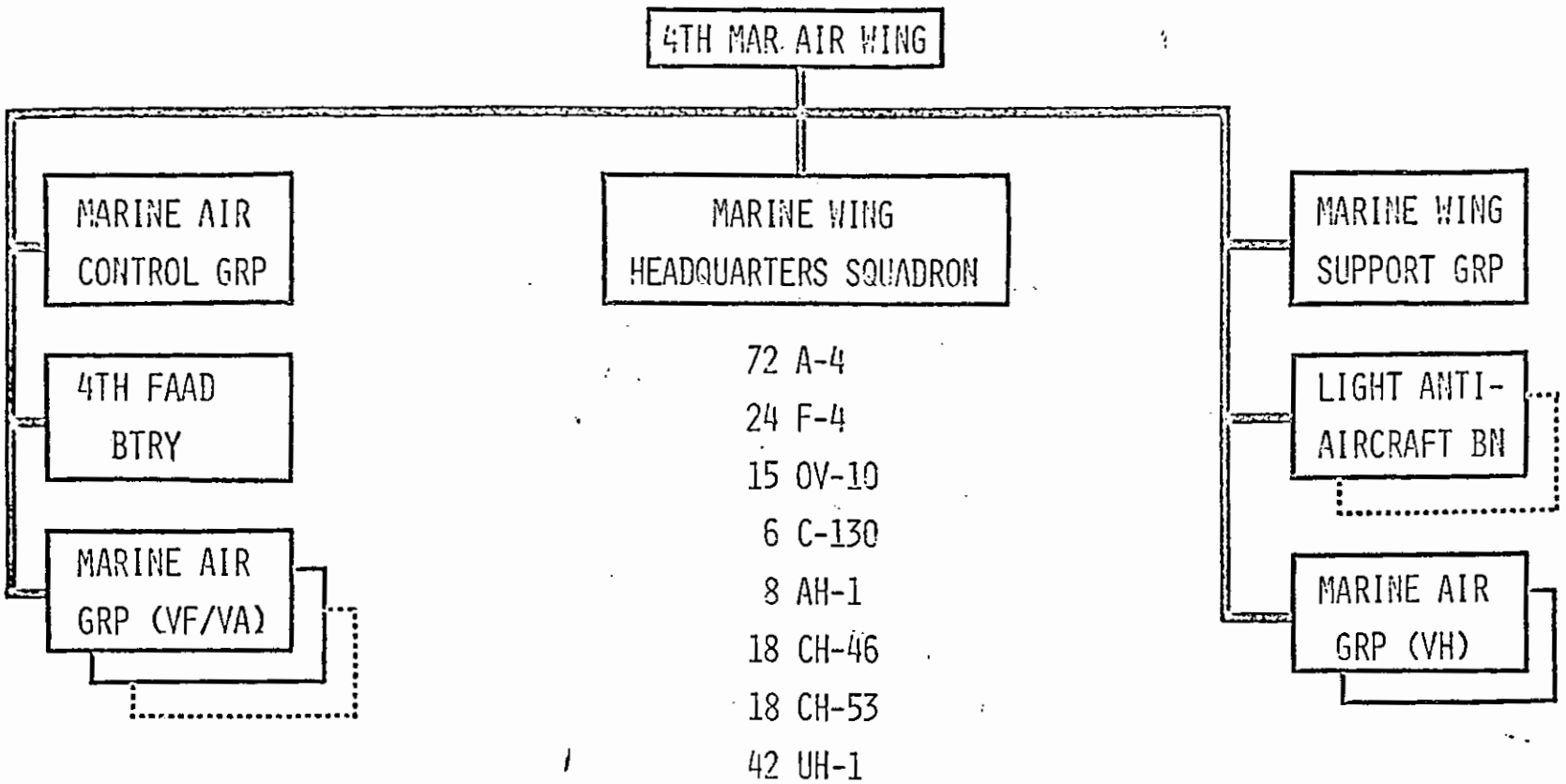
- IMA. 101 individual SMCR personnel preassigned to man priority mobilization billets.

[CONFIDENTIAL DATA DELETED]

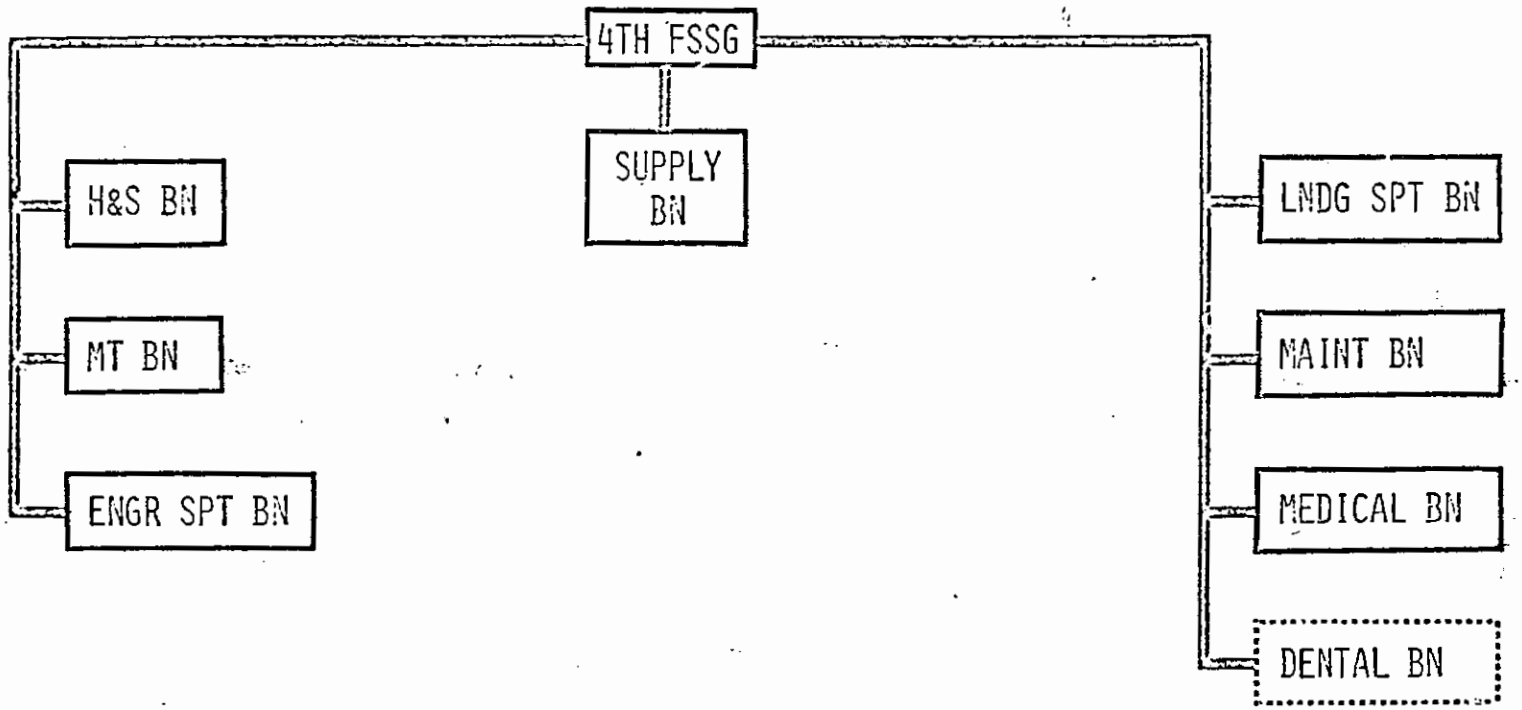
4TH MARDIV STRUCTURE



4th MAW STRUCTURE



4TH FSSG STRUCTURE



OP-60/24 Nov 1980

NAVY DEPLOYMENT LEVELS

BACKGROUND

- The U.S. Navy maintains approximately 30 percent of the force forward-deployed in the Western Pacific, Indian Ocean/Arabian Sea, and Mediterranean.

DISCUSSION (U)

- Long-standing national commitments (prior to 1979) are met primarily by the deployed U.S. SIXTH and SEVENTH Fleets. The SIXTH Fleet operating in the Mediterranean/Atlantic represents the bulk of sea power available to support NATO at the outbreak of hostilities. The SEVENTH Fleet normally operates in the Western Pacific available to support U.S. commitments to allies such as Japan and Republic of Korea. SEVENTH Fleet geographic area of responsibility also includes the Indian Ocean. Forces to support present I.O. deployments are drawn from both 7th/6th fleets.

- Forces now operating in the Indian Ocean consist of the Middle East Force, two Carrier Battle Groups, one Amphibious Ready Group (deployments to maintain "ground force" presence 70 percent of the time) and appropriate support ships.

PROBLEMS (U)

- Expanded and continuing operations in the I.O. cause the following problems:
  - reduces the capability of the SIXTH and SEVENTH Fleets to respond to contingency operations.
  - complicates maintaining high material readiness due long logistic tail.
  - adverse long term effect on morale/retention due to high OPTEMPO, with few (or no) port visits.

[CONFIDENTIAL TAB [illegible]]

CATEGORY II
EXEMPTION 1

Category 2, Exemption 1/
06

UNCLASSIFIED
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MARINE CORPS
MAJOR R&D PROGRAMS/IOC (U)

DISCUSSION (U)

Following are the major Marine Corps R&D programs funded by RDT&E Navy in FY 1982 along with planned Initial Operational Capability (IOC) dates:

Programs	Planned IOC
- Marine Integrated Fire and Air Support System (MIFASS)	
- Tactical Air Operation Center (TAOC-85)	
- Tactical Combat Operation Center (TCO)	
- Position Location Reporting System (PLRS)	
- TRITAC	
- Modular Universal Laser Equipment (MULE)	
- Landing Vehicle Track Experimental (LVTX)	
- Mobile Protected Weapons System (MPWS)	
- Light Armored Vehicle (LAV)	
- Radar Course Direction Central (RCDC)	
- 5/4T Truck	

ACTION REQUIRED (U)

Action will be required; longer term

CATEGORY II
EXEMPTION 1

UNCLASSIFIED
~~CONFIDENTIAL~~

OP-21/5 Dec 1980

SSBN FORCE LEVELS (U)

BACKGROUND (U)

- Ballistic missile submarine (SSBN) force levels have declined from a high of 41 (44 are allowed under SALT-I; 710 launch tubes being a co-restraint) and will bottom out at 31-32 in FY-81 depending on TRIDENT delivery dates. This decline is the result of the planned deactivation or conversion of POLARIS submarines prior to the delivery of TRIDENT submarines.

DISCUSSION (U)

- The current SSBN force consists of 31 POSEIDON SUBMARINES, 12 of which have or will be converted to carry the Trident I (C4) missile, and five POLARIS submarines. These five POLARIS will join three others which have been converted for attack submarine roles. Two of the older POLARIS submarines are being deactivated to comply with SALT I agreements as compensation for the introduction of TRIDENT.

- Congress has authorized construction of nine TRIDENT submarines through FY81, seven of which are under contract to Electric Boat Co. [CLASSIFIED SENTENCE (SECRET) DELETED]

- POSEIDON submarines are expected to retire upon completion of a 30 year life, (between 1993 and 1997), unless a future SALT agreement requires that they be deactivated earlier.

- Despite the near-term decline in SSBN force levels, changes in the mix and number of launchers and warheads per deployed submarine prevents a decline in force capability.

[CLASSIFIED TAB (SECRET) DELETED]

CATEGORY II

Category 2, Exemption 1 / OP-21

EXEMPTION 1

OP-50/24 Nov 1980

HEAVY LIFT HELICOPTERS/CH-53E LINE BREAK

BACKGROUND (U)

- Current CH-53E procurement programming (49 aircraft as of FY81) involves a two-year production break in FY82 and FY83, creating additional costs for the balance of the program in FY's 84-86. To date, effort to avoid the production line break have failed.

DISCUSSION (U)

- Funding constraints have precluded a continuous production line although the issue remains a high priority. [CONFIDENTIAL SENTENCE DELETED]

- Marine Corps requirements are under review. With the advent of the Light Armored Vehicle (LAV) and the Multipurpose Weapons System (MPWSP), the requirement for CH-53E's for the Marine Corps will likely increase beyond the present [ ] aircraft programmed.

PROBLEMS (U)

- Proposed procurement of aircraft in both FY82 and FY83 is under OSD review.
  - Long lead procurement money needed now; $8M in FY81 and $22M in FY82. [CONFIDENTIAL DATA DELETED]

SUMMARY (U)

- Congress has expressed its intent for FY82 production by authorizing $2 million for long lead provisioning in FY81 to assume the contractor's liability from 1 October 1980 to 1 January 1981.

ACTION REQUIRED (U)

- Action on FY-82 budget request will be required withing 90 days.

Cat 2, Exemption 1

OP-44/24 NOV 81

DIEGO GARCIA CONSTRUCTION

BACKGROUND (U)

- Since FY71, U.S. has been developing minimal logistic support and communication facilities on Diego Garcia.

- When programs authorized by Congress through FY78 are completed in 1982, facilities will include:

  - communications station
  - 12,000 foot runway
  - carrier battle group anchorage for 6 ships
  - fuel and supply pier with 700,000 barrel fuel storage
  - ammunition storage
  - aircraft hangar and parking apron
  - warehousing
  - personnel support facilities for 800 permanent people

DISCUSSION (U)

- Increased tempo of operations and permanent presence of battle group in Indian Ocean has led to new requirements for support at Diego Garcia. Permanent population is now expected to grow to 2150 over next 2-3 year. [SECRET SENTENCE DELETED]

CURRENT STATUS (U)

- $8.6 million to erect temporary berthing/messing for current OPTEMPO personnel funded in FY80 under SECDEF contingency authority.

- Operational and personnel support facilities costed at $142 million. FY80 Supplemental MILCON Bill contains $7.5 million and FY81 MILCON Bill funds $95.2 million of requirement. Shortfall: $39 million. [SECRET SENTENCE DELETED]

- Estimates of maximum capabilities of Diego Garcia and costs to develop forwarded to DEPSECDEF June 1980. No decision has been made as to possible additional missions. No funds programmed or requested.

Category 2, Exemption 1/
04

CATEGORY II
EXEMPTION 1

OP-32/24 Nov 1980

BLOCK OBSOLESCENCE OF COMBATANT SHIPS

BACKGROUND

- Blocks of cruisers/destroyers, amphibious ships, and attack submarines will reach the end of their expected service lives in the next 15-20 years or so and, in the absence of approved replacement programs, Navy force levels will decline precipitously.

DISCUSSION

- Guided-Missile Cruisers/Destroyers - Force levels fall below the 80 minimum requirement if ships are retired at ESL. By 2000 there will be a requirement to procure replacements. [CLASSIFIED (SECRET SENTENCE DELETED]
  - -- Two CG-47s have been funded with the remainder (minimum of 21 total) programmed for funding in FY 81-87.
  - -- Planned DDGX class building program (approximately 49 ships) will commence. This does not overcome planned retirement rate, and one can anticipate selective extension of some CG/DDG's. [CLASSIFIED (SECRET) SENTENCE DELETED]
- Amphibious Ships - Force levels fall below the minimum required amphibious lift in the 1990's. Planned LSD-41 and LHDX class building programs are inadequate to maintain the minimum amphibious lift. Increased procurement and/or selective extension will be required. [CLASSIFIED (SECRET) SENTENCE DELETED]
- Attack Submarine - Force levels fall below 90 if SSNs retire at ESL. Current SSN class building programs are inadequate to maintain the 90 force level. [CLASSIFIED INFO (SECRET) DELETED]

ACTION REQUIRED

- Continual review of ship building plans and retirement. Increased funding for ship construction - about $2.5B annually (FY81 $'s).

Category II

CATEGORY II

OP-50/24 Nov 1980

HXM

BACKGROUND (U)

- HXM is the nomenclature for new medium-sized helicopter to replace CH-46E, CH-53A/D, and [illegible] for amphibious assault, vertical replenishment and ca[illegible] [illegible]roup ASW in the mid-1990's.

DISCUSSION (U)

- Current Navy/Marine Corps medium helicopter inventory deficiencies threaten long-term ability to continue to perform missions. There may be serious performance and survivability deficiencies in view of the mission to be performed and the threat to helicopters projected for the latter part of this century. [CONFIDENTIAL SENTENCE DELETED]

PROBLEMS (U)

- POM-82 provides for an HXM development program with a 1996 IOC. A 1990/91 IOC is preferred in order to minimize inventory shortfalls.

- Current inventories of helicopters will not satisfy CG requirement. [CONFIDENTIAL SENTENCE DELETED]

CURRENT STATUS (U)

[CONFIDENTIAL TABLE DELETED]

- Mission Element Needs Statement (MENS) approved by SECNAV and forwarded to the SECDEF recommending approval.

ACTION REQUIRED (C)

- Program is under review.

Category 2, Exemption 1, 5/05

CATEGORY II
EXEMPTIONS 1 & 5

DDGX FORCE LEVELS

BACKGROUND

- Construction of a new class of guided missile destroyers (DDGX) is planned, starting in FY 85, to provide replacements for retiring battle group surface combatants. This program should regain minimum guided missile cruiser-destroyer force levels by the turn of the century.

DISCUSSION

- The DDGX is envisioned as a multi-purpose, guided missile destroyer which will operate with CG-47's in Carrier Battle Groups, Surface Action Groups, Underway Replenishment Groups and Amphibious Ready Groups.
  [CLASSIFIED DELIVERY PLAN DELETED]
- Refinement of ship design is in progress; a follow-ship cost goal of $500M (FY80 $) is sought.

- DDGX program is scheduled for review by the Defense Systems Acquisition Review Council, 2nd quarter FY81.

STATUS

- FY 81 Authorization Act - $73.9M (R&D)
  FY 81 HAC - 0
  FY 81 SAC - $73.9M
  Will be resolved in conference.

Category II
EXEMPTION 1

LCDR T. C. WYLD, USN
OP-007CB/695-2919
20 November 1980

SUBJECT

Consolidation of American Forces Radio and Television (AFRT)

BACKGROUND

In response to Congressional criticism, consolidation plans were developed in 1979 to manage the AFRTS resources of all services under one, central DOD office.

The option proferred by a group of OSD staffers and the Deputy Assistant Secretary of Defense provided for the centralization of AFRT under one official within OSD, the Director, American Forces Information Service (AFIS).

AFRTS is an essential tool of command at the unit as well as theatre level. Within the context of information and entertainment programming, all elements of the command chain have ready access to (without absolute control of) AFRT outlets to assure execution of their internal information programs. AFRT, then, enhances combat effectiveness while boosting morale and welfare.

The proposal was defeated in favor of a Navy-organized plan.

DISCUSSION

The OSD consolidation proposal would have cost the services all resources then dedicated to AFRT. The Navy would have lost all authority to monitor and coordinate AFRT efforts in formerly Navy-controlled outlets. Assets assigned to Navy Broadcasting Service would have been drawn down gradually to support OSD-centralized shore stations, many in areas where predominantly non-Navy audiences are assigned. Smaller, remote outlets serving Navy audiences would have been closed.

Currently, half the ships in the Navy are equipped with SITE (Shipboard Information, Training and Entertainment) CCTV

CATEGORY II
EXEMPTION 5

systems, with the entire fleet slated for completion by the end of FY 83. The OSD proposal did not provide DOD the responsibility for these shipboard outlets, but would have absorbed all SITE support elements ashore (installation, repair and software programming). The Navy would have been required to reconstitute these elements from other resources to preserve the afloat program.

The Army, Marine Corps, JCS and DEP SECDEF joined Navy in the defeat of the AFIS proposal. The Navy's plan of a central management office within each military department was adopted; the Army and Air Force were required to establish an organization similar to the Navy Broadcasting Service.

[ONE PARAGRAPH DELETED]

LCDR T. C. WYLD, USN
OP-007CB/695-2919
20 November 1980

SUBJECT

Audiovisual (AV) Consolidation Within DOD

BACKGROUND

The high cost and adverse press alleging proliferation of AV resources in the military moved Congress and OMB to require more controls and accounting of AV. The Defense Audiovisual Agency (DAVA) was established under the Assistant Secretary of Defense (Public Affairs). OP-09BP, Assistant for Audiovisual Management, was established under OP-09B, the Director of Naval Administration, to implement DAVA plans and policies within the Department of the Navy.

DISCUSSION

The means established by DOD to achieve responsible AV resource management are: elimination of duplication, standardization of material and control of accounting. DOD prescribes consolidation as a management action only in the context of duplication or underutilization of resources.

DOD regulation specifies requirements for "sufficient utilization" and requires periodic review of the degree of utilization. If, as a result of this review, a facility or resource is found to be under-utilized, heads of DOD components are then instructed to close the facility, reduce assets--or effect consolidation.

Centralization of AV management under the appropriate functional control authority is crucial. The directive which calls for establishment of a central management office within military departments states that ASD(PA), while having overall management responsibility for AV resources, "...does not control their uses directly. Most applications are under the management control of the functions they support."

CATEGORY II
CA EXEMPTION 5

PROBLEMS

Consolidation of AV assets is underway now. DAVA guidance summarized above has been interpreted loosely, with consolidation being the management action preferred and, in most cases, least appropriate.

As presently organized, the Assistant for Audiovisual Management within the Department of the Navy must be responsive to requirements as well as cognizant of capabilities throughout the Department. Unlike CHINFO, OP-09BP is an OPNAV component alone, no special responsibilities to the Secretary of the Navy and not in the chain to address, for example, the needs of the Office of Naval Research or the U.S. Marine Corps. Further, OP-09BP does not sponsor enlisted ratings involved in AV activities (JO, DM, etc.) as does CHINFO.

COMMENT

Audiovisual communication arts, a most influential means of conveying information, have become more critical to and more widely sought by internal and external audiences. With respect to other information tools, CHINFO has a centralized responsibility for monitoring and coordinating. As a special assistant to SECNAV, CHINFO already coordinates management of similar information resources of the Marine Corps.

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NAVY/MARINE CORPS ACHIEVEMENTS, 1977-1980

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NAVY/MARINE CORPS ACHIEVEMENTS, 1977-1980

SHIPBUILDING CLAIMS SETTLEMENT

By April 1977, the Navy was confronted with a claims backlog of $2.7 billion, $2.3 billion of which were with the three major Navy shipbuilding contractors -- The Electric Boat Division of General Dynamics, The Ingalls Shipbuilding Division of Litton and Newport News Shipbuilding and Dry Dock Company. These claims represented long standing disputes on contracts dating back to the late 1960s. The animosities generated by these controversies were causing severe problems in the Navy's shipbuilding programs. The professional relationship so necessary for the successful construction of complex warships was being crippled and confidence in both the Navy's management ability and the shipyards' construction capabilities was being grievously eroded.

The Secretary of the Navy established claims resolution as the number one Navy priority and assigned responsibility to a small team headed by the ASN(MRA&L). A comprehensive program of negotiations was initiated simultaneously with each of the three shipbuilders. The overall goal was to achieve settlements which would cover all outstanding issues of controversy. The agreements had to serve the public interest, as judged by the test of Congressional review. Complex and difficult negotiations took place from September 1977 to October 1978. The first settlement was reached with General Dynamics on 9 June 1978. It resulted in reformation of two SSN 688 contracts allowing additional payment by the Navy of approximately $484 million. The settlement required General Dynamics to absorb an unprecedented loss of $359 million. On 20 June 1978 settlement was reached with Litton Industries resulting in reformation of two contracts for LHA assault ships and DD 963 destroyers. The agreement settled all outstanding claims with Litton and called for the Navy to pay Litton $447 million. Litton agreed to take a $200 million fixed loss on these contracts, without considering an additional $133 million of so-called Manufacturing Process Development Costs. On 5 October 1978 agreement was reached with Newport News on outstanding claims of $742 million and many other open issues involving construction of 13 nuclear powered warships. As a result of this agreement the Navy paid Newport News a total of $165 million.

PERSONNEL

Military Compensation. Military Compensation is inherently tied to the retention of career petty officers, non-commissioned officers, and officers of the Navy and Marine Corps, and improved retention must be achieved if the Navy/Marine Corps is to maintain its combat readiness. Dedicated efforts throughout the Department of the Navy and DOD facilitated extremely significant compensation improvements for the uniformed service member in 1980: establishment of variable housing allowances; increases in funding available for Zone "A" and "B" reenlistment bonuses and establishment of Zone "C" third term bonuses; improved Submarine Pay; increased Aviation Pay and the establishment of continuation bonuses; improved sea pay; increased Subsistence Allowances; improved physicians' bonuses; and increased travel en-

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titlements. These initiatives are certain to have a positive impact on the Navy Department's principal manpower problems -- low retention and inadequate accession rates.

Equal Opportunity. Strong consideration and support at all levels within the Department of the Navy have resulted in significant progress in this important area. During the past four years:

The Office of Deputy Assistant Secretary for Equal Opportunity has been created to improve formulation of EO policy and guidance in both the military and civilian communities to evaluate program execution and accomplishments, and to give this vital function appropriate stature within civilian and military personnel management.

Departmental EO/EEO objectives have been made a matter of accountability throughout the chain of command.

All members of the Senior Executive Service, and all other senior employees who participate in the Merit Pay System, are required to establish personal EEO objectives.

Under the Federal Equal Opportunity Recruitment Program, DON's work force has been analyzed to identify underrepresented groups, and affirmative action plans are being pursued to improve the balance.

Affirmative action has been applied in military recruiting. Women, racial, and ethnic minorities have been the subject of special recruiting efforts for both officer and enlisted accessions.

The continuing Hispanic Demonstration Project has met with significant success by reaching, in selected test areas, this relatively untapped manpower source and increasing Hispanic accessions without compromising quality standards.

Emphasis on equal opportunity has not been restricted to recruiting alone, but has been extended to training, advancement, and expanding participation by women and minorities across the entire spectrum of technical skills and specialty communities.

Women and Minorities. The Secretary of the Navy sought and gained an amendment to 10 U.S. Code Sec. 6015 which permits permanent assignment of women to noncombatant ships, and temporary assignment of women to combatants. In 1979, 53 women officers were assigned to duty in 14 noncombatant ships while 396 enlisted women were assigned to five of those ships. By 30 September 1980, the figures increased to 120 women officers and 694 enlisted women aboard 27 noncombatant ships. Women naval aviators now number 39 and the 55 women of the June '80 U.S. Naval Academy graduating class comprised the initial cadre of female USNA graduates. All major areas of minority recruiting, officer accession, reenlistment, total strength, and rating distribution have shown improvement. Since 1977, representation of Blacks in Navy enlisted ranks has increased from 8.7% to 11.5%, while Black naval officer representation has increased from 1.93% to 2.51%. The Navy/Marine Corps team is committed to expanding opportunities for women and minorities in the Services.

Civil Service Reform. The Department of the Navy's leadership immediately undertook a creative and successful implementation of all provisions of the Civil Service Reform Act. New, comprehensive, performance-based compensation programs for the Senior Executive Service and the Merit Pay System were designed as initial steps in improving the overall management of human resources in the Department. Recognizing the importance of training to successful implementation of SES and MPS, DON instructed nearly 20,000 persons in these systems, including a cadre of DON instructors to insure departmental self-sufficiency in this area. These early initiatives in reform implementation resulted in fifty agencies seeking assistance from the Navy Department in developing their own programs. The Department of the Navy submitted the first Demonstration Project in the Federal government to be approved by the Office of Personnel Management. This project adopted flexible, high-potential private sector personnel management methods, vastly different from those in use in the Federal Service, to two West Coast laboratory activities.

Civilian Personnel Reorganization. A thorough organizational and functional review of the Navy Department's civilian personnel management program was conducted following the citing of serious, extensive deficiencies caused by inefficient structure and lack of accountability. After lengthy analysis, a reorganization was effected, realigning responsibilities and authorities and finally fixing accountability with the Chief of Naval Operations and Commandant of the Marine Corps. While the Secretary retains responsibility for Departmental policy formulation, issuance, oversight, and control, the CNO and CMC now have the authority and resources for implementing that policy. The new organizational structure is highly supportive of total force management and assigns responsibility to line management for the Department's civilian personnel program. The Deputy Assistant Secretary of the Navy for Civilian Personnel has, for the first time, also assumed responsibility for the personnel policy formulation for approximately 50,000 non-appropriated fund civilian personnel, oversight of which was split from NAF military matters. Now, one civilian personnel office speaks for all civilian employees, be they AF or NAF. Key to the success of the entire reorganization has been improved interpersonal and working relationships that have developed, especially in the last year and a half.

Naval and Marine Corps Reserve. The strength of the Naval Reserve has stabilized at 87,000 with intentions to increase numbers in the out-years to meet the Navy's mobilization requirements as identified by the Navy's Manpower Mobilization System (NAMMOS).

Naval Reservists participation in fleet exercises has steadily increased and in FY-80 these Reservists took part in 24 fleet exercises.

Selected Marine Corps Reserve end strength has grown by over 6,000 personnel, from 29,306 to 35,549. Along with this growth, the quality of personnel has improved dramatically, as evidenced by an increase in high school graduates to over 75% of personnel, higher first term reenlistments, and sharply reduced judicial and administrative personnel problems.

Comprehensive mobilization procedures were developed and tested. These included establishing 50 Mobilization Stations throughout the country

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and staffing/training the Reservists who will handle them upon mobilization. An automated mobilization system was developed and implemented which provides an excellent mating of reserve resources and active force requirements/shortfalls. This system has been fully tested twice and has proven successful.

Improved Discipline. To enhance the potential combat effectiveness of the service, military discipline has been strengthened during the past four years. Ranging from naval directives on good order and discipline, with emphasis on officer/petty officer/non-rated personnel responsibilities, to revised approaches in dealing with UCMJ violations, these initiatives are resulting in improved discipline throughout the fleet.

Military Leadership Development. A comprehensive Leadership and Management Education and Training (LMET) program was undertaken during this administration to increase the professional leadership and managerial capabilities of uniformed service members. Formal courses were implemented for prospective commanding officers, department heads, division officers, chief petty officers, and leading petty officers. To date, 18,000 Navy personnel have successfully completed LMET and returned to the fleet with honed managerial skills. Based on these initial successes, plans have been developed to expand the scope of LMET to include shore establishments, flag officers, and DON civilians.

Family Service Centers. As an innovative approach to increasing retention rates among the Navy's married personnel, Family Service Centers were originated in 1979 to deal with spouse and child problems and to take positive steps to enrich the Navy family experience. Sixty-one centers are now operating with fourteen more to be opened in FY-81. The charter of this program is to emphasize the importance of the family to the Navy mission, to coordinate support efforts with civilian agencies such as the American Red Cross and USO, and to aid commands in resolving unique personal problems. The Marine Corps will open fifteen units in FY-81 and both the Army and Air Force are expected to pattern their family awareness programs on the Navy model.

FURTHERING NATIONAL SECURITY OBJECTIVES

Indian Ocean Operations. In response to the Iranian hostage crisis and Soviet invasion of Afghanistan in late 1979, two U.S. Navy battle groups (each consisting of an aircraft carrier, supporting combatants, and logistic ships) established and have sustained operations in the Northern Arabian Sea. These battle groups have been augmented periodically by amphibious task groups with embarked Marine Amphibious Brigades. The continued presence of the Navy/Marine Corps team in the Indian Ocean has been a major factor in the protection of vital U.S. interests in that region of the world.

RDF/Maritime Prepositioning. In 1980, to establish the capability to respond quickly and decisively to contingencies or crises in remote regions of the world, the Navy and Marine Corps contributed to the establishment of the Rapid Deployment Force, a Department of Defense command headquartered at MacDill AFB in Tampa, Florida. The Rapid Deployment Force consists of aircraft and ships dedicated to delivering a Marine Amphibious Brigade to a

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remote location, then mating the personnel with their supporting equipment and supplies to sustain initial combat operations. The prepositioning of seven supply ships in the Indian Ocean is an important initial step in achieving deployment readiness for the RDF.

HUMANITARIAN ACHIEVEMENTS

Refugees (Southeast Asia). In April 1979, President Carter announced that the Navy would assist the "boat people" fleeing Vietnam by taking aboard those whose lives were deemed to be in danger due to unseaworthy craft, lack of food and water, or other extreme circumstances. Since then, Navy ships have embarked over 2600 refugees. In addition, Navy aircraft made reports of craft in distress to merchant vessels which picked up an additional 2,000 people. Secretary of State Muskie has personally thanked the Navy for its humanitarian assistance in this matter.

Refugees (Caribbean). During the exodus from Cuba in the spring of 1980, six Navy ships worked with Coast Guard vessels in the Florida Straits. These ships assisted boats in distress and picked up refugees in need of medical help. In addition, about 100 Navy and Marine Corps personnel manned the receiving center at Key West. Later in the year another four ships were sent to the Florida straits to assist the Coast Guard.

ALLIED RELATIONS

RIMPAC - '80. A major combined fleet exercise was conducted in the Pacific near Hawaii in the spring of 1980. The operation included ships and aircraft from Canada, Australia, Japan, and the United States. Training in many aspects of anti-air, anti-submarine, and anti-surface warfare was accomplished over a period of about ten days. This exercise was the first to include units from the Japanese Maritime Self-Defense Force in coordinated operations with the navies of Canada and Australia, thereby representing a major step forward in allied exercise participation and cooperation.

NATO Long Term Defense Plan (LTDP). During the past year the Navy has moved forward on NATO LTDP conventional force improvements. The more significant maritime progress areas include an enhanced air defense posture (achieved by installating joint defense missile systems in large combatants and close-in weapon systems in smaller ships) and a better anti-submarine warfare capability (through increased stocks and improved sensors).

NATO Rationalization/Standardization/Interoperability (RSI) Initiatives. The Navy continues to support greater alliance cooperation in armaments development and production with the objectives of increasing the scope and output of R&D resources and providing a higher degree of weapons standardization/interoperability in the field. In the area of weapons standardization, the Navy is evaluating the purchase of, or cooperating in the development of, the following programs: the Italian OTO MELARA gun, the Norwegian PENGUIN missile, the NATO SEASPARROW, and a new minesweeping system. Additionally, the U.S. AIM-9L SIDEWINDER air-to-air missile, the HARPOON anti-ship missile, the P-3 ORION ASW aircraft and the LAMPS MK III helicopter are under NATO review. Navy interoperability initiatives include: the publication of more than 40 common NATO tactical and procedural documents; participation in over 20 NATO training exercises from 1976 to

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1980; the consolidation of alliance training programs; and participation in excess of 100 weapons data exchange agreements.

NAVAL FORCES (STRATEGIC)

OHIO Launching. The USS OHIO (SSBN-726), the first of the new TRIDENT submarines, was launched on 7 April 1979 at New London, Connecticut. The keel was laid for the USS GEORGIA (SSBN-729) at the same time. Since then the USS MICHIGAN (SSBN-727) has been launched and another of these most modern SSBNs has been authorized, for a total authorized force to date of 8 TRIDENT submarines.

Kings Bay. Since moving from Rota, Spain, to Kings Bay, Georgia, last summer, the SSBN Support Base has continued to provide the nation with services to its most survivable deterrent force. Kings Bay has also been designated as the preferred location for the Atlantic Coast Strategic Submarine Base and will be the homeport for TRIDENT submarines on the US East Coast, joining the new base in Bangor, Washington as home for the TRIDENT fleet of the future.

NAVAL FORCES (CONVENTIONAL)

New Ship Construction/Force Levels. Since early 1977, the Department of the Navy has taken delivery of 71 new naval vessels and currently has an additional 86 under contract or presently being constructed.

AEGIS/CG-47. Since 1977, the Department of the Navy has provided for the acquisition of four new AEGIS AAW cruisers and is programming for additional ships of the class for the future. The AEGIS cruiser (CG-47) will be 563 feet long, displace 9000 tons, and carry a crew of 360. The ship will be equipped with the highly automated, rapid reaction AEGIS Combat System, which supports multiple, simultaneous surface-to-air missile engagements. The CG-47 class ships are currently being built by Litton Industries, while the AEGIS Combat System is being developed by the RCA Corporation.

Readiness Improvements. A DON principal priority throughout this administration has been the maintenance and enhancement of the combat readiness of forces in being. Significant increases have been achieved across the readiness spectrum, as indicated by some of the following examples:

The Backlog of Maintenance and Repair, a $630 million figure in FY-1976, has decreased to $587 million in FY-1980, and, if the existing program is prosecuted, will decrease to no backlog in FY-1986.

The Component Rework of ships and aircraft has increased by 5% during the current administration, rising from 84.6% in FY-1976 to 89.6% in FY-1980.

The Supply Material Availability of depot level repairable items was 71.2% in FY-1976. During the current administration, this figure increased to 75% by FY-1980, with steady, programmed increases projected for subsequent years.

SHIP PROCUREMENT PROCESS STUDY

In 1977 and 1978, the Navy prepared and completed an intensive examination of its ship acquisition procedures and management in order to come to grips with the underlying causal factors of major claims and to prevent, or at least minimize, their recurrence. The findings of this intensive review, contained in the Navy Ship Procurement Process Study final report, were used as a vehicle to strengthen contractual procedures with the shipbuilding industry. The interim report of this study was distributed to the builders in mid-1977. The final report was issued in July 1978. Since then the Navy has met periodically with industry representatives to assess implementation of the report. Some 65 conclusions have been reviewed by an advisory council, which has drafted a series of decision memorandums to implement the findings of the study within DON's management structure. The memorandums were distributed to industry in November 1980.

RESEARCH AND DEVELOPMENT

The Department of the Navy has made significant progress toward its near term goal of force modernization through the procurement of advance-design ships, aircraft and weapon systems. Significant examples include:

MK-48 ADCAP. The MK-48 Torpedo Advanced Capabilities Program (ADCAP) has been initiated as an upgrade to the existing Fleet weapon to counter an improved submarine threat.

Light Airborne Multi-Purpose System (LAMPS) MK III. Five LAMPS MK III RDT&E aircraft have been delivered and successfully test flown. The system's air-ship interface has been successfully demonstrated and USS McINERNY has been modified and is ready for initiation of the system Technical Evaluation in January 1981.

Integrated Tactical Surveillance System (ITSS). The ITSS Program was initiated, which has as its objective expansion of the combat horizon to counter the Backfire Bomber threat and to target missiles over the horizon.

Navy Embedded Computer System. A major organizational consolidation and new direction for tactical embedded computer systems was initiataed that will enhance the Navy's ability to deploy and maintain highly automated shipboard systems. Contracts have been awarded for parallel competitive development of two new tactical embedded computers.

PRODUCTIVITY IMPROVEMENTS

While the Department of the Navy Productivity Program has Navy-wide application, efforts have thus far focused on the Naval Material Command's industrial organizations. While many specific management initiatives can be cited, the following accomplishments reflect the savings which have accrued from the Shipyard Productivity Program. In Fiscal Year 1977 Navy targeted and achieved a five percent improvement in productivity in the naval shipyards which resulted in cost savings of over 40 million dollars. In Fiscal Year 1978, an additional productivity improvement goal of over 19 million dollars was established and met. The productivity goal for Fiscal Year 1979 of 20 million dollars was similarly attained. DON's most recent productivity enhancing capital investment proposals, just approved by the Secretary of Defense, total over 45 million dollars.

ENERGY EFFICIENCY

Through a combination of procedural improvements, capital investments, and planned equipment modifications, the Navy's 1985 energy conservation and substitution goals appear to be within reach. Improved operating methods and the waterborne hull cleaning program have resulted in improved efficiency in shipboard energy use. Combustion optimizers, improved anti-fouling hull paints, fresh water conservation equipment, and other R&D projects show promise in enabling the Navy to improve ship fuel efficiency 20% by 1985. In the aviation community, the 1985 goal of reducing fuel consumption by 5% per flight hour has already been attained and surpassed. R&D projects now underway, including airframe and engine modifications as well as procedural changes, promise further fuel efficiency improvements. Shore facilities' consumption is being reduced through energy saving capital investments and improved energy awareness. Energy consumption in Navy buildings alone in FY 80 was reduced by 2.5 million barrels of oil (equivalent), a savings of about $57 million, below the FY-75 consumption level.

MERCHANT MARINE/NAVY COORDINATION

Measures were implemented to provide more effective coordination and mutual support between the Navy and the U.S. flag Merchant Marine. A Navy - Maritime Policy Board was established to meet periodically with industry representatives thereby providing a forum for discussion and resolution of mutual problems in shipbuilding and ship operations. A Navy Reserve Program was created to meet the specific and unique requirements of merchant marine officers. The program provides naval training for merchant officers to enhance coordination between the merchant marine and the Navy, particularly during times of national emergency.

SEALIFT ENHANCEMENT PLAN

Under this plan specific programs have been instituted in coordination with the Maritime Administration and the maritime industry to ensure the sufficient and timely availability of strategic sealift assets under a non-mobilization scenario. An important part of the SEP is the Ready Reserve Force (RRF), a joint Navy/MARAD program established by Memorandum of Agreement between SECNAV and the Department of Commerce in November 1976. The program upgrades selected National Defense Reserve Fleet (NDRF) ships to a readiness status wherein they can respond within 10 days and establishes an annual readiness activation test. The program provides for a capacity of 28 dry cargo ships and 6 tankers. Program phasing has been developed to permit achievement of about 488,000 measurement tons of dry cargo capacity by FY-1983 and a 840,000 BBL tanker capacity by FY-1984. The primary objective of the RRF program, in conjunction with other programs such as the Sealift Readiness Program and Reduced Operating Status MSC ships, is to generate an effective mix of ships to meet DOD non-mobilization and peacetime surge requirements at optimum cost.

MAINTENANCE OF REAL PROPERTY (MRP)

The condition of the Navy's shore facilities had deteriorated progressively from FY-1966 due to sharp decreases in MRP funding. Consequently, the backlog of maintenance and repair (BMAR) grew rapidly, negatively impacting operational readiness. Program levels for FY-1977 contained only $10 million for major repair projects for the entire Navy, and all of the Services made MRP a major budget issue in FY-1976. Confronted with this problem, the Navy implemented improved techniques for programming and budgeting MRP resources. These techniques now identify facility deficiencies, segregate these deficiencies by identifiable, mission-related facility groups, and assess the condition of facilities in readiness terms. The process involves the direct participation of all levels of decision makers from activity commanding officers, major claimants, and OPNAV resource sponsors to the CNO himself who personally approves program objectives for each facility category. The visibility and understanding engendered in assessing readiness impact by facility category and the credibility gained within Navy, OSD and Congress have resulted in significant increases in MRP funding. Substantial progress has been made toward eliminating the large backlog caused by previous decades of low funding levels and, more importantly, the threat that the condition of shore facilities might constrain Navy military readiness has been minimized.

AUTOMATIC DATA PROCESSING MODERNIZATION

The Secretary of the Navy approved the establishment of the Naval Data Automation Command to improve the overall Navy automatic data processing management structure. In addition, to ensure the effective use of Navy automatic data processing resources, a series of six Data Processing Service Centers were established throughout the Navy. Currently, mid- and long-range automation plans are being developed. Major changes have been made to the Life Cycle Management of Automated Information Systems, thereby bringing ADP planning into conformance with OMB Circular A-109 and insuring ADP responsiveness to the ultimate user. Regular and significant cost savings/avoidance ($69.5M in multi-year savings in the last six months of FY-80 alone) have accrued through this "new" approach.

CATEGORY III DOCUMENTS

DENIED IN ENTIRETY

ATTACHMENT 3

ATTACHMENT (3)

ATTACHMENT (3)

DOCUMENTS DENIED IN ENTIRETY

TITLE	DATE	SUBJECT
Point Paper	24 NOV 80	Contribution of Allies
Point Paper	24 NOV 80	FY 1981 Budget Amendment
Memorandum for the Secretary of Defense	22 MAY 80	POM-82
Point Paper	24 NOV 80	Shipbuilding and Conversion, Navy (SCN)
Point Paper	24 NOV 80	Aircraft Procurement, Navy (APN)
Point Paper	24 NOV 80	Weapons Procurement, Navy (WPN)
Point Paper	22 NOV 80	Procurement Marine Corps (PMC) FY 1982 Program
Point Paper	24 NOV 80	Major R&D Programs
Point Paper	24 NOV 80	FY 1982 CDPS/Priorities
Point Paper	24 NOV 80	Defense Policy Guidance (DPG)
Memorandum for the Under Secretary of Defense, Policy	29 AUG 80	Recommendations Concerning the Forthcoming Defense Policy Guidance (U)
Memorandum for Distribution	25 SEP 80	DRAFT Defense Policy Guidance (U)
Memorandum for Under Secretary of Defense for Policy	22 OCT 80	For Comment DRAFT Defense Policy Guidance (DPG) FY 83-87
Memorandum for Secretaries of Military Depts; Chairman, Joint Chiefs of Staff; Under Secretary of Defense for Research and Engineering	28 NOV 80	Final DRAFT of 1983-87 Defense Policy Guidance
Memorandum for Under Secretary of Defense for Policy	4 DEC 80	Final for Comment DRAFT Defense Policy Guidance (DPG) FY 83-87
Point Paper	24 NOV 80	SECNAV Guidance for POM-83
Memorandum for the CNO; ASN(R,E&S); ASN(M,RA&L); ASN(FM)	10 NOV 80	Dept. of Navy Planning and Programming Guidance (DNPPG) (U)
Point Paper	24 NOV 80	Readiness and Sustainability Status and Trends (U)
Point Paper	24 NOV 80	Threat Ordnance Shortfall
Point Paper	24 NOV 80	Peacetime Operating Stock (POS) and War Reserve Materials (WRM)
Point Paper	24 NOV 80	Fuel Costs/Steaming and Flying Hours
Point Paper	24 NOV 80	RH-53 Replacement
Point Paper	24 NOV 80	Security of Diego Garcia (U)
Point Paper	24 NOV 80	Authorizations and Appropriations Committee Membership and Interests

LISTING OF FREEDOM OF INFORMATION EXEMPTIONS CLAIMED

ATTACHMENT
4

ATTACHMENT (4)

ATTACHMENT (4)

FOI EXEMPTIONS CLAIMED, RATIONALE, INITIAL DENIAL AUTHORITY

CATEGORY II DOCUMENTS (SEGREGATED AND RELEASABLE AFTER SEGREGATION)

TITLE	DATE	SUBJECT	FOIA EXEMPTION	RATIONALE	INITIAL DENIAL AUTHORITY
Point Paper	NONE	Marine Corps Reserves	#1 and #5	Note 1 Note 3	Deputy Chief of Staff for Requirements and Programs, CMC
Point Paper	24 NOV 80	Navy Deployment Levels	#1	Note 1	Director, Systems Analysis Division, OPNAV
Point Paper	NONE	Marine Corps Major R&D Programs/IUC (U)	#1	Note 1	Deputy Chief of Staff for Requirements and Programs, CMC
Point Paper	5 DEC 80	SSBN Force Levels (U)	#1	Note 2	Director, Systems Analysis Division, OPNAV
Point Paper	24 NOV 80	Heavy Lift Helicopters/CH-53E Line Break	#1	Note 1	Director, Systems Analysis Division, OPNAV
Point Paper	24 NOV 80	Diego Garcia Construction	#1	Note 2	Director, Systems Analysis Division, OPNAV
Point Paper	24 NOV 80	Block Obsolescence of Combatant Ships	#1	Note 2	Director, Systems Analysis Division, OPNAV
Point Paper	24 NOV 80	HXM	#1 and #5	Note 1 Note 3	Director, Systems Analysis Division, OPNAV
Point Paper	24 NOV 80	DDGX Force Levels	#1	Note 2	Director, Systems Analysis Division, OPNAV
Point Paper	20 NOV 80	Consolidation of American Forces Radio & Television (AFRT)	#5	Note 3	Under Secretary of the Navy

ATTACHMENT (4) (Continued)

TITLE	DATE	SUBJECT	FOIA EXEMPTION	RATIONALE	INITIAL DENIAL AUTHORITY
Point Paper	20 NOV 80	Audiovisual (AV) Consolidation Within DOD	#5	Note 3	Under Secretary of the Navy
Point Paper	NONE	Navy/Marine Corps Achievements, 1977-1980	#1	Note 1	Under Secretary of the Navy

NOTE 1: The portions of the document withheld are exempt from disclosure under 5 U.S.C. Section 552(b) because they are classified in the interest of national defense under the criteria of the Department of the Navy Information Security Program Regulation (OPNAVINST 5510.1F) which implements Executive Order No. 12065 and their unauthorized disclosure reasonably could be expected to cause identifiable damage to the national security.

NOTE 2: The portions of the document withheld are exempt from disclosure under 5 U.S.C. Section 552(b) because they are classified in the interest of national defense under the criteria of the Department of the Navy Information Security Program Regulation (OPNAVINST 5510.1F) which implements Executive Order No. 12065 and their unauthorized disclosure reasonably could be expected to cause serious damage to the national security

NOTE 3: The portions of the document withheld are exempt from disclosure under 5 U.S.C. Section 522(b)(5) because they consist of internal predecisional deliberations, opinions and recommendations. Release of these portions of material would be detrimental to the Department of the Navy's decision making process and would have an adverse effect upon the expression of candid opinion by naval personnel.

ATTACHMENT (4) (Continued)

CATEGORY III (DENIED IN ENTIRETY)

SUBJECT	FOIA EXEMPTION	RATIONALE	INITIAL DENIAL AUTHORITY
Contribution of Allies	#1	Note 1	Director, Systems Analysis Division, OPNAV
FY 1981 Budget Amendment	#5	Note 3	Director, Systems Analysis Division, OPNAV
POM-82	#1 and #5	Note 2 Note 3	Under Secretary of the Navy
Shipbuilding and Conversion, Navy (SCN)	#5	Note 3	Director, Systems Analysis Division, OPNAV
Aircraft Procurement, Navy (APN)	#5	Note 3	Director, Systems Analysis Division, OPNAV
Weapons Procurement, Navy (WPN)	#5	Note 3	Director, Systems Analysis Division, OPNAV
Procurement Marine Corps (PMC) FY 82 Program	#5	Note 3	Under Secretary of the Navy
Major R&D Programs	#5	Note 3	Director, Systems Analysis Division, OPNAV
FY 1982 CDPS/Priorities	#5	Note 3	Director, Systems Analysis Division, OPNAV
Defense Policy Guidance (DPG)	#1 and #5	Note 2 Note 3	Director, Systems Analysis Division, OPNAV
Recommendations Concerning the Forthcoming Defense Policy Guidance (U)	#1 and #5	Note 2 Note 3	Under Secretary of the Navy
DRAFT Defense Policy Guidance (U)	#1 and #5	Note 2 Note 3	Under Secretary of the Navy
For Comment DRAFT Defense Policy Guidance (DPG) FY 83-87	#1 and #5	Note 2 Note 3	Under Secretary of the Navy
Final DRAFT of 1983-87 Defense Policy Guidance	#1 and #5	Note 2 Note 3	Under Secretary of the Navy
Final for Comment DRAFT Defense Policy Guidance (DPG) FY 83-87	#1 and #5	Note 2 Note 3	Under Secretary of the Navy

ATTACHMENT (4) (Continued)

SUBJECT	FOIA EXEMPTION	RATIONALE	INITIAL DENIAL AUTHORITY
SECNAV Guidance for POM-83	#1 and #5	Note 1 Note 3	Director, Systems Analysis Division, OPNAV
Dept. of Navy Planning and Programming Guidance (DNPPG) (U)	#1 and #5	Note 1 Note 3	Under Secretary of the Navy
Readiness and Sustainability Status and Trends (U)	#1 and #5	Note 2 Note 3	Director, Systems Analysis Division, OPNAV
Threat Ordnance Shortfall	#1 and #5	Note 2 Note 3	Director, Systems Analysis Division, OPNAV
Peacetime Operating Stock (POS) and War Reserve Materials (WRM)	#1 and #5	Note 2 Note 3	Director, Systems Analysis Division, OPNAV
Fuel Costs/Steaming and Flying Hours	#1 and #5	Note 2 Note 3	Director, Systems Analysis Division, OPNAV
RH-53 Replacement	#5	Note 3	Director, Systems Analysis Division, OPNAV
Security of Diego Garcia (U)	#1 and #5	Note 2 Note 3	Deputy Chief of Staff for Requirements and Programs, CMC
Authorizations and Appropriations Committee: Membership and Interests	#5	Note 3	Director, Systems Analysis Division, OPNAV

NOTE 1: The withheld document is exempt from disclosure under 5 U.S.C. Section 552 (b) because it has been classified in the interest of national defense under the criteria of the Department of the Navy Information Security Program Regulation (OPNAVINST 5510.1F) which implements Executive Order 12065 and its unauthorized disclosure reasonably could be expected to cause identifiable damage to the national security.

NOTE 2: The withheld document is exempt from disclosure under 5 U.S.C. Section 552 (b) because it has been classified in the interest of national defense under the criteria of the Department of the Navy Information Security Program Regulation (OPNAVINST 5510.1F) which implements Executive Order 12065 and its unauthorized disclosure reasonably could be expected to cause serious damage to the national security.

NOTE 3: Withheld document is exempt from disclosure under 5 U.S.C. Section 552(b)(5) because it consists of internal predecisional deliberations, opinions and recommendations. Release of this material would be detrimental to the Department of the Navy's decision making process and would have an adverse effect upon the expression of candid opinion by naval personnel.

DEPUTY ADVISOR FOR NATO AFFAIRS

The Office of the Advisor for NATO Affairs has reviewed its input to the Carter-Reagan Transition Team and determined that the information is currently and properly classified within the meaning of Executive Order 12065. The unauthorized release of these documents would provide a foreign nation with an insight into the war potential or the defense plans and posture of the United States. Also, their release would weaken or nullify the effectiveness of a defense or military plans which is vital to the national security. These documents also contain recommendations, opinions and conclusions that if released could inhibit the frank discussion and analysis of issues thereby hampering the decision-making process. Therefore, the documents are denied under 5 USC 552(b)(1) and (5).

The documents denied are:

(1) The NATO Infrastructure Program
(2) What to do about Host Nation Support (HNS) Initiatives with the FRG
(3) NATO Long Term Defense Programs (LTDP)

The Initial Denial Authority is LTG Richard H. Groves, Deputy Advisor for NATO Affairs.

ASSISTANT SECRETARY OF DEFENSE (PROGRAM ANALYSIS AND EVALUATION)

The Office of the Assistant Secretary of Defense for Program Analysis and Evaluation did not prepare issue papers for the Carter-Reagan Transition team.

54

ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS(ASD(PA))

The attached documents represent all of the issue papers prepared by the ASD(PA) for the Reagan Transition team. Nothing has been omitted or deleted from the documents.

Contents

1. Organizational charts

Tab A. Department of Defense

B. Office of the Assistant Secretary of Defense (Public Affairs)

2. Charts and functional statements

Tab C. Immediate Office of the Assistant Secretary

D. American Forces Information Service

E. Directorate for Defense Information

F. Directorate for Community Relations

G. Directorate for Freedom of Information and Security Review

H. Directorate for Management

I. Directorate for Audiovisual Management Policy

J. Defense Audiovisual Agency

3. Budgetary process

Tab K. Office of the Assistant Secretary of Defense (Public Affairs)

L. American Forces Information Service

4. Grade structure

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N. American Forces Information Service

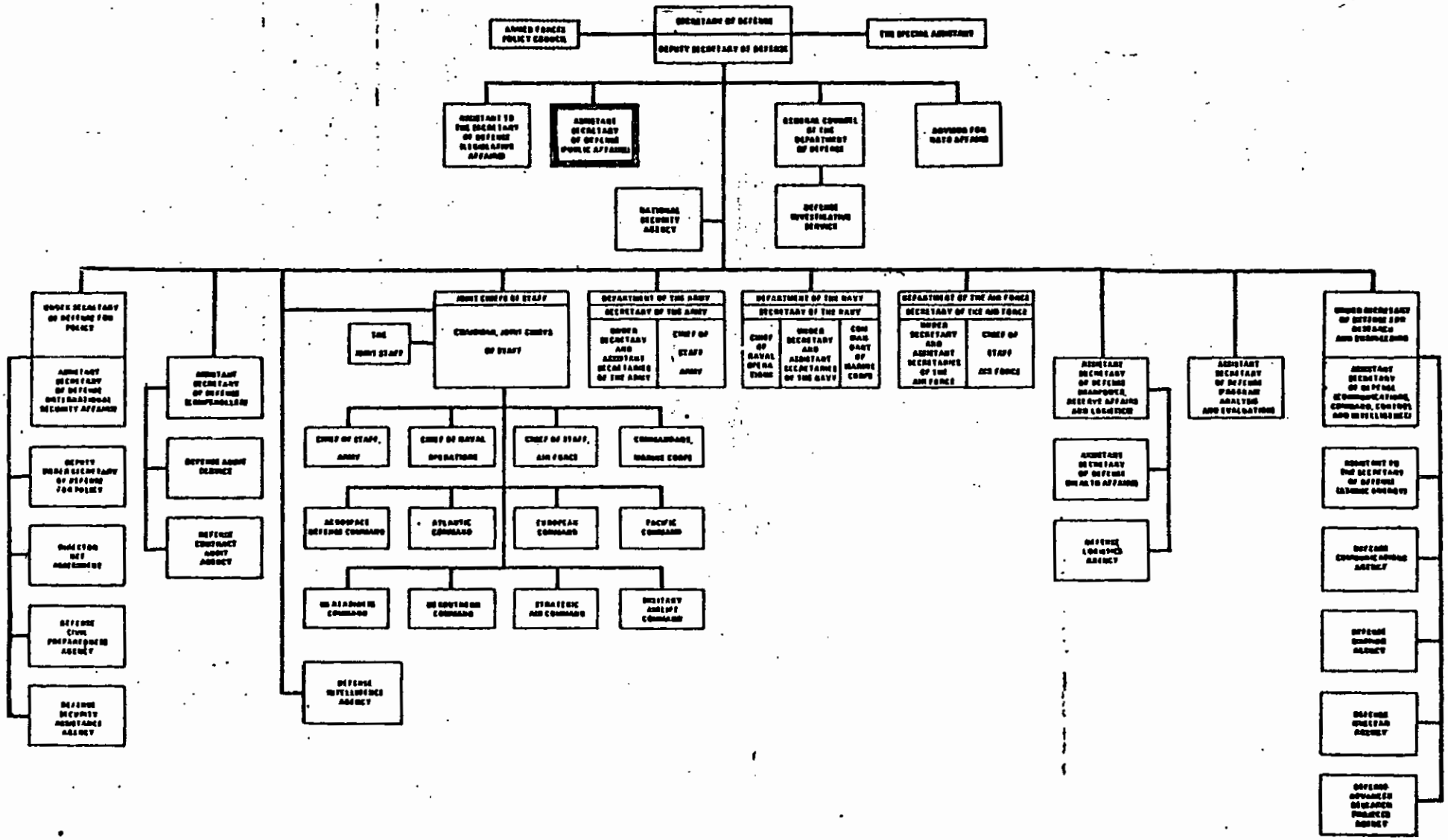
5. Issues

Tab O.

6. Administrative details

Tab P.

DEPARTMENT OF DEFENSE



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS)

ASD(PA)
Principal Deputy
Deputy
Special Assistant
Civ-6 Mil-4

AMERICAN FORCES INFORMATION SERVICE
- Director
- Deputy Director
- Plans & Policy Staff
- American Forces Radio & Television Service (AFRTS)
- American Forces Press & Publications Service (AFPPS)

Civ-132 Mil-50

DIRECTORATE FOR DEFENSE INFORMATION
- Director
- Deputy Director
- Plans Staff
- News Division
  - Armed Forces News Branch
  - Defense News Branch
  - Operations News Branch
- Audiovisual Division
  - Production & Documentary Branch
  - Acquisitions Branch

Civ-21 Mil-18

DIRECTORATE FOR COMMUNITY RELATIONS
- Director
- National Organizations Division
- Programs Division
- Public Activities Division

Civ-9 Mil-8

DIRECTORATE FOR FREEDOM OF INFORMATION AND SECURITY REVIEW
- Director
- Deputy Director
- Program Management Division
  - Records & Correspondence Branch
  - Reports & Data Branch
- OSD Division
- Army Division
- Navy Division
- Air Force Division

Civ-22 Mil-15

DIRECTORATE FOR MANAGEMENT
- Director
- Administrative Officer
- Administrative Services Branch
- Public Correspondence Branch

Civ-7 Mil-5

DIRECTORATE FOR AUDIOVISUAL MANAGEMENT POLICY
- Director
- Equipment Division
- Facilities Division
- Products Division

Civ-4 Mil-4

Federal Motion Picture Contracts Management Office
(Civ-3) (Mil-1)

Strength summary:

	Civilian	Military	Total
OASD(PA)	69	54	123
AFIS	132	50	182
Total	201	104	305

(The Federal Motion Picture Contracts Management Office is an element of the Defense Audiovisual Agency.)

IMMEDIATE OFFICE OF THE ASSISTANT SECRETARY

Assistant Secretary (NC)	
Special Assistant (C)	
Military Assistant (M)	
Private Secretary (NC)	
Principal Deputy ASD (NC)	
Military Assistant (M)	
Private Secretary (NC)	
Deputy ASD (M)	
Assistant (M)	
Secretary (C)	
Civ-6	Mil-4

NC -- Non-career civilian

C -- Career civilian

M -- Military

Office of the Assistant Secretary of Defense (Public Affairs)

MISSION AND FUNCTIONS

The Assistant Secretary of Defense (Public Affairs) . . .

serves as the principal staff assistant to the Secretary of Defense for public and internal information and community relations matters. He is responsible for carrying out:

- An integrated DoD public affairs program that will:

  -- provide the American people with maximum information about the Department of Defense, consistent with the requirements of national security; and

  -- undertake activities contributing to good relations between the Department of Defense and all segments of the public, at home and abroad; in overseas areas these activities will be carried out in collaboration with the Department of State and the International Communications Agency.

- An American Forces information program that will:

  -- include all internal information materials and resources used in support of the Department's internal information effort; and

  -- provide news and information for military, DoD civilian, reserve and national guard personnel and their dependents and for retired military personnel and their spouses.

In addition, he directs and controls the Defense Audiovisual Agency, an independent organization (located at Norton Air Force Base, California) that provides centrally-managed production, acquisition, distribution, and depository support and services for selected audiovisual products for use by all DoD components.

STAFF ASSISTANCE

To carry out his duties, the Assistant Secretary is assisted, in his immediate office, by . . .

- a Principal Deputy, who is a civilian in the Senior Executive Service;

- a Deputy, who is a military officer in grade O-8 (Major General or Rear Admiral);

- a Special Assistant, who is a civilian in the Senior Executive Service; and

- a Military Assistant, who is a military officer, normally in grade O-6 (Colonel or Navy Captain).

Most of the operational activities of his office are carried out by the staffs of six directors who are under the direct supervision of the Assistant Secretary. These are:

- Director, American Forces Information Service

- Director for Defense Information

- Director for Community Relations

- Director for Freedom of Information and Security Review

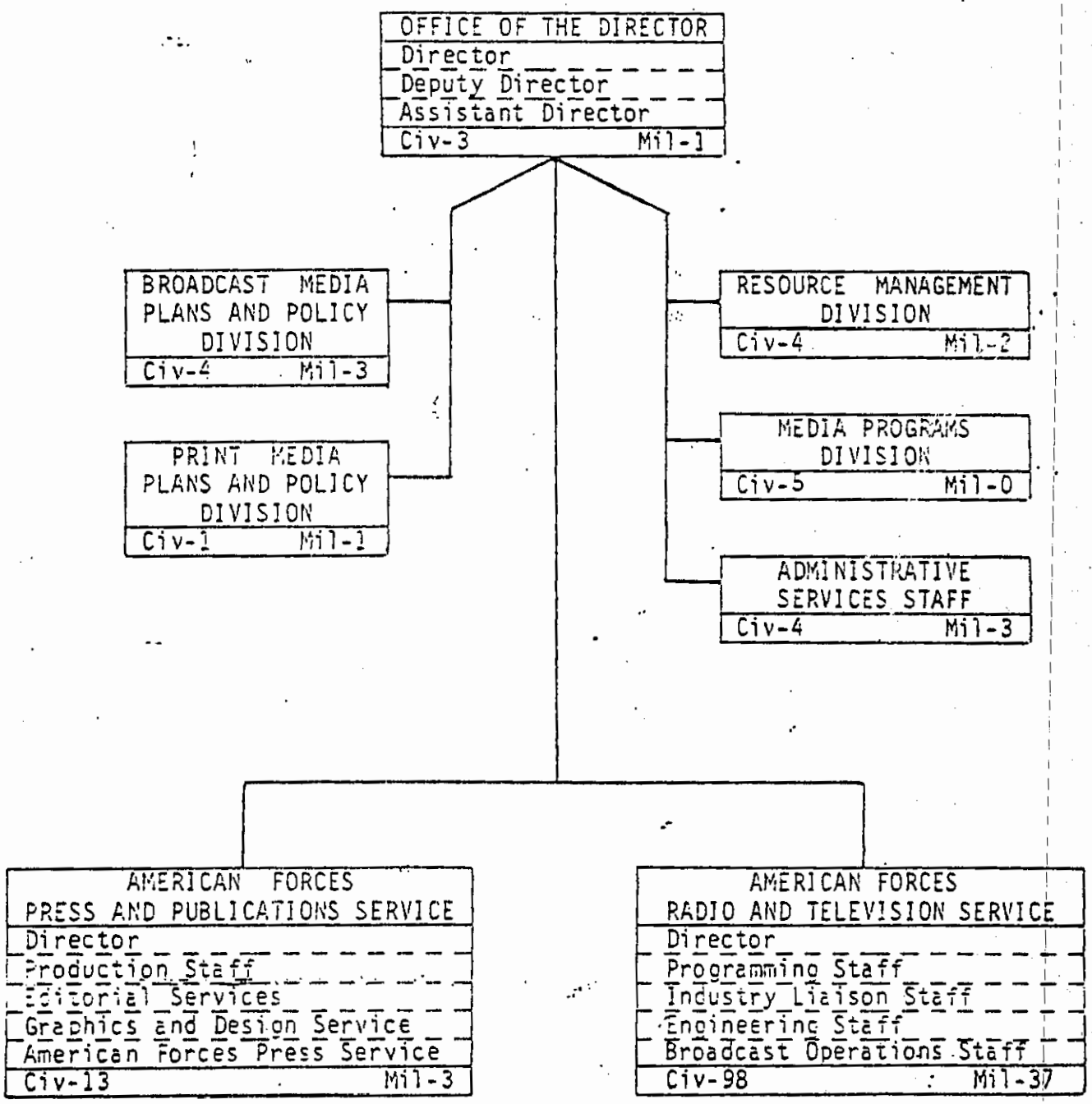
- Director for Management (who also serves as Executive Assistant to the Assistant Secretary)

- Director for Audiovisual Management Policy

The director of the Defense Audiovisual Agency is also under the direct supervision of the Assistant Secretary, although the Agency is not part of the Public Affairs office per se.

The functions of the directors are described in the following pages.

AMERICAN FORCES INFORMATION SERVICE (AFIS)



Strength summary:

Civilian	132
Military	50
Total	182

American Forces Information Service (AFIS)

AFIS, a field activity of the Office of the Secretary of Defense . . .

-- provides internal information support for the DoD and carries out the Department's internal information program;

-- provides joint-interest print, radio, and television materials for use in the internal information programs of the Military Services and other DoD components;

-- develops and issues policy guidance for American Forces Radio and Television (AFRT);

-- distributes materials intended to increase the knowledge, professionalism, and esprit of the DoD audience and stimulate awareness of the military as a rewarding career;

-- develops and carries out policies and procedures pertaining to the content, management, and publication of DoD periodicals, Armed Forces newspapers, and civilian enterprise publications;

-- is responsible for the American Forces Information Council, which provides a forum for the exchange of information and advice on DoD internal information matters;

-- maintains liaison with the Defense Information School and monitors matters pertaining to Public Affairs education and training in the DoD.

The major elements of AFIS are the headquarters and American Forces Press and Publications Service, both located in Arlington, Virginia, and American Forces Radio and Television Service (Los Angeles).

AFIS headquarters consists of:

-- The immediate office of the Director. The Director is a civilian in the Senior Executive Service. His deputy is a military officer in grade O-6.

-- Broadcast Media Plans and Policy Division:

Develops and carries out policies for the management and operation of the worldwide American Forces Radio and Television Service (AFRTS).

Develops guidelines for the establishment and disestablishment of AFRTS outlets and for the configuration of broadcast networks.

Establishes technical specifications and standards for broadcast equipment used by the AFRTS.

Sets manning standards for AFRTS stations.

Develops and carries out plans for the establishment of a satellite distribution system for the AFRTS.

-- Print Media Plans and Policies Division:

Develops and monitors policies and procedures pertaining to the management, content, and publication of DoD periodicals, Armed Forces newspapers, and civilian enterprise publications intended for military readership. Chairs and administers the DoD Interservice Periodicals Committee.

Develops requirements for information training in the DoD. Administers the DoD Public Affairs Education and Training Council. Maintains liaison with the Defense Information School.

-- Resource Management Division:

Develops the annual AFIS budget, allocates assets, and monitors expenditures.

Acquires data for and carries out analyses of the effectiveness of AFIS programs.

Develops mid- and long-range plans for AFIS programs.

-- Media Programs Division:

Establishes requirements for materials to be used in the internal information program. Coordinates with and obtains input from the Military Services and Defense Agencies.

Acquires materials from outside DoD for use in the internal information program.

Prepares program guidance and funding criteria for the Joint Interest Motion Picture Program and the AFRTS spot announcement program.

Provides administrative support for the American Forces Information Council.

Establishes content and quality control mechanisms for acceptance of materials used in AFIS programs.

Serves as Executive Secretariat for the Multi-Media Committee.

-- Administrative Services Division:

Performs office management, personnel administration, supply and procurement management, and automatic data processing management functions for AFIS headquarters.

Internal information operations are carried out by:

-- American Forces Press and Publications Service (AFPPS). This Service, headed by a military officer in grade O-6, is the print-media arm of the AFIS. It . . .

Prepares or acquires a variety of Joint Service informational materials in the form of pamphlets, brochures, booklets, and posters that are supportive of the internal information objectives of the DoD and the Military Services.

Provides special emphasis on and support for the DoD Drug and Alcohol Abuse Prevention program and for the Civilian Health And Medical Program of the Uniformed Services (CHAMPUS).

Develops materials to support special projects or campaigns undertaken by the DoD.

Publishes the following periodicals:

- SSAM (Soldier, Sailor, Airman, and Marine), a monthly feature newspaper aimed primarily at the junior enlisted audience. It uses abundant graphics and upbeat features. Features on rights, benefits, personal affairs matters, and consumer and financial information are given high priority. Circulation: 249,000.

- DEFENSE/80 (81, 82, etc.). A monthly, four-color contemporary magazine that serves as the "voice" of the Secretary of Defense and reflects current DoD plans, policies, programs, and activities. The publication is targeted at senior officers, managerial-level civilian employees, and senior enlisted personnel. Circulation: 80,000.

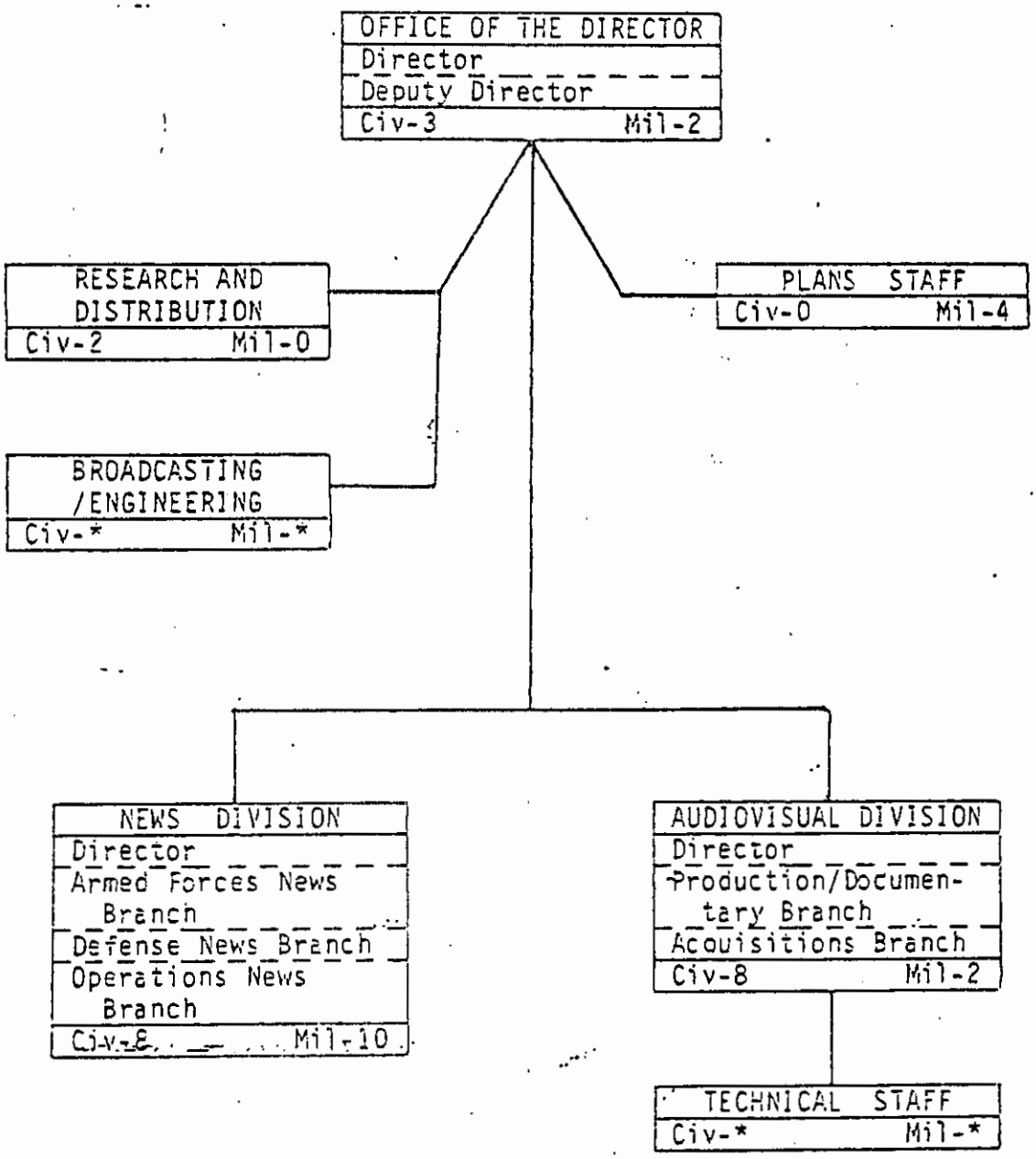
- AFIS Weekly Editors' Clipsheet. A weekly publication for editors of Armed Forces newspapers. In camera-ready form, it features Joint Service internal information material, seasonal and special program material, and graphic elements normally not available at the local level. Distribution: 3,500.

-- American Forces Radio and Television Service (Los Angeles)(AFRTS-LA). This, the largest element of the AFIS, is the source of program materials for use by overseas networks and stations, remote-area stations, and U.S. Navy ships at sea. It is headed by a military officer in grade O-6. Its chief functions are:

- Developing or acquiring program materials (informational, including current news, and entertaining, including sports) for radio and television broadcasting by AFRT outlets.

- Assuring that program materials are in the formats required by the outlets and that the products are of professional broadcast quality.

DIRECTORATE FOR DEFENSE INFORMATION (DDI)



* These elements are staffed by the Department of the Army.

Strength summary:

Civilian	21
Military	18
Total	39

DIRECTORATE FOR DEFENSE INFORMATION (DDI)

This Directorate assists the Assistant Secretary of Defense (Public Affairs) to carry out his responsibility to provide the American people with the maximum amount of information about the Department of Defense. To this end, the Directorate . . .

-- Acts as the sole releasing agency at the seat of Government for dissemination to the print and audiovisual media of materials originated within the Office of the Secretary of Defense (OSD), the Defense Agencies, and the Military Departments.

-- Serves as the focal point within the OSD for the provision of public affairs advice and counsel to DoD components concerning release of information of national or international news significance.

-- Develops and issues policies and procedures concerning release of information to the public.

-- Takes action on inquiries and requests for assistance from representatives of the news media.

-- Designates staff members to serve as public information advisers to senior officials of the OSD.

-- Maintains a news conference capability (i.e., a studio facility with sound-reproduction equipment).

-- Arranges for photographic support for the office of the Assistant Secretary.

-- Develops policies for DoD cooperation in the production of motion pictures and related undertakings by producers in the private sector.

-- Takes action on requests from audiovisual and electronic media for access to military facilities, release of DoD photographs and film footage, and related assistance.

-- Establishes and maintains liaison with public information personnel in the Unified and Specified Commands, Military Departments, and Defense Agencies. Formulates, coordinates, and approves public information guidance covering the programs and activities of these elements of the Department. Monitors implementation of guidance issued. Reviews the public affairs portions of contingency and operations plans developed by elements of the Department.

-- Makes assessments of the public information implications of policies, programs, and activities proposed by elements of the OSD or OJCS (Organization of the Joint Chiefs of Staffs). Provides input to insure that accurate information is released to the public in a timely manner. Assigns project officers to monitor specific undertakings.

-- Maintains liaison with other government agencies to insure that release of information on matters of mutual concern has been coordinated prior to release.

-- Acts on requests from news media representatives for travel in military carriers.

These functions are carried out through . . .

-- A Plans Staff, which formulates, coordinates, and issues public affairs guidance on activities and programs -- including contingency and operations plans -- of major components of the DoD. The Staff maintains continuing monitorship of areas of public affairs sensitivity and develops plans and guidance as needed.

-- A News Division. This element is the principal point of contact with news media representatives. It . . .

Disseminates informational materials -- news releases, fact sheets, speech texts, statements, etc. -- to the news media.

Responds to inquiries and requests for assistance.

Provides an around-the-clock point of contact for news media representatives and for the public affairs staffs of subordinate DoD components.

Designates staff members to serve as public information advisers to senior officials of the OSD.

Maintains daily contact with the public information staffs of the Military Services.

-- An Audiovisual Division, which is the principal point of contact with the audiovisual and electronic media and with private-sector entities interested in producing defense-related audiovisual materials. Specifically, the Division . . .

Disseminates information through the public release of DoD-generated audiovisual materials.

Assists non-government agencies in the production of their audiovisual materials by providing photographs and motion picture footage, arranging for interviews with DoD people, and coordinating with other elements of the DoD.

Develops policies for DoD cooperation in the production of motion pictures and related undertakings by producers in the private sector. Applies approved policies to specific requests for cooperation.

Provides audiovisual facilities support to electronic news media representatives covering the DoD.

Maintains a studio facility to serve as the site of news conferences, briefings for news media representatives, and related activities.

Exercises approval authority for initiation of any DoD audiovisual production intended for public release.

Coordinates with the Military Services on news-related audiovisual activities.

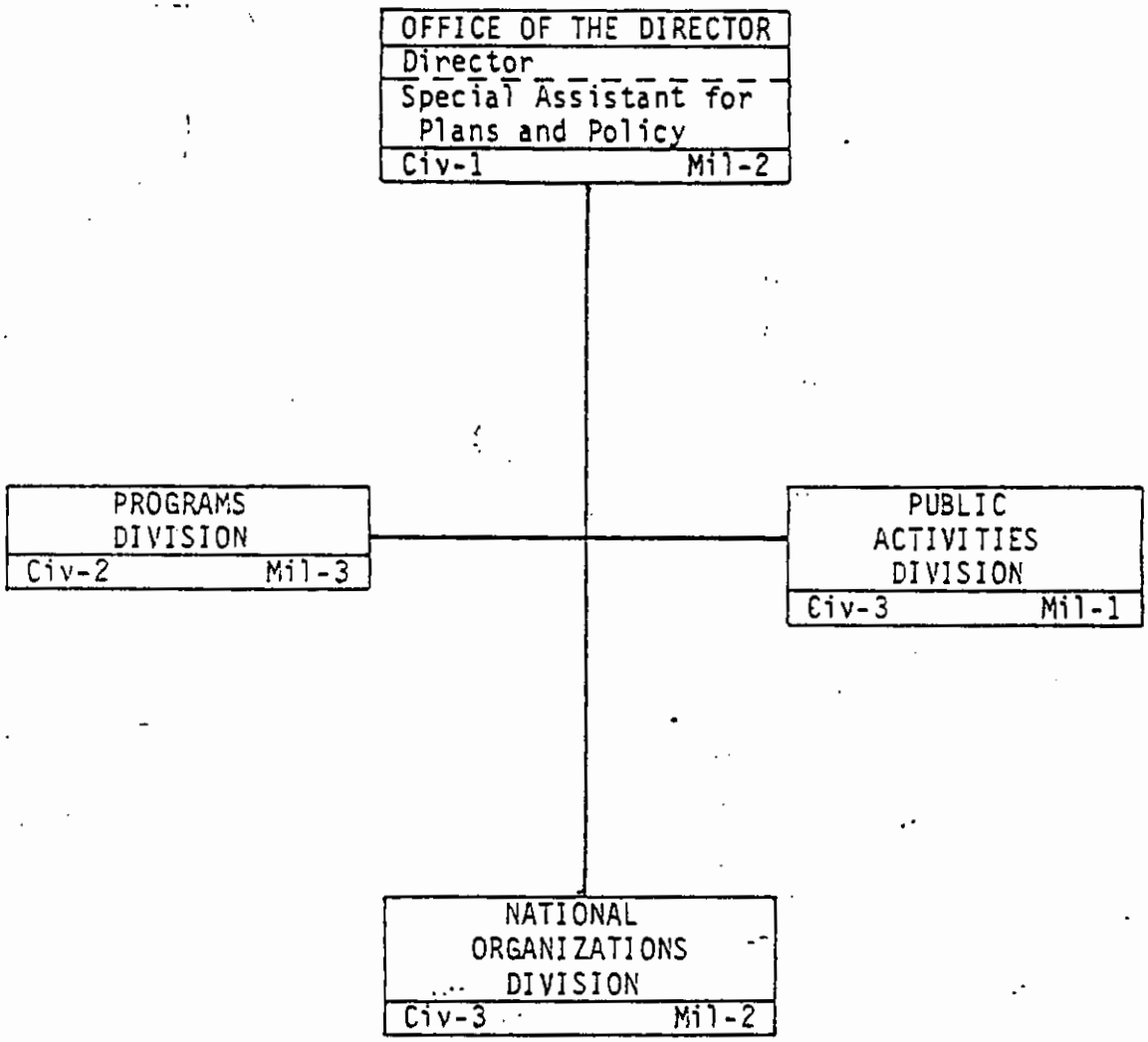
Maintains photographers and motion picture studio and editing facilities for support of OSD requirements.

Arranges for and monitors military participation in photographic contests and seminars and educational opportunities, sponsored by schools of journalism and by press associations, designed to improve the photographic skills of military personnel.

Maintains a library of still photographs and motion picture footage for quick response to requests from national news media.

Responds to requests for assistance from authors of books and magazine articles.

DIRECTORATE FOR COMMUNITY RELATIONS (DCR)



Strength summary:

Civilian	9
Military	8
Total	17

Directorate for Community Relations, Office of the Assistant Secretary of Defense (Public Affairs)

The Directorate for Community Relations (DCR):

-- establishes and implements policies covering Armed Forces participation in public events and similar activities and monitors compliance by components of the Department of Defense;

-- plans, coordinates, supervises, and evaluates Armed Forces community relations activities.

These functions are carried out through:

-- A Programs Division that formulates policies and procedures to be followed by Department of Defense components and agencies in connection with tours, conferences, seminars, exhibits, musical and ceremonial support for public events and other activities in the public domain

o exercises approval authority over all requests for Armed Forces support of public programs within the National Capital Area (ceremonial support).

o establishes and carries out responsibilities associated with conducting the Annual Joint Civilian Orientation Conference, a Secretary of Defense sponsored program.

o supervises official Pentagon Tour Program to include daily conduct of individual tours and the final selection of all Tour Guides.

o coordinates all visits to defense installations by foreign dignitaries under sponsorship of the U.S. International Communication Agency.

-- A National Organizations Division that serves as a point of contact for 2-way communication with national organizations and associations. The Division disseminates information to organizations expressing an interest in defense matters and, upon request, arranges for briefings and orientation sessions. The Division:

o serves as the single office of liaison between DoD and its components and approximately 400 national organizations and groups, except for single service oriented groups.

o disseminates DoD information and material to nationally organized public groups - business, labor, youth, veterans, women's, fraternal, educational, civic, and others.

o evaluates and coordinates arrangements for Armed Forces participation public events and related activities sponsored by national organizations, and insures an equitable distribution of community relations resources in support of such programs and activities.

-- A Public Activities Division that sets and carries out policies governing public speaking engagements and appearances by senior military and civilian officials of the Department, as well as flyovers and appearances by aerial demonstration teams.

- o serves as official point of contact for the general public concerning speech requests and appearances, including those for Secretary and Deputy Secretary of Defense.

- o coordinates with White House and Congressional leaders for DoD speakers.

- o publishes a monthly speakers schedule for the DoD and a daily listing of speakers. Provides White House daily input for President's News Summary concerning Secretary of Defense travel, speeches and media conferences.

- o responsible for Annual National Flag Day observances on June 14. This has become a key event which is held at the White House Ellipse.

- o responsible for all matters dealing with civilian requests for military flyovers and for the official aerial demonstration teams -- the U.S. Navy Blue Angels and the U.S. Air Force Thunderbirds -- and the official parachute team, the U.S. Army Golden Knights.

- o Evaluates all civilian requests for demonstration teams and military flyovers to insure compliance with applicable DoD Directives and Instructions. Approves and passes on appropriate requests for military flyovers and aerial/parachute demonstration teams to respective Military Services.

- o plans and hosts the demonstration teams annual scheduling conference held each December to determine the subsequent year's show season schedule and publishes demonstration teams approved schedule.

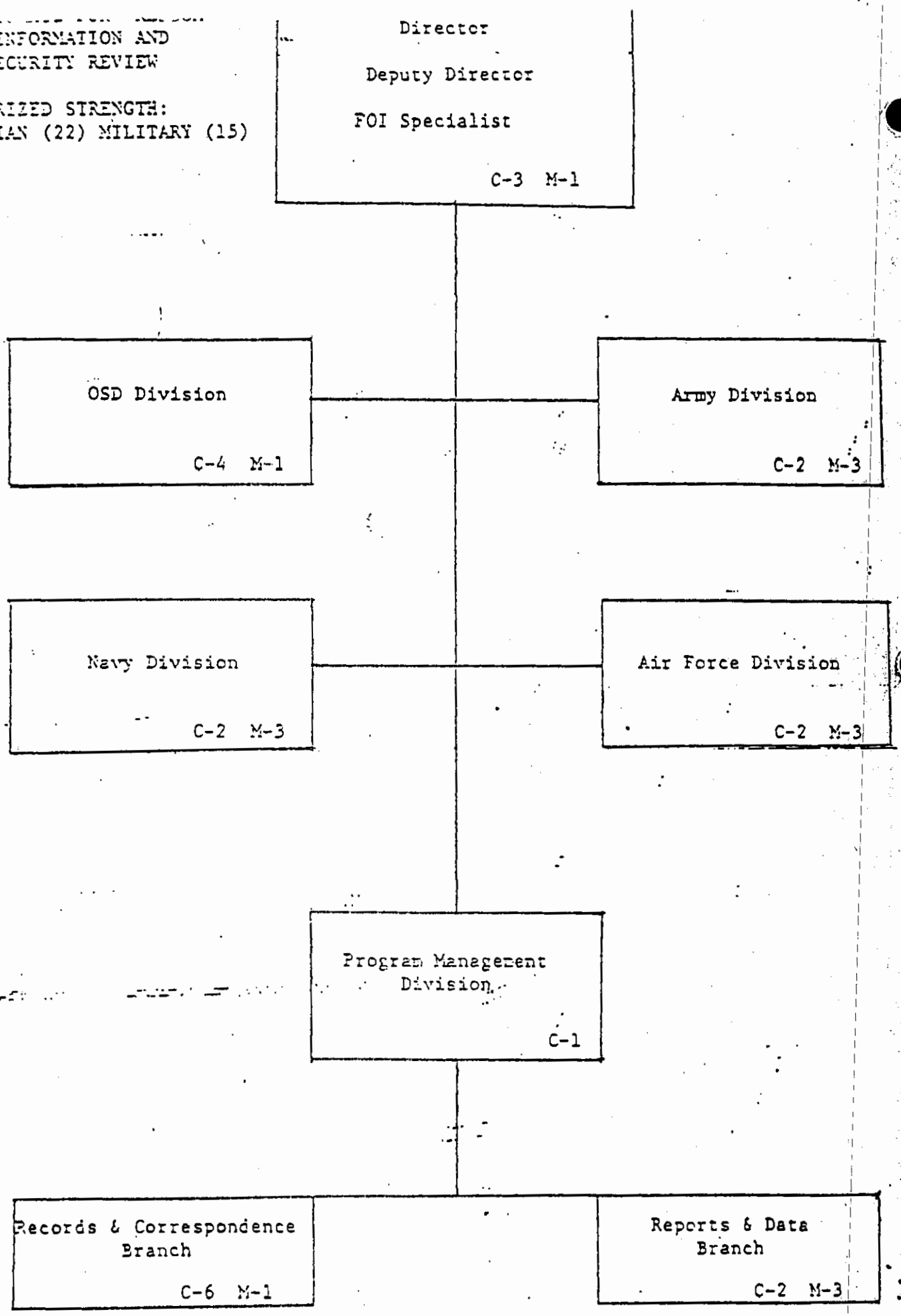
- o organizes and plans, with Military Services, annual Armed Forces Week/Day activities.

- o provides guidance to DoD regional coordinators on implementing directives of DoD plan.

- o Provides the DoD Liaison Officer to the Armed Forces Inaugural Committee (AFIC). In this capacity, the Liaison Officer coordinates and plases requests for support from the Committee to appropriated Military Services and DoD agencies.

OF INFORMATION AND
SECURITY REVIEW

ORIZED STRENGTH:
ILIAN (22) MILITARY (15)



Directorate for Freedom of Information and Security Review
Office of the Assistant Secretary of Defense (Public Affairs)

The Directorate for Freedom of Information and Security Review (DFOISR) is responsible for:

-- Security clearance of DoD (Department of Defense) information and material intended for public disclosure and the concurrent review of such material for conflict with established policy.

-- Review and clearance of testimony presented at Congressional hearings by all DoD witnesses, including that of the Secretary of Defense, Chairman, Joint Chiefs of Staff and Under Secretary of Defense for Research & Engineering. This responsibility includes the review and amendment for security of the annual classified versions of the Secretary of Defense's report, the Chairman's Military Posture Statement and the budget statement of the Under Secretary of Defense for Research & Engineering. This review is a preliminary step in the preparation by this Directorate of unclassified versions of each of these statements for public release.

-- Administering the DoD Freedom of Information and Mandatory Declassification Review Programs and preparing or arranging for responses to the public's requests for documents and records under the Freedom of Information Act, the Federal Privacy Act, and Section 3-5 of Executive Order 12065 ("National Security Information").

These functions are carried out through:

-- The Director and Deputy Director, who serve as principal staff assistants to the Assistant Secretary of Defense (Public Affairs) in providing the American people with maximum information about the Department, consistent with national security requirements.

-- OSD, Army, Navy and Air Force Divisions. These divisions review material, according to the sources from which received (i.e., the Office of the Secretary of Defense or its agencies, or one of the Military Departments), submitted for clearance in terms of security and conflict with established policy. They also assist in the administration of the Freedom of Information and Mandatory Declassification Review Programs, responding to or arranging for responses to requests from the public.

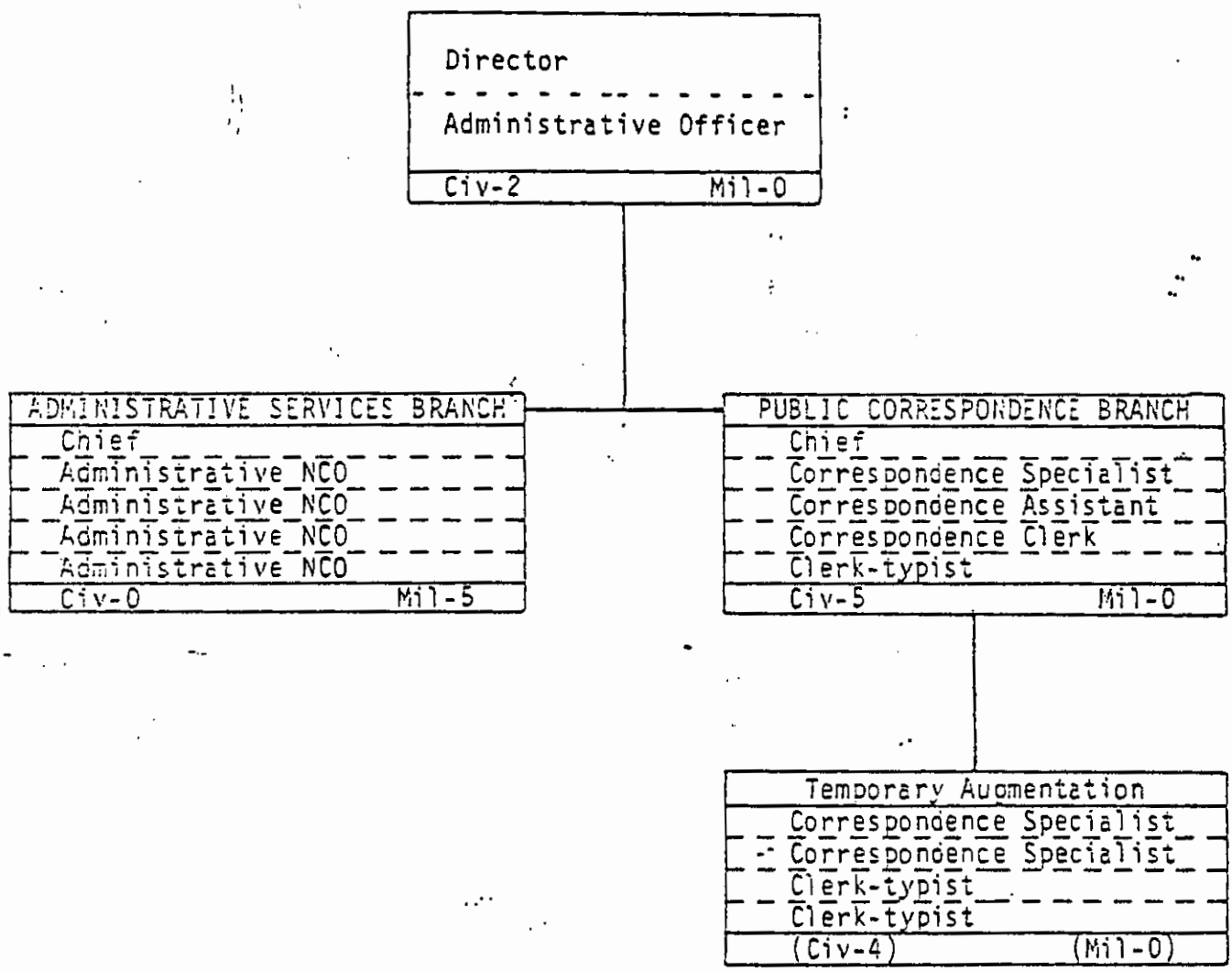
-- The Program Management Division, which supervises office management, including personnel administration, logistical support services and Directorate budget preparation.

-- The Records and Correspondence Branch provides for centralized

administration, security, correspondence control, records management and clerical support. The Branch also maintains a public reading room as required by the FOI Act.

-- The Reports and Data Branch maintains a research center, reference library and repository of security and policy guidance on which major security review decisions are based. The Branch operates an automated data base that stores texts of public utterances by key DoD officials and data on requests processed under the Freedom of Information and Privacy Acts and Executive Order 12065. It also prepares the annual Freedom of Information Report for submission to the Congress.

DIRECTORATE FOR MANAGEMENT



	Civilian	Military	Total
Permanent	7	5	12
Temporary	4	0	4
	11	5	12

Directorate for Management

This directorate is responsible for correspondence control, personnel administration, coordination of staff actions and papers, and administrative and logistical support for the Office of the Assistant Secretary and its elements.

The directorate . . .

-- Prepares and issues policy and procedural guidance in the areas of administration and logistical support (e.g., records management, reports control, timekeeping and pay, control of official travel, security of classified information, preparation and processing of correspondence and staff papers). Monitors performance in these areas and initiates corrective action as required.

-- Assembles the annual budget request for the office -- less the American Forces Information Service. Monitors expenditures.

-- Records incoming correspondence and staff papers and assigns them for action by appropriate elements of the office.

-- Reviews all outgoing correspondence, coordination actions, and staff papers and makes or recommends revisions as necessary.

The Director (grade GS-15), assisted by an Administrative Officer (grade GS-12), supervises:

-- An Administrative Services Branch headed by a senior noncommissioned officer.

-- A Public Correspondence Branch headed by a civilian (grade GS-14). This element prepares responses to a wide variety and high volume of inquiries from the public. Much of this mail has been forwarded from the White House or from Congressional offices and is covered by special rules regarding the quality and alacrity of responses.

DIRECTORATE FOR AUDIOVISUAL MANAGEMENT POLICY	
Director	
Deputy	
Plans & Programs Officer	
Equipment Division	
Facilities Division	
Products Division	
Civilian - 4	Military - 4

FEDERAL AUDIOVISUAL CONTRACT MANAGEMENT OFFICE	
(Civilian - 5)	(Military - 1)

(The Federal Audiovisual Contract Management Office, an element of the Defense Audiovisual Agency, is operated by the Directorate for Audiovisual Management Policy under the direction of the Office of Federal Procurement Policy (OMB)).

MISSIONS AND FUNCTIONS

DIRECTORATE FOR AUDIOVISUAL MANAGEMENT POLICY

This Directorate implements Public Law and Federal audiovisual (AV) policy and standards, and provides overall policy guidance, management objectives and, as required, standardized procedures for AV activities throughout the Department of Defense. The Director chairs the Defense Audiovisual Steering Committee, represents the DoD on the Federal Audiovisual Committee, and oversees the operation of the Defense Audiovisual Agency (DAVA) on behalf of the Assistant Secretary of Defense (Public Affairs).

Plans and Programs Officer

Determines requirements for, develops, and coordinates long range AV objectives, concepts, plans and programs; prepares and coordinates directives, instructions, regulations, manuals and memoranda promulgating Federal and Department of Defense AV policy and procedures. Evaluates the effectiveness of existing policy and procedures; makes recommendations concerning required changes.

Equipment Division

Develops policy pertaining to AV equipment requirements, acquisition, utilization, standardization, and evaluation (including operational test and evaluation of commercial off-the-shelf AV equipment) for OSD and DoD Components. Chairs the DoD AV Standardization Panel of the Defense Materiel Standardization and Specifications Office. Represents DoD on the American National Standards Institute Photographic Management Board and the Equipment Standardization Work Group of the Federal Audiovisual Committee.

Facilities Division

Develops policy concerning the authorization, establishment, management, operation and utilization of audiovisual facilities within the DoD and guidance concerning application of policy on use of AV contract support. Manages an MIS data base which collects information on all DoD AV resources and activities annually for internal management purposes and as the basis for the DoD Annual AV Report to the National AV Center (NAC), GSA. Oversees preparation of the AV Services Special Exhibit in the DoD Budget Justification Books for Congress.

Products Division

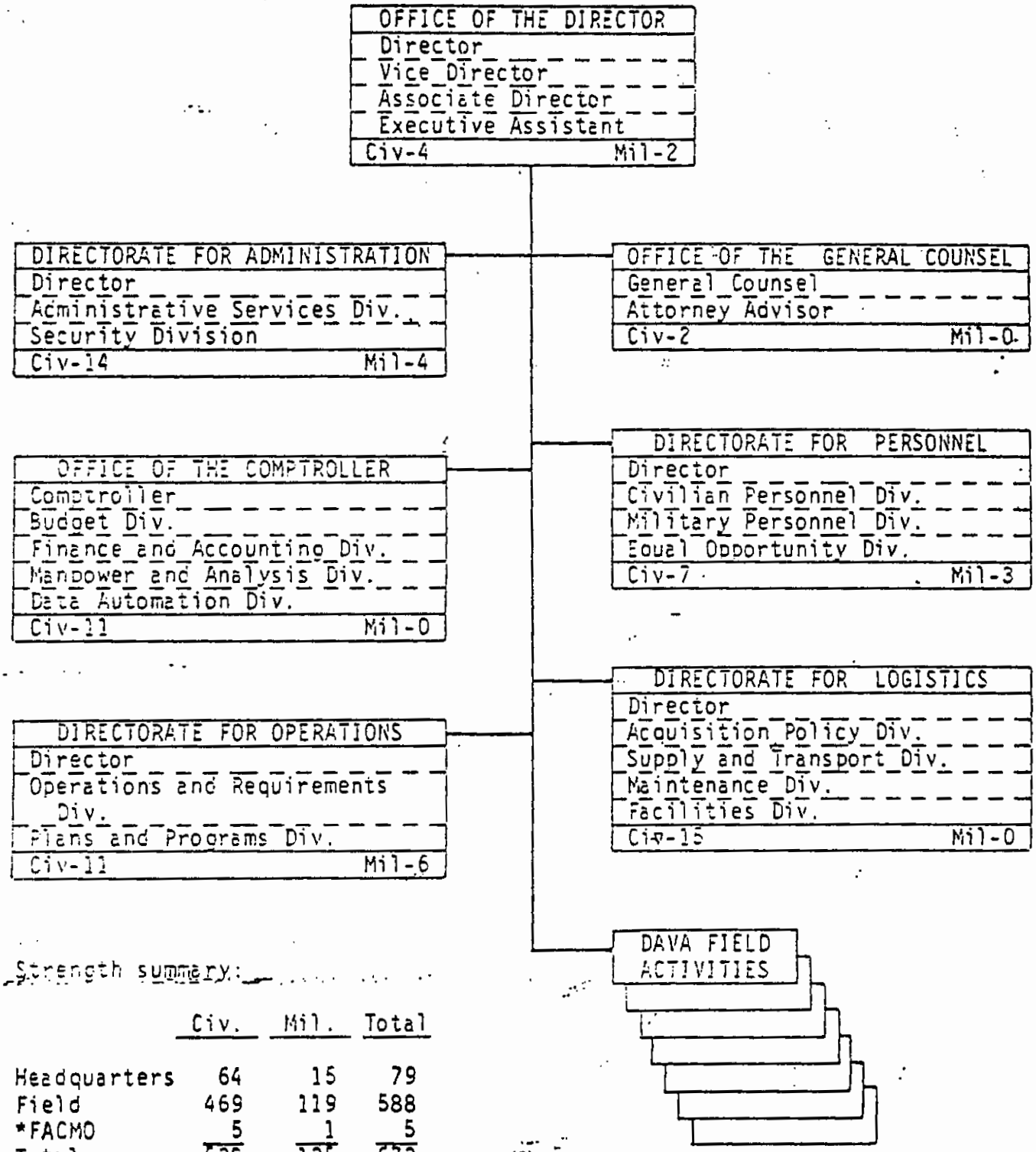
Responsible for the development of DoD policy, concerning the production of audiovisual products (in-house and commercially), the acquisition of off-the-shelf AV products, the distribution and use of those products, and the preservation and retirement for AV material and related records. Develops standardized procedures, and forms for requesting, justifying, approving and reporting AV products and their use. Chairs the Joint Interest AV Production Working Group which is responsible to avoid unwarranted duplication of AV products and for overseeing the production of joint interest requirements. Manages several data bases of the Defense Audiovisual Information System containing records on the current and obsolete DoD AV productions, their distribution and booking, and identifying the AV depository holdings.

MISSIONS AND FUNCTIONS

FEDERAL AUDIOVISUAL CONTRACT MANAGEMENT OFFICE

The Directorate for Audiovisual Management Policy (DAVMP) serves as Executive Agent for the Office of Federal Procurement Policy in the management and administration of a Government-wide audiovisual production contracting system. Actual operation of this contracting system is accomplished by the Federal Audiovisual Contract Management Office which, although an element of the Defense Audiovisual Agency, is operationally and administratively controlled by DAVMP. The basis for the contracting system is two lists of producers: the Qualified Film Producers List (QFPL) and the Qualified Videotape Producers List (QVPL). Producers applying for inclusion on these lists submit samples which are reviewed by an Interagency Audiovisual Review Board. If the samples are rated acceptable, the producers sign a contract with the Executive Agent and are placed on the appropriate list. Increments from these lists are provided to all federal agencies desiring to contract for motion picture or videotape productions. The Federal Audiovisual Contract Management Office also reviews all proposed contracting documents for conformance to federal standards, maintains a management information system on all government production contracts and serves as a central source of information on government production contracting activities and procedures.

DEFENSE
AUDIOVISUAL
AGENCY

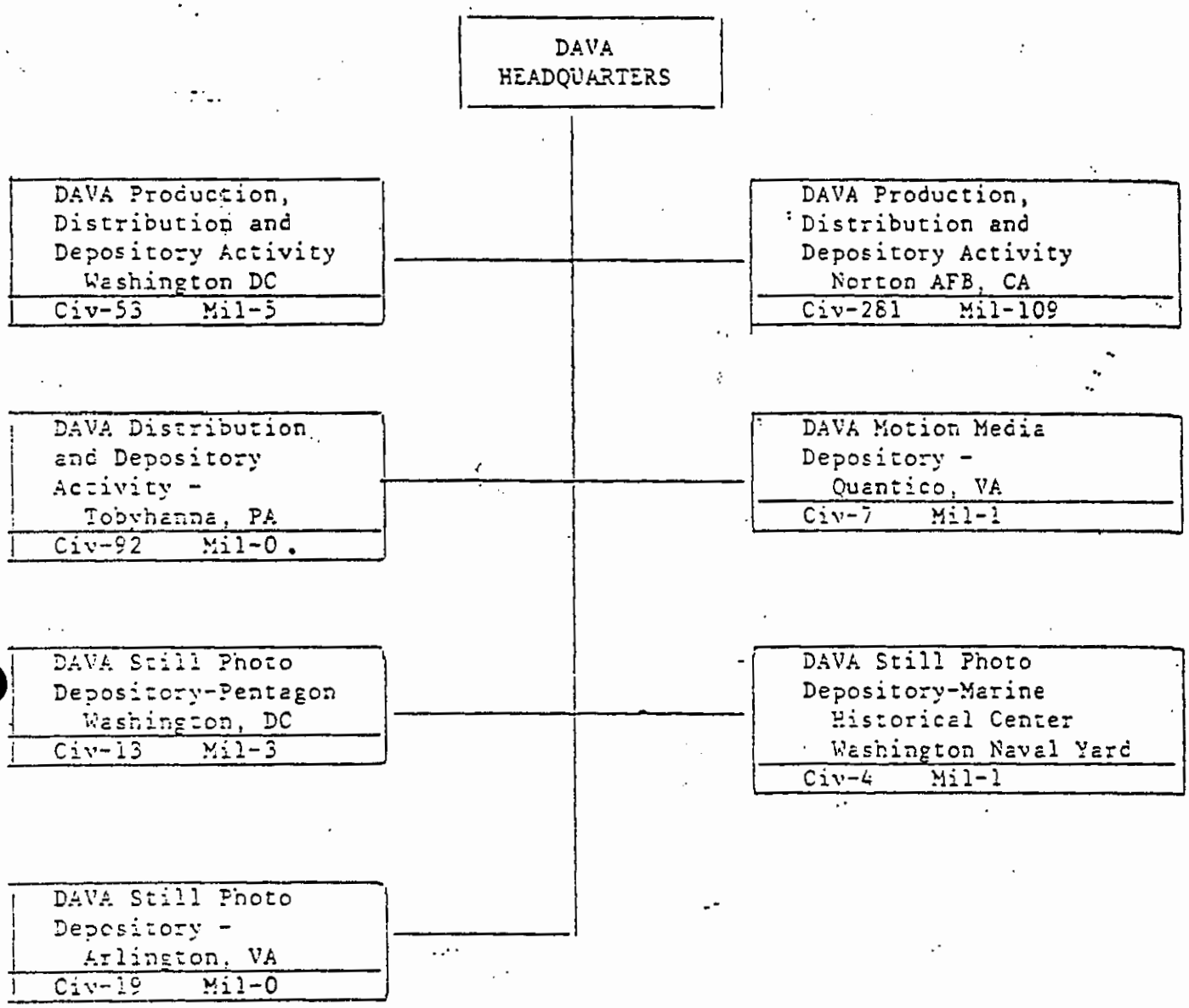


Strength summary:

	Civ.	Mil.	Total
Headquarters	64	15	79
Field	469	119	588
*FACMO	5	1	5
Total	538	135	673

* The FACMO (Federal Audiovisual Contract Management Office) is shown in the section on the Directorate for Audiovisual Management Policy, OASD (Public Affairs).

DAVA FIELD ACTIVITIES



Defense Audiovisual Agency (DAVA)

(The DAVA is a separate agency of the Department of Defense under the authority, direction, and control of the Assistant Secretary of Defense (Public Affairs)

The DAVA:

-- Provides audiovisual (AV) products and services to all DoD components. Its functions include AV production, AV product acquisition, distribution of AV products, and operation of AV depositories and records centers.

-- Administers the DoD program for operational test and evaluation of commercial off-the-shelf AV equipment used by DoD components.

-- Operates the Defense Audiovisual Information System (DAVIS), an automated management information system, for the Assistant Secretary of Defense (Public Affairs).

DAVA authority extends to:

-- Productions requiring public exhibition clearance.

-- Productions to be used by more than one DoD component.

-- Productions to be acquired from commercial sources.

-- Products and services for which any DoD component requests DAVA support.

The DAVA organization includes a headquarters at Norton Air Force Base, California, and the following field activities:

-- DAVA Production, Distribution, and Depository Activity, Norton AFB, CA.

-- DAVA Production, Distribution, and Depository Activity, Washington, D.C.

-- DAVA Distribution and Depository Activity, Tobyhanna Army Depot, PA.

-- DAVA Motion Media Depository, Quantico, VA.

-- DAVA Still Photo Depository, Arlington, VA.

-- DAVA Still Photo Depository, The Pentagon, Washington, D.C.

-- DAVA Still Photo Depository, Marine Corps Museum, Washington, D.C.

In order to provide management and direction to DAVA, the Director is assisted, in his immediate office by;

-- A Vice Director, who acts in the Director's absence, maintains continuity of ongoing operations and activities, and represents DAVA at conferences and high-level DOD/federal meetings.

-- An Associate Director for Management and Technology who provides technical, audiovisual managerial advice to the Director for the establishment of the DAVA primary mission and resources program; Collaborates with top-level experts and consultants in other audiovisual organizations, foreign and domestic; and serves on DOD panels dealing in audiovisual matters.

-- An Executive Assistant who manages executive office communication/correspondence requirements; coordinates protocol requirements; manages HQ support for special briefings, official/civic functions, etc; and performs traditional public affairs duties to include: DAVA official spokesman to public/media; coordinates HQ/Field Activity public affairs policy and procedures; plans and manages DAVA tours/exhibits; coordinates review of professional papers/presentations; and prepares speeches for senior DAVA officials.

DAVA STAFF

The operational and administrative responsibilities of this Agency are carried out by the staffs of six Directors, all of whom are under the direct supervision of the DAVA Director. These functions are:

DAVA General Counsel

Provides legal guidance and opinions to the Director on matters related to DAVA mission accomplishment.

DAVA Director for Administration

Plans, coordinates, directs and controls or arranges for administrative support/services to both the headquarters and for DAVA field activities. This includes administrative services, administrative management of the DAVA inspection program, security and safety and Privacy Act and Freedom of Information Act point of contact for the Agency.

These functions are carried out through:

-- An Administrative Services Division which establishes policy, develops, directs and manages DAVA admin programs. This division provides, controls, and operates publications, reproduction, distribution, and storage administration services support to include postal management. These functions are provided by:

o The Administrative Management Branch which directs administrative management support programs, including correspondence, publications, and committee management.

o The Records Management Branch establishes and maintains the DAVA records management program for the identification, maintenance, and disposition of all records and files to include forms and reports control.

- o The Central Distribution Center controls, processes and dispatches all incoming and outgoing classified and unclassified mail and internal communications/correspondence.

- o The Word Processing Center operates word processing equipment, establishing schedules to meet priority correspondence requirements for DAVA headquarters officials.

-- The Security Division develops, directs and manages DAVA Agency-wide administrative, personnel, and physical security programs. This includes the initiation, validation, revocation and suspension of individual security clearances, and the conduct of security inspections of headquarters and DAVA field activities.

DAVA Director for Personnel

Develops personnel policy and provides personnel management and equal employment opportunity programs to meet DAVA mission requirements.

These functions are carried out by:

-- The Civilian Personnel Division which:

- o Formulates policies, programs, and procedures for the recruitment, placement, training, development, retention and administration of civilian personnel assigned to DAVA.

- o Develops position management, classification, pay, leave, upward mobility, awards, merit pay and incentives programs.

- o Coordinates and monitors support furnished by servicing base central civilian personnel offices through Interservice Support Agreements (ISSA).

-- The Military Personnel Division which:

- o Formulates policies, plans, and programs for the selection, procurement, assignment, development, and administration of military personnel assigned within the Agency.

- o Coordinates and requisitions military personnel through service component military personnel systems.

-- The Equal Opportunity Division which:

- o Formulates agency policies and develops equal employment opportunity (EEO) programs.

- o Implements and evaluates the effectiveness of agency EEO programs, coordinating with DAVA Field Activity EEO representatives.

DAVA Comptroller

Provides policy guidance for planning, organizing, directing, and coordinating an integrated staff services program, to include:

- o Program/Budget
- o Accounting
- o Manpower
- o Automatic Data Processing and
- o Management Analysis

These functions are carried out by:

-- The Budget Division, which:

- o Directs the development and preparation of DAVA budget estimates and operating financial plans;
- o Updates the Agency five-year defense program; and
- o Defends Agency budget requests to OSD and Congress.

-- The Finance and Accounting Division which plans and supervises the establishment and operaters of an annual accounting system for the control of funds made available to the agency.

-- The Manpower and Analysis Division which:

- o Makes budget analyses to indicate trends in resource levels for current and future fiscal periods;
- o Monitors and analyszes resource utilization;
- o Reviews and validates manpower authorization documentation for the Agency; and
- o Analyzes effectiveness/efficiency of organizationa structures/authorization.

-- The Data Automation Division which develops and coordinates automatic data processing applications for DAVA program execution.

DAVA Director for Logistics

Develops plans, policies, programs and procedures for management of DAVA logistic support, to include:

- o Acquisition
- o Supplies and Services
- o Transportation; and
- o Facility Engineering

These functions are carried out as follows:

-- The Acquisition Policy Division plans, directs, and supervises development and implementation of acquisition policies, to include contracting for audiovisual productions, services, talent, and for the purchase of material and services used by DAVA Activities.

-- The Supply and Transportation Division formulates plans and policies for the receipt, storage, issue and transportation of material to include audiovisual equipment, replacement, consumable items, spares, other supplies necessary for audiovisual support missions.

-- The Maintenance Division develops plans and establishes policy for all phases and levels of maintenance in support of DAVA operational requirements. Reviews, directs, and monitors modification/modernization programs for all operational and support equipment/systems.

-- The Facilities Division develops DAVA policy and manages architectural and engineering services, maintenance and repair of real property, utilities, fire protection, facilities planning services, and energy conservation programs for DAVA activities. Coordinates support requirements with component servicing base civil engineer agencies.

DAVA Director for Operations

-- Develops plans, policies and procedures related to the production, distribution and depository operations assigned to DAVA.

-- Assigns tasks for production/services to DAVA field activities, and

-- Manages the DOD Audiovisual Operational Test and Evaluation (OT&E) program to evaluate commercial "off-the-shelf" audiovisual equipment.

These functions are carried out as follows:

-- The Operations and Requirements Division develops procedures for and manages DAVA Activities which provide AV products and services. These functions are provided as follows:

o The Acquisitions and Requirements Branch establishes and develops the DAVA production program and related support requirements, prioritizing both in-house and contractual productions.

o The Depository Activities Branch provides policy guidance and monitors DAVA Activity storage and archival services, to include transference to federal archives and public sales.

o The Distribution Activities Branch provides staff direction to DAVA field activities for distribution services audiovisual products, to include film loan library services.

-- The Plans, Programs, and Technology Division, which provides AV plans support to the Director, DAVA. These functions are provided as follows:

- The Plans and Programs Branch develops long-range DAVA objectives, organizational and contingency plans, programs and policies to provide DOD Components and other users with required products.

- The Techology Activities Branch develops and supervises the DOD AV Operational Test and Evalustion program for commercial AV equipment adaptability for DOD use. Also develops, or adopts from industry, audiovisual equipment and formal standards to be used throughout the DOD.

DAVA Field Activities

DAVA Production, Distribution, and Depository Activity, Washington, D.C.

This activity is collocated with the Navy Photographic Center at the Anacostia Naval Station and provides:

- Audiovisual production support by acquisition from the private sector, primarily to satisfy Navy, Marine Corps, and Army audiovisual program requirements.

- Distribution of those audiovisual products to component service and DOD Agency field organizations.

- Depository accessions, cataloging, archival/storage and retrieval services for former Navy and Marine Corps still photographs, and Navy motion media material. This includes customer service of both official and public over-the-counter sale of reproductions and stock footage.

DAVA Productions, Distribution and Depository Activity, Norton AFB, CA.

This activity is collocated with the DAVA Headquarters and provides:

- Both "in-house" and audiovisual production acquisition from the private sector, primarily to satisfy Air Force and Army audiovisual program requirements.

- Distribution of those "in-house" and contractual productions to component service/DOD Agency field organizations.

- Depository accessions cataloging, archival/storage, and retrieval services for former Air Force still photograph, motion picture and other media audiovisual materials. This includes customer service of both official and public over-the-counter sales of reproductions and stock footage.

- Operates a centralized audiovisual library primarily serving Air Force commands and installations.

DAVA Distribution and Depository Activity, Tobyhanna, PA.

This activity is located at the Tobyhanna Army Depot and provides:

- Distribution of audiovisual products primarily to Army field organizations, including Army-produced Training Extension Course (TEC) and Skill Performance Aids (SPAS) materials.

- Depository accessions, cataloging, archival/storage and retrieval services for former Army motion media and other audiovisual materials. This includes customer service of both official and public over-the-counter sale of reproductions and stock footage.

DAVA Still Photo Depository, Arlington, VA.

This activity provides accession, cataloging, archival/storage, and retrieval of former Air Force still photographic materials. This includes customer service of both official and public over-the-counter sale of reproductions.

DAVA Still Photo Depository, Pentagon, Washington, D.C.

This activity provides accession, cataloging, archival/storage, and retrieval of former Army still photographic materials. This includes customer service of both official and public over-the-counter sale of reproductions.

DAVA Still Photo Depository, Marine Corps Historical Center, Washington Naval Yard, D.C.

This activity provides accession, cataloging, archival/storage, and retrieval of former Marine Corps still photographic materials. This includes customer service of both official and public sale of reproductions.

DAVA Motion Media Depository, Quantico Marine Base, VA.

This activity provides accession, cataloging, archival/storage, and retrieval of former Marine Corps motion media audiovisual materials. This includes customer service of both official and public sale of stock footage.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS)

BUDGETARY PROCESS

The annual OASD(PA) budget request takes the form of in input to the O&M (Operations and Maintenance) budget developed for the Office of the Secretary of Defense by the Director for Budget and Finance, Washington Headquarters Services.

We do not budget for personnel, military or civilian. Dollar requirements for civilian personnel are developed by the Budget and Finance office based on the authorized civilian strength of OASD(PA). Military personnel are accounted for in the budgets submitted by their respective services.

In our most recent budget submission (for FY 1982), we asked for the following amounts for the purposes indicated:

Travel and transportation of persons	$ 81,300
Investment costs (procurement)	101,367
For information processing equipment and a microfiche storage and retrieval system for the Directorate for Freedom of Information and Security Review.	
Computer services	440,032
For computer time, leasing of ADP-related equipment, and data preparation services for the Directorate for Freedom of Information and Security Review.	
Central support services	245,334
Covers rental of office machines, subscriptions to periodicals and newspapers, acquisition of reference materials, purchase of items of equipment costing less than $3,000, etc.	
TOTAL	$ 868,033

CONSTRAINT ON PUBLIC AFFAIRS EXPENDITURES

See next page.

Congressional ceiling on expenditures for public affairs activities.

A $28 million limit on Public Affairs expenditures was included in the DoD appropriations acts for 1971-74 and 1976. For FY 1977 the figure was reduced -- without explanation -- to $24 million. For FY 1978-80 the ceiling was $25 million, and for FY 1981 it has been returned -- at DoD's request -- to the $28 million figure.

The Department has maintained, and Congress has so far agreed, that the ceiling figure should apply only to Public Information and Community Relations activities, and that other functions sometimes carried out in Public Affairs offices should be excluded. Under this provision we have excluded administrative overhead, management of non-PA activities, security review functions, and the whole of the internal information program.

Also excluded are the costs of operating aerial demonstration teams (inside the United States), military bands, museums, exhibits, and the Defense Information School.

Ground rules issued by the Department provide that the costs of salaries of individuals will be counted for all persons who spend over 50 per cent of their time on public information or community relations activities.

Each year, the ceiling figure is suballocated by the OSD Comptroller to the Army, Navy, Air Force, Marine Corps, and Office of the Secretary of Defense. The Comptroller also monitors expenditures under the ceiling.

The period during which the ceiling has been in effect has been a generally inflationary period. No allowance for inflation has been made. Even so, the Military Services and the OSD have managed to live within the ceiling figures. When the figure was reduced to $24 million in 1977, however, some public affairs positions had to be eliminated.

The ceiling was first imposed following press and television coverage alleging extravagent public relations expenditures by the military. ("The Selling of the Pentagon" was a case in point.) Those allegations, though overblown, were not without some basis in fact. Relative austerity has prevailed since the ceiling was established. In the absence of an inflation factor, public affairs activities presumably have been reduced more or less constantly since 1971.

For FY 1981 we were successful in getting the figure returned to the original $28 million level. We did not seek another raise for FY 1982, but for 1983 and subsequent years we may will want to try to justify increases in the ceiling, particularly if there are substantial increases in over-all DoD activity as the result of larger defense budgets.

AMERICAN FORCES INFORMATION SERVICE (AFIS)

BUDGETARY PROCESS

AFIS, a field activitity of the Office of the Secretary of Defense (OSD), is a separate account for budget purposes -- under the heading "Other Defense Agencies." The AFIS budget is entirely independent of and separate from the budget submission of the Office of the Assistant Secretary of Defense (Public Affairs).

AFIS develops all budget input, from Program Objective Memoranda (POM) documents through galley input to the President's budget.

AFIS obtains personnel and administrative servicing from Washington Headquarters Services (WHS). This includes financial and accounting support. Budget exhibits and documentation are presented by AFIS to WHS Budget and Finance, where the budget package is reviewed for technical accuracy and incorporated in the OSD consolidated submission.

Although its budget is defended by AFIS as an independent element, it is subject to across-the board budget reductions levied by the Congress on the OSD.

Once the budget is approved, funding authorizations are provided for both the Procurement (items over $3,000) and Operations and Maintenance (O&M) appropriations. Fiscal management is exercised by WHS for AFIS elements in the Washington, D.C. area. For the American Forces Radio and Television Service (AFRTS) activities in Los Angeles a separate funding authorization is forwarded to the Director, AFRTS-LA, whose accounting is handled internally, with backup support from Fort Ord, California.

Although the Congress wishes AFIS to be the manager of all military broadcast assets, this pattern has not been put into effect. The recently revised charter for AFIS calls for AFIS to interact directly with the AFRT budgeting process of the Military Departments, but the mechanism for this interaction has not been formalized.

Budget summary by subactivity:

	Actual FY 1980 (000)	Estimate FY 1981 (000)	Estimate FY 1982 (000)
Office of the Director	135	178	185
AFIS Plans and Policy	1,932	3,009	6,230
AFIS Administration	1,071	2,325	1,718
Radio and Television Service	17,550	23,204	20,784
Press and Publications Service	1,978	2,491	2,800
Audiovisual Management	379	---	---
TOTAL	23,045	31.207	31,717

Civilian grade structure, OASD(PA)(less AFIS)

No.	Grade & step	Salary
1	EX-4	52,750
1	ES-5	50,112
2	ES-4	100,224
2	GS-15/10	100,224
1	9	50,112
1	8	50,112
2	7	100,224
1	6	50,112
1	5	50,112
1	4	49,002
2	GS--14/8	93,410
2	7	90,886
4	6	174,724
1	4	41,657
1	2	39,133
1	X	42,919
1	GS-13/10	41,660
1	7	38,456
2	6	74,776
1	4	35,252
1	1	32,048
3	X	108,960
1	GS--12/7	32,339
2	6	62,882
1	4	29,645

No.	Grade & step	Salary
1	GS-11/7	26,986
1	6	26,236
1	5	25,486
1	GS-9/10	24,165
1	8	22,925
1	7	22,305
2	6	42,370
2	GS-8/10	43,750
1	8	20,753
2	GS-7/10	39,494
1	7	18,229
2	4	33,422
3	X	51,651
1	GS-6/10	17,776
1	6	15,952
2	4	30,080
3	2	42,384
1	X	15,[illegible]
1	GS--5/5	13,902
1	1	12,266
2	X	27,804
1	GS--4/1	10,963
TOTAL		$ 2,176,126

Four temporary employees are not included in the above.

Where the step is shown as "X," the position is vacant; salary has been computed at the mid-level (step 5).

Military grade structure, OASD(PA) (less AFIS)

No.	Grade	Salary
1	0-8	50,112
6	0-6	223,560
27	0-5	834,948
6	0-4	160,992
4	0-3	93,120
2	E-9	43,680
3	E-8	49,752
1	E-7	14,052
4	E-6	47,616
TOTAL		$ 1,517,832

Notes: Includes base pay only; allowances are excluded.

Based on average (not actual) time in grade.

Excludes one 0-4 serving with but not charged to OASD(PA).

Civilian grade structure, American Forces Information Service

No.	Grade & step	Salary
1	ES-3	50,112
1	GS-15/10	50,112
1	06	50,112
1	05	50,112
2	GS-14/08	93,410
1	01	37,871
1	X	42,919
2	GS-13/10	83,320
5	09	202,645
2	08	79,048
1	07	38,456
1	05	36,320
1	04	35,252
1	01	32,048
1	GS-12/10	35,033
1	09	34,135
3	08	99,711
2	07	64,678
3	06	94,323
2	05	61,068
2	04	59,290
1	02	27,849
1	01	26,951
9	GS-11/10	263,124
2	09	56,972
3	08	83,208
6	07	161,916
1	06	26,236
2	05	50,972
2	04	49,472
2	02	46,472
1	01	22,486
1	GS-09/09	23,545
2	07	44,610
2	04	40,890
1	03	19,825
1	01	18,585

No.	Grade & step	Salary
1	GS-08/09	21,314
1	04	18,509
1	01	16,826
1	GS-07/08	18,735
1	07	18,229
3	05	34,434
2	04	33,422
2	03	32,410
2	01	30,386
1	GS-06/10	17,776
1	09	17,320
2	06	31,904
1	05	15,496
1	02	14,128
1	GS-05/10	15,947
3	08	45,387
2	05	27,804
1	02	12,675
1	01	12,266
1	GS-04/08	13,518
1	03	11,693
2	01	21,926
2	GS-03/01	19,532
1	WG-11/05	23,608
3	WG-10/05	67,454
1	03	20,883
1	WG-08/03	18,824
1	WG-06/05	17,867
8	WG-05/05	132,954
4	WG-04/05	61,485
1	04	14,830
1	02	13,728
2	WG-02/05	26,166
TOTAL		$ 3,209,253

Temporary employees are not included in the above.

Where the step is shown as "X," the position is vacant; salary has been computed at the mid-level (step 5).

Military grade structure, American Forces Information Service

No.	Grade	Salary
4	0-6	149,040
3	0-5	92,772
4	0-4	107,280
1	0-3	23,268
1	0-2	17,688
4	E-8	66,288
18	E-7	252,720
6	E-6	71,424
4	E-5	39,744
2	E-4	18,144
TOTAL		$ 838,368

Notes: Includes base pay only; allowances are excluded.

Based on average (not actual) time in grade.

MATTERS REQUIRING EARLY ACTION BY THE ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS)

1. Headquarters and Activity manning, Defense Audiovisual Agency

PROBLEM: A civilian grade determination dispute between Headquarters DAVA and the servicing Civilian Personnel Office at Norton Air Force Base has resulted in a severe undermanning of the Headquarters. The conflict has also had an adverse effect on filling 41 civilian vacancies at the collocated DAVA Activity at Norton. Current manning of the Headquarters is:

Civilians authorized	64	(100%)
Positions filled	11	(18%)
Positions vacant	52	(82%)
In hiring process	19	
Positions unfilled due to the dispute	34	(52%)

IMPACT: Undermanning has resulted in . . .

- Impairment of DAVA's capability to become fully operational.

- Degradation of operations since administrative/policy support previously provided by the Military Departments has been transferred to DAVA headquarters, but DAVA has been unable to provide the follow-on directives.

- Delay in developing standardized and centralized DAVA policies and procedures. This creates a void for DAVA's subordinate Activities, which must continue operating under diverse guidance previously provided by their parent commands in the Military Services.

- Lack of capability to initiate studies leading to a mandated 15-percent reduction in personnel spaces. This reduction is to take effect within 24 months after the Agency is fully operational.

CURRENT STATUS: We expect early approval by the Deputy Secretary of Defense of a recommendation to authorize DAVA to establish its own Civilian Personnel Office. This will eliminate the impediment to expeditious filling of vacancies.

ACTION REQUIRED: If a stringent hiring freeze is imposed by the new Administration, we must seek an exemption for DAVA. Such a freeze, with less than 15 percent of the authorized civilian employees assigned, would paralyze the newly-formed DAVA. The Agency was brought into being to solve widely-acknowledged audiovisual management problems in the DoD. Unless the Agency can be brought up to full strength quickly, this objective may be thwarted.

2. Issuance of a statement of public information principles

BACKGROUND: Beginning in 1969, each Secretary of Defense has issued a statement of public information principles intended to insure that, within the bounds set by legitimate considerations of national security, the news media and the public will be fully informed about the activities of the Department of Defense. Such a statement, distributed throughout the DoD, should reaffirm the Department's commitment to the precepts set out in the Freedom of Information Act. The statement sounds the tone for the public information program. (Sample statements are appended.)

ACTION REQUIRED: (1) Draft a statement for approval by the new Secretary of Defense. (2) Prevail upon the Secretary to approve and issue the statement.

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

JUN 22 1977

MEMORANDUM FOR Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff
Director of Defense Research and Engineering
Assistant Secretaries of Defense
General Counsel
Assistants to the Secretary of Defense
Directors of the Defense Agencies

SUBJECT: Principles of Public Information

President Carter has pledged a new openness in government. The President's commitment to candid communication with the American people is firmly rooted in the conviction that, given the facts, they will make wise decisions.

In its activities, abroad as well as at home, the Department of Defense will seek at all times to fulfill the letter and spirit of the President's pledge. In the discharge of their duties, officials will be mindful of that responsibility.

It will be the Department's basic policy to make available timely, accurate information about plans, budgets and activities so that the public, the Congress, the press, radio and television may assess and understand Defense programs. Requests for information, from organizations and private citizens, will be answered responsively and as rapidly as possible. Coordination with other Departments and Agencies will be accomplished, when necessary, without undue delay. In carrying out this basic policy, the following principles will apply:

-- Information will be made fully and readily available unless its release is precluded by statute (as in application of the Privacy Act or the Freedom of Information Act) or is precluded by current and valid security classification.

-- Information will be withheld when disclosure would adversely affect national security or threaten the privacy or personal safety of men and women of the Armed Forces.

-- Information will not be classified or otherwise withheld to protect the government from criticism or embarrassment.

(Over)

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The Assistant Secretary of Defense (Public Affairs) is assigned primary responsibility for assisting in carrying out this commitment. Addressees are directed to seek advice from him as necessary in day-to-day operation under this basic policy.

Harold Brown

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

JUL 21 1973

MEMORANDUM FOR Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff
Director of Defense Research & Engineering
Assistant Secretaries of Defense
General Counsel
Director of Defense Program Analysis & Evaluation
Assistants to the Secretary of Defense
Directors of the Defense Agencies

SUBJECT: Public Information Principles

To assure that the American people are fully informed about matters of national defense, the Department of Defense will conduct its activities in an open manner, consistent always with the need for security and personnel safety. In accordance with the Freedom of Information Act, unclassified information, other than that specifically exempted by the Act, is to be readily accessible to the public and to the press. The following principles apply:

1. The Department's first concern must be the security of the United States and the safety of the men and women of the Armed Forces. Information which would adversely affect the nation's security or endanger military personnel should not be disclosed.

2. No information is to be classified solely because disclosure might result in criticism of the Department of Defense. To avoid abuses, the declassification and classification criteria set forth in Executive Order 11652 will be strictly observed.

3. The provisions of the Freedom of Information Act (5 USC 552) are to be supported in both letter and spirit.

(Over)

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4. The Department also has a responsibility to make available accurate and timely information about plans, budgets, and activities so that the public, the press, and the Congress may assess and understand proposals and programs. It is important that the facts about national security and defense strategy be available to and understood by the public. Recruitment and retention of the active and reserve All-Volunteer Force require a vigorous explanation of this national goal. Therefore, when interested citizens -- particularly students -- request defense information and/or speakers every effort must be made consistent with the demands of our primary national security mission to participate in such discussion and dialogue.

5. The Department's obligation to provide the public with accurate, timely information on its major programs will require, in some instances, detailed public information planning and coordination within the Department and with other government agencies. The sole purpose of such planning and coordination is to expedite the flow of information to the public: propaganda has no place in Department of Defense public information programs.

The Assistant Secretary of Defense (Public Affairs) will advise and assist the Secretary to help assure adherence to these public information principles throughout the Department of Defense.

James R. Schlesinger

Administrative details of interest to the Assistant Secretary

A. Security clearances

Prior to confirmation by the Senate you will be granted an interim clearance for access to classified information up to TOP SECRET. Meanwhile, action will be started to obtain the additional clearances you will need for access to special categories of classified information. Once those clearances come through, you will be given badges for entry into the National Military Command Center (NMCC) and the Defense Intelligence Agency (DIA) briefing areas.

B. Safeguarding classified information

The chief of the Administrative Services Branch in the Directorate for Management is our Top Secret Control Officer. He is responsible for insuring that all Top Secret documents can be accounted for at all times. He is also charged with maintaining control over documents with a lower classification. On occasion, people from outside the Office of Public Affairs will bring classified material directly to you or to one of your deputies. We ask that such material be routed to the Administrative Services Branch immediately upon receipt so that it can be logged and brought under control.

Each person who handles classified documents in the course of a day is responsible for insuring that they are secured (i.e., locked in a safe) at the end of the day. A final security check of your Immediate Office area (i.e., Suite 2E800) is made by the Duty Noncommissioned Officer before he departs in the evening.

C. Telephone service

Secure voice: There are five instruments of this type in Suite 2E800. Classified material up to and including TOP SECRET (but not Special Intelligence material) may be discussed on these instruments.

Washington Switch: The Washington Tactical Switchboard is a worldwide communications system operated on a 24-hour basis. Phones are located in several places in the Office of Public Affairs and in your home and the homes of your deputies and the three Military Assistants. When the receivers are lifted, an operator will respond. On an incoming call, a light on the instrument panel will remain lighted until the phone is picked up.

White House line: This is a separate instrument that connects with the White House Communications Center.

Private lines: Several direct private lines are available to you. These connect with the offices of the Secretary of Defense and other key officials of the Department.

Call Boy: A "Call Boy" will be available to you to carry with you when away from the office.

D. Teletype service

Two teletype machines are located in Suite 2E800. These carry the Associated Press City Wire and the United Press International City Wire. These machines are monitored by the Administrative Services Branch; copy is cut approximately every 30 minutes. Items of particular interest are reproduced and distributed to the three Military Assistants. The remainder of the copy is posted on boards outside the offices of the ASD and the Deputy ASD.

An Associated Press International "A" wire is located in the Administrative Services Branch. It runs overnight. Copy is reviewed early each morning (Tuesday through Friday) in the Directorate for Management. Items of interest are clipped and delivered to the ASD.

In the Directorate for Defense Information are machines carrying the AP and UPI city wires, the UPI International "A" wire, and Reuters. Items of DoD interest are reproduced and delivered periodically to eight locations within the Office of the Secretary of Defense.

E. Newspapers

At about 5:30 a.m. daily (Monday through Friday), the Directorate for Defense Information obtains copies of the New York Times, Washington Post, Baltimore Sun, Wall Street Journal, Christian Science Monitor, and New York Daily News. These are reviewed and defense-related items are clipped, reproduced, and compiled in a document known as News Items of Significant Interest (generally referred to as the "NISI"). Copies are distributed to the offices of key officials of the OSD.

The following newspapers are delivered to the desks of the ASD and his deputies at the times shown:

-- New York Times	6:30 a.m.
-- Washington Post	"
-- Wall Street Journal	"
-- Baltimore Sun	8:00 a.m.
-- New York Daily News	"
-- Washington Star (a.m. edition)	8:30 a.m.
-- Los Angeles Times	9:30 a.m.
-- Washington Star (p.m. edition)	3:30 p.m.

F. Correspondence control

Correspondence and staff papers received from the Correspondence Control Division, Washington Headquarters Services, or through the mail are reviewed by the Administrative Services Branch, put under control if appropriate, and routed to action offices. Items addressed to the ASD and Deputy ASDs by name are routed directly to the addressees.

Outgoing correspondence and staff papers are reviewed by the Director for Management. If signature is required, the item is forwarded to the appropriate official. Local ground rules cover certain items. For example:

-- Outgoing messages must be signed by the ASD or Principal Deputy.

-- Concurrences on memoranda going to the Secretary of Defense must be signed by the ASD or Principal Deputy.

-- Responses to letters forwarded from the White House must be signed by a Deputy ASD or higher official.

-- Concurrences or comments on proposed DoD Directives must be signed by the ASD or Principal Deputy.

Incoming messages are received from the Joint Chiefs of Staff Message Center. Overnight traffic is picked up by the Duty NCO at approximately 5:00 a.m. daily (Monday through Friday). The Duty NCO reviews the messages, reproduces them, and makes distribution to those in the Office of Public Affairs who will have an interest in their content.

A reference file of incoming and outgoing messages is maintained by the Administrative Services Branch.

G. Government automobiles

Local transportation for the ASD and his deputies is available from the Executive Motor Pool between the hours of 7:00 a.m. and 8:30 p.m. Special arrangements can be made to meet official requirements outside those hours.

H. Salary and leave

The salary of an official at Executive Level IV is $52,750 per annum. There are 26 pay periods per year, with paydays every other Friday.

An Earnings and Leave Statement will be issued each payday; it lists the amount earned, deductions, and amount due. Statements will be mailed to your home. Checks will be mailed to your home or to a bank of your choice.

Executive Level officials do not accrue leave.

I. Deductions from pay

Civil Service retirement. You will be covered under the Civil Service Retirement System. Seven percent of your salary will be deducted for retirement purposes. Retirement deposits are refundable upon departure from the federal service or they may be left in the fund to provide you an annuity at age 62.

Life insurance. You are eligible for group life insurance. The amount of coverage is based on salary: you will be covered for $53,000 at a cost of $13.52 biweekly.

Health insurance. Group hospitalization coverage cannot begin until the pay period after you have entered on duty in a pay status. You must elect coverage under one of the many plans that are available. Election must be made within 31 days of your appointment. Otherwise, coverage cannot be secured until the next "open season" is declared, usually during the month of November of each year.

J. Retirement eligibility

There are two basic minimum requirements that must be met by all employees:

-- Five years of creditable civilian service.

-- Retirement Act coverage for at least one year out of the last two years prior to the separation on which retirement is based.

The one-out-of-two requirement does not apply to disability retirement. The requirement for five years of civilian service applies in all cases.

An employee who meets the basic requirements may retire on an immediate annuity under the following conditions:

Age	Service	Remarks
62	5 years	
60	20 "	
55	30 "	
50	20 "	Must be involuntarily separated. The annuity is reduced 2% per hear for each year under age 55.
any	25 "	
any	5 "	Must be totally disabled for service in the position occupied.

K. Performance evaluations

You will be required to prepare annual evaluations of the performance of the persons occupying the following positions:

-- Principal Deputy ASD (*)

-- Deputy ASD

-- Special Assistant to the ASD (*)

-- Military Assistant to the ASD

-- Director, American Forces Information Service (*)

-- Director for Community Relations

-- Director for Defense Information

-- Director for Freedom of Information and Security Review (*)

-- Director for Management (**)

-- Director for Audiovisual Management Policy

-- Director, Defense Audiovisual Agency (*)

Positions marked by a single asterisk are in the Senior Executive Service. In connection with the annual performance evaluations of persons in these positions, you must determine whether to recommend that they be considered for bonus pay.

The position marked by a double asterisk is a merit pay position. In connection with the annual performance evaluation of its occupant, you must determine whether to recommend award of merit pay.

ASSISTANT SECRETARY OF DEFENSE COMPTROLLER

The attached documents represent all of the issue papers prepared by the ASD(C) for the Reagan Transition team. Nothing has been omitted or deleted from the documents.

ASSISTANT SECRETARY OF DEFENSE

COMPTROLLER

PURPOSE

- THIS BOOK PROVIDES INFORMATION CONCERNING CERTAIN KEY ASPECTS OF THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER).

- THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER) IS A STATUTORY POSITION ESTABLISHED PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 136. HE IS THE PRINCIPAL STAFF ASSISTANT TO THE SECRETARY OF DEFENSE FOR PROGRAMMING, BUDGETING, AUDITING, ACCOUNTING, AND OTHER FISCAL FUNCTIONS; FOR ALL MATTERS PERTAINING TO ORGANIZATION, MANAGEMENT, AND ADMINISTRATION. HE ALSO PROVIDES POLICY SUPERVISION FOR THE DEFENSE CONTRACT AUDIT AGENCY AND THE DEFENSE AUDIT SERVICE.

- THE COMPTROLLER HAS BEEN ONE OF THE MORE STABLE FUNCTIONS WITHIN THE DEPARTMENT WITH JUST 8 INDIVIDUALS OCCUPYING THE POSITION FROM THE PERIOD 1948 THROUGH 1980.

ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

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3. DASD(Audit)/Defense Audit Service
4. DASD(Administration)
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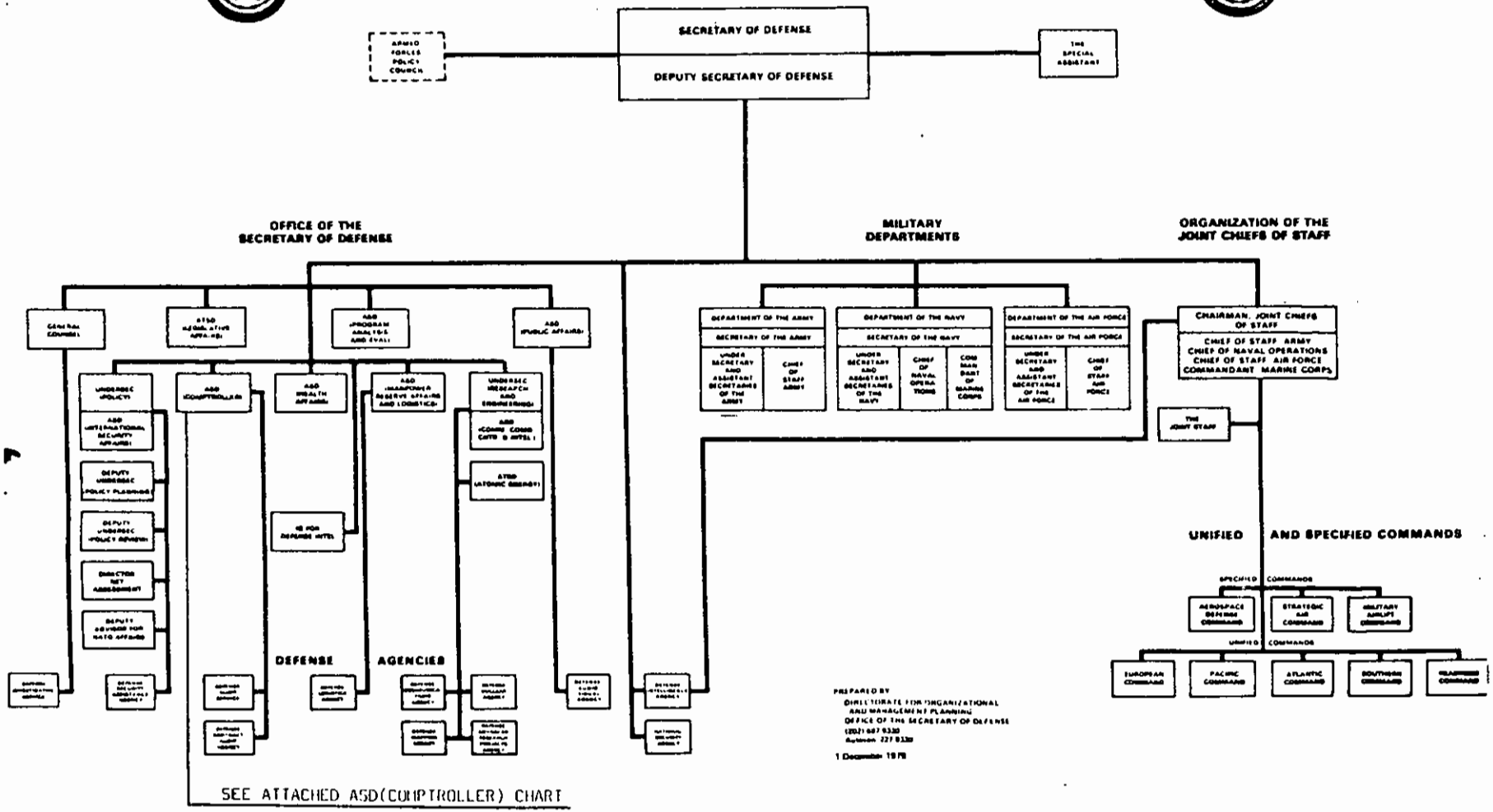
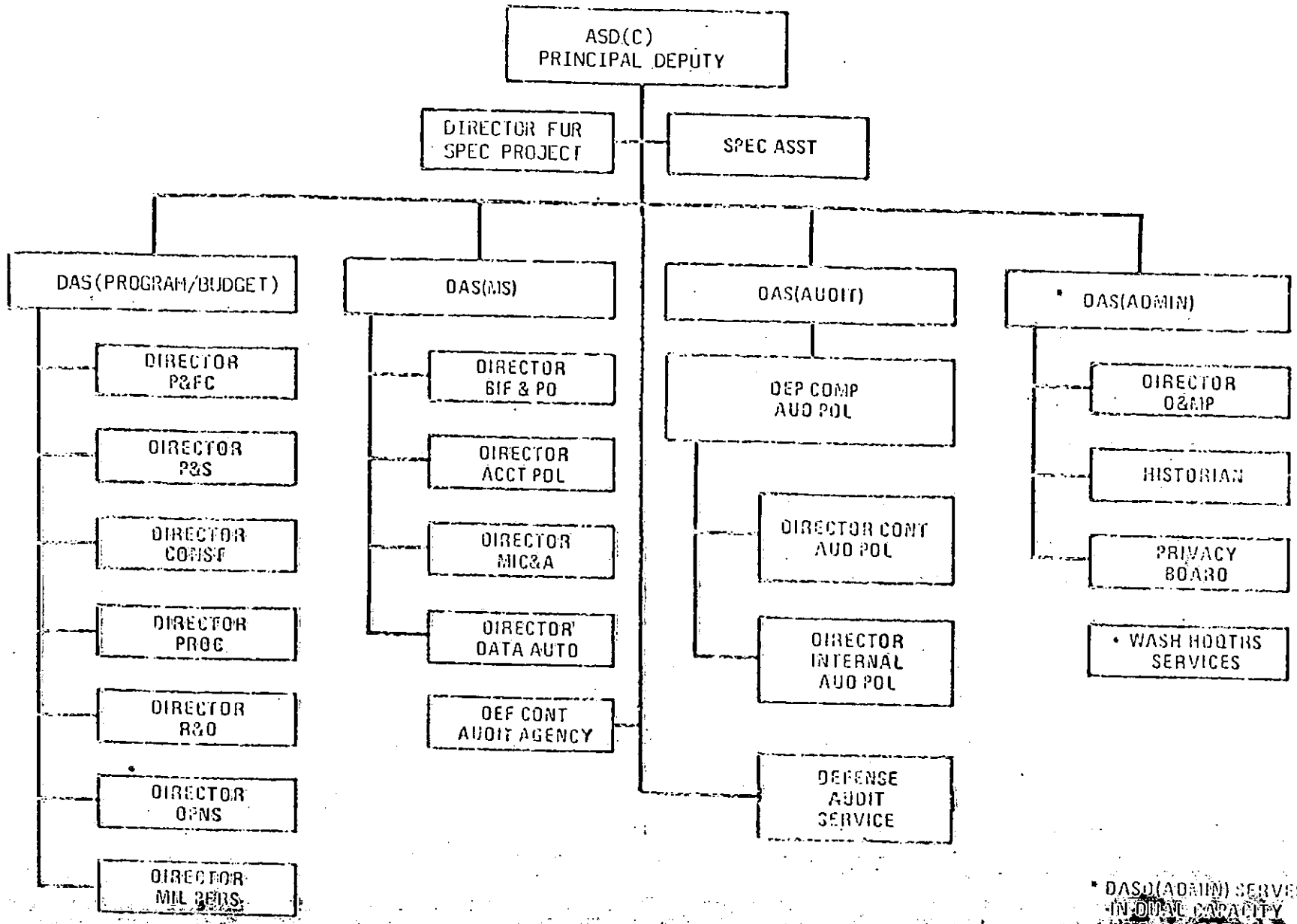
DEPARTMENT OF DEFENSE





* DASD(ADMIN) SERVES IN DUAL CAPACITY AS DIRECTOR WHS

SUMMARY OF AUTHORIZED PERSONNEL

	CIVILIAN		MILITARY		TOTAL
	P	C	P	C	
ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)	5	5	5	I	16
PRINCIPAL DEPUTY ASSISTANT SECRETARY	1	1			2
DEPUTY ASSISTANT SECRETARY (PROGRAM/BUDGET)	59	16			75
DEPUTY ASSISTANT SECRETARY (MANAGEMENT SYSTEMS)	51	14			65
DEPUTY ASSISTANT SECRETARY (AUDIT)	12	3	1	_	16
SUBTOTAL	128	39	6	1	174
DEPUTY ASSISTANT SECRETARY (ADMINISTRATION)	14	5	3	1	23
TOTAL	142	44	9	2	197

Defense Contract Audit Agency authorized personnel - 3,575

Defense Audit Service authorized personnel - 403

Washington Headquarters Service authorized personnel - 406

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

PERSONNEL SUMMARY

GRADE/RANK	IMMED. OFFICE	PRIN. DEP.	DASD (P/B)	DASD (MS)	DASD (AUDIT)	DASD (ADMIN)	TOTAL
LEVEL IV	1						1
ES-5		1					1
ES-4	2		12	7	2	4	27
ES-2				1			1
ES-1			1				1
GS-15			39	21	9	6	75
GS-14			2	9		1	12
GS-13	1		5	5			11
GS-12				1			1
GS-11						2	2
GS- 9	2	1			1		4
GS-1-8	2		16	14	2	5	39
TOTAL	8	2	75	58	14	18	175
0-6						2	2
0-5	1					1	2
0-4	2			1	1		4
TOTAL	3			1	1	3	8
E-7						1	1
E-3	1						1
TOTAL	1					1	2
GRAND TOTAL	12	2	75	59	15	22	185

The difference between the total of 197 on the Summary of Authorized Personnel and the 185 on this sheet (Personnel Summary) is authorized spaces not filled.

FUNCTIONS AND RESPONSIBILITIES

THIS SECTION PROVIDES THE FOLLOWING:

- A MISSION STATEMENT FOR THE ASSISTANT SECRETARY (COMPTROLLER) AND THE CHARTER OF HIS OFFICE.
- A DESCRIPTION OF THE DOD PLANNING, PROGRAMMING, BUDGETING SYSTEM.
- A DISCUSSION OF THE CONGRESSIONAL BUDGET PROCESS AS ESTABLISHED BY THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.
- A LISTING OF ALL APPROPRIATIONS AND FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE
- AN EXPLANATION OF THE FUNDING FLEXIBILITIES THAT ARE AVAILABLE TO THE DEPARTMENT.

Office of the Assistant Secretary of Defense
(Comptroller)

Mission

Title 10, United States Code, Section 136 specifies the Comptroller's responsibilities as follows:

"§ 136. Assistant Secretaries of Defense: appointment; powers and duties; precedence

(a) There are nine Assistant Secretaries of Defense, appointed from civilian life by the President, by and with the advice and consent of the Senate.

(b) The Assistant Secretaries shall perform such duties and exercise such powers as the Secretary of Defense may prescribe. One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Health Affairs. He shall have as his principal duty the overall supervision of health affairs of the Department of Defense. One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Manpower and Reserve Affairs. He shall have as his principal duty the overall supervision of manpower and reserve component affairs of the Department of Defense. In addition, one of the Assistant Secretaries shall be the Comptroller of the Department of Defense and shall, subject to the authority, direction, and control of the Secretary --

(1) advise and assist the Secretary in performing such budgetary and fiscal functions and duties, and in exercising such budgetary and fiscal powers, as are needed to carry out the powers of the Secretary;

(2) supervise and direct the preparation of budget estimates of the Department of Defense;

(3) establish and supervise the execution of principles, policies, and procedures to be followed in connection with organization and administrative matters relating to --

(A) the preparation and execution of budgets;

(B) fiscal, cost, operating, and capital property accounting;

(C) progress and statistical reporting; and

(D) internal audit;

(4) establish and supervise the execution of policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense; and

(5) establish uniform terminologies, classifications, and procedures concerning matters covered by clauses (1) - (4).

(c) Except as otherwise specifically provided by law, an Assistant Secretary may not issue an order to a military department unless --

(1) the Secretary of Defense has specifically delegated that authority to him in writing; and

(2) the order is issued through the Secretary of the military department concerned, or his designee. . . . ."

These responsibilities are expanded upon in the ASD(C) charter published in DoD Directive 5118.3 of July 11, 1972. It provides:

"The Assistant Secretary of Defense (Comptroller) is the principal staff assistant to the Secretary of Defense for programming, budgeting, auditing, and fiscal functions; for all matters pertaining to organization, management, and administration. He shall provide staff supervision for the Defense Contract Audit Agency and the Defense Audit Service. In addition, he shall:

A. Provide for the design and installation of resource management systems throughout DoD.

B. Collect, analyze, and report resource management information for the Secretary of Defense and as required for the Office of Management and Budget, the Congress, the General Accounting Office, and other agencies outside of the DoD."

The directive itemizes specific functions, relationships and authorities pertinent to the Comptroller and it includes a listing of the numerous authorities which the Secretary of Defense has formally delegated to the Comptroller.

SUMMARY OF THE DoD PLANNING, PROGRAMING, AND BUDGETING SYSTEM (PPBS)

The Assistant Secretary of Defense (Comptroller) is responsible for the design, installation and maintenance of PPBS (DoDD 7000.1) which includes responsibility for the establishment, improvement and maintenance of procedural guidance for PPBS (DoDI 7045.7).

The PPBS is a cyclic process containing five distinct, but interrelated, phases; planning, programing, budgeting, execution and accountability. In the first three phases prior decisions are re-examined and analyzed from the viewpoint of the force structure/national security objectives and the current environment (threat, economic, technological, and resource availability) and the decisions are either reaffirmed or modified as necessary. The cycle for a given fiscal year commences in the month of November almost two years prior to the start of that fiscal year. While the execution phase of that fiscal year might appear to be completed 35 months later, in reality obligations and expenditures against that fiscal year's program may continue, for some appropriations, for several years.

1. The Planning Phase

In the planning phase the role and posture of the United States and the DoD in the world environment are examined, with particular emphasis on Presidential policies. Some of the facets analyzed are: (a) potential and probable enemy capabilities and threat; (b) potential and probable capabilities of our Allies; (c) alternative U.S. policies and objectives in consideration of (a) and (b); (d) military strategies in support of these policies and objectives; (e) planning force levels that would achieve defense policy and strategy; and (f) planning assumptions for guidance in the following phases of PPBS.

The first step in the PPB is the preparation by JCS, and submission to the Secretary of Defense, of the Joint Strategic Planning Document (JSPD) containing independent JCS military strategy advice and recommendations to be considered in the development of the draft Consolidated Guidance (CG) and subsequent PPBS documents. It contains a concise, comprehensive military appraisal of the threat to U.S. interests and objectives worldwide; a statement of recommended military objectives derived from national objectives; and the recommended military strategy to attain national objectives. A summary of the JCS planning force levels which could successfully execute, with reasonable assurance, the approved national military strategy is included. JCS views on the attainability of the planning force in consideration of fiscal responsibility, manpower resources, material availability, technology and industrial capacity are also stated. The JSPD provides an appraisal of the capabilities and risks associated with programed force levels, based on the planning forces considered necessary to execute the strategy, and recommends changes to the force planning and programing guidance where appropriate.

After consideration of the military advice of the JCS, as expressed in the JSPD, the next milestone is the Secretary of Defense's Consolidated Guidance (CG). A draft of the CG covering the budget and program years is issued in January to solicit the comments of the DoD Components and to provide a vehicle for an exchange of views on defense policy between the Secretary of Defense, the President, and the National Security Council. The final version of the CG, issued in March, serves as an authoritative statement of the fundamental strategy, issues, and rationale underlying the Defense Program, as seen by the leadership of the DoD. The CG, culminating the planning phase, provides definitive guidance, including fiscal constraints, for the development of the Program Objective Memorandum by the Military Departments and Defense Agencies, and continues as the primary DoD guidance until revised or modified by subsequent Secretary of Defense decisions.

2. The Programing Phase

Annually, in May, each Military Department and Defense Agency prepares and submits to the Secretary of Defense a Program Objective Memorandum. POM's are based on the strategic concepts and guidance as stated in the CG and include an assessment of the risk associated with the current and proposed forces and support programs. POMs express total program requirements for the years covered in the CG, and provide rationale for proposed changes from the approved FYDP base. Dollar totals must be within the fiscal guidance issued by the Secretary of Defense. Major issues which are required to be resolved during the year of submission must be identified. Supporting information for POMs is in accordance with the annual POM Preparation Instructions.

After the POMs are submitted, the JCS submits the Joint Program Assessment Memorandum (JPAM) for consideration in reviewing the Military Department POMs, developing Issue Papers, and drafting Program Decision Memorandums. The JPAM provides a risk assessment based on the composite of the POM force recommendations and includes the views of the Joint Chiefs of Staff on the balance and capabilities of the overall POM force and support levels to execute the approved national military strategy. Where appropriate, the Joint Chiefs of Staff recommends actions to achieve improvements in overall Defense capabilities within, to the extent feasible, alternative POM funding levels directed by the Secretary of Defense. In addition, the JPAM develops SALT-constrained forces and provides recommendations on the nuclear weapons stockpiles considered necessary to support these forces, and on the security assistance program.

The programing phase continues in accordance with the following steps:

a. The POMs are analyzed at the OSD level and Issue Papers are generated which analyze the Service proposals in relation to (1) the Consolidated Guidance, (2) the balance between force structure, modernization, and readiness, and (3) efficiency trade-offs. Significant issues raised by the POMs which require Secretary of Defense resolution are highlighted, decision alternatives are listed, and these alternatives evaluated

as to cost and capacity to implement DoD missions. These "Issue Papers" are developed in coordination with the DoD Components to assure completeness and accuracy of the information contained therein. The views of the JCS on the risks involved in the POMs are considered during preparation of the Issue Papers.

b. Based on the Issue Papers and JCS risk assessment, the Secretary issues Program Decision Memoranda (PDM's) which are transmitted to the DoD Components for analysis and comment as appropriate.

c. Comments on the PDMs may be prepared in a manner prescribed by the submitting activity, but must present precise program impact that may be expected as a result of the decision. If comments on the PDMs express a dissenting view, any additional or clarifying information or justification must accompany the statement to allow a re-evaluation of the issue.

d. Comments submitted by the JCS address the impact on total DoD program balance. JCS provides the Secretary of Defense with an assessment of the risks involved and inherent in the PDMs and an evaluation of strategic implications.

e. Following a staff review of comments on the PDMs, meetings are held by the Secretary of Defense to discuss unresolved issues. If appropriate, Amended Program Decision Memoranda are then issued to incorporate any new decision, or to reiterate the previous decision.

3. The Budgeting Phase

With the establishment of program levels in the POM/PDM process, the budgeting phase begins with the DoD Components formulating and submitting, by September 15, detailed budget estimates for the budget year portion of the approved program. The budget estimates include the prior year, current year, and budget year (budget year plus one for authorized programs) in accordance with the Budget Guidance Manual and supplementary memoranda. Budget estimates are prepared and submitted based on the approved program as well as economic assumptions related to pay and pricing policies which are contained either in the PDMs or in separately prescribed detailed budget guidance revised and issued each year. The budget estimates are reviewed jointly by the Office of the Secretary of Defense (OSD) and the Office of Management and Budget (OMB). The entire budget is reviewed to insure the requests are properly priced; to insure production schedules are within production capacity; and to insure that the estimates are consistent with the Secretary's readiness objectives. Approval of the estimates for inclusion in the President's Budget is documented by Secretary of Defense budget decision documents. These decisions will evaluate, adjust and approve all resources in the budget request by decision units and/or packages within the appropriation and budget activity structures. The decisions will include the current year, the budget year, the authorization year (budget year + 1) and an estimate of the resource impact on the three succeeding program years consistent with the President's requirement for multi-year planning estimates.

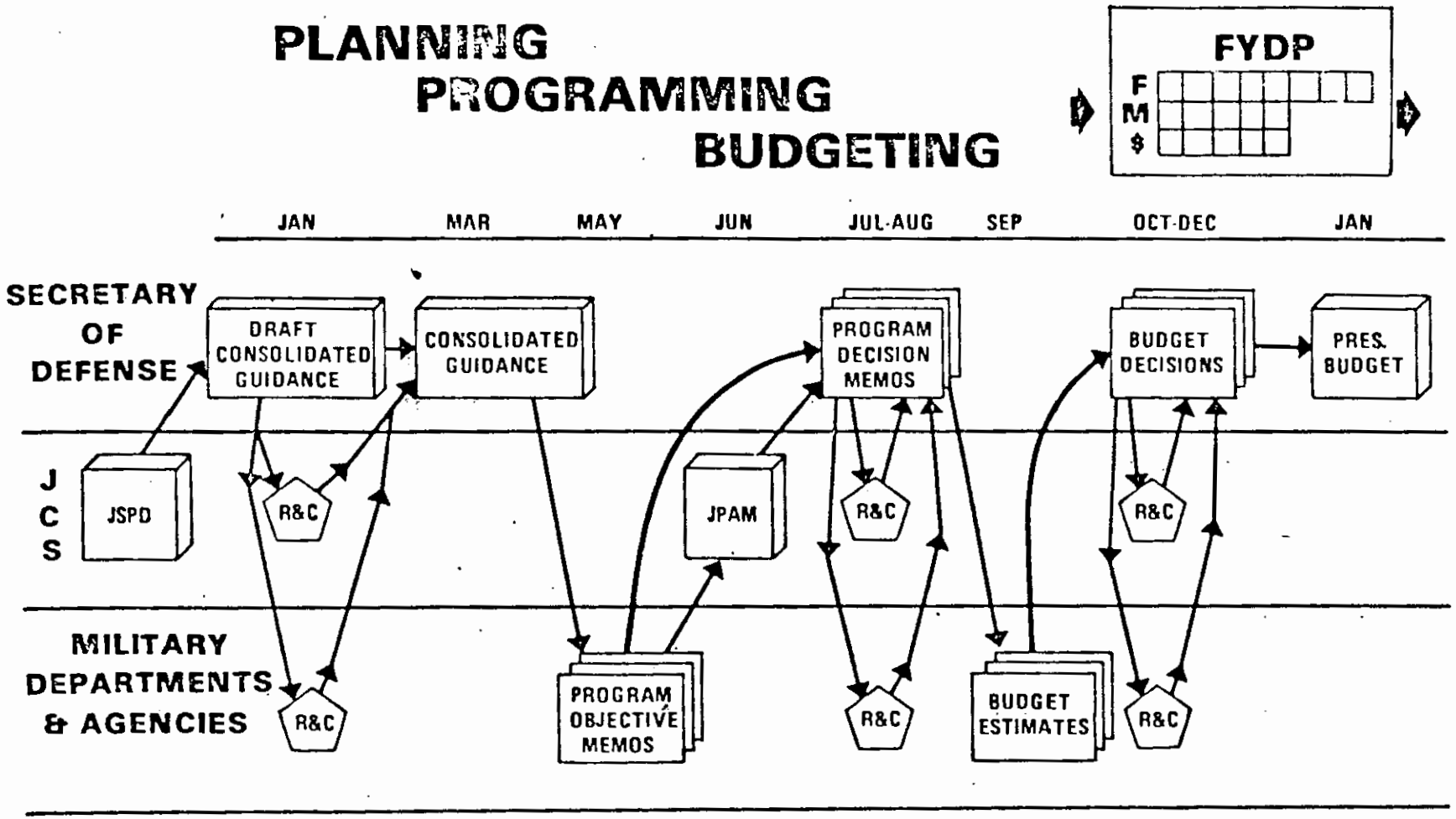
During the course of the budget review, the DoD Components have an opportunity to express an appeal position on each decision. Prior to final decisions, the Service Secretaries and Military Chiefs have the opportunity for a meeting with the Secretary of Defense to present and resolve any outstanding issues of major significance.

The Secretary then presents his budget to the President for consideration within the overall Federal requirements. Changes from that meeting are subsequently incorporated into the DoD submission and decision documentation is finalized. Following the printing process the budget is submitted to the Congress in January. The FYDP is updated to reflect the President's Budget and related resource impact in the "outyears" thereby establishing a consistent base for the ensuing decision cycle.

4. The Execution and Accountability Phases

The execution and accountability phases follow the submission of the budget and its enactment by the Congress. These phases are concerned with: execution of the programs approved by the Congress; the accountability and reporting of actual results for use in monitoring program execution; preparing future plans, programs, and budgets; and supplying financial status information to DoD managers.

PLANNING PROGRAMMING BUDGETING



JSPD = JOINT STRATEGIC PLANNING DOCUMENT
JPAM = JOINT PROGRAM ASSESSMENT MEMORANDUM

R&C = REVIEW AND COMMENT

FYDP SYMBOLS
F = FORCES
M = MANPOWER
$ = DOLLARS
□ = YEARS

3417-8

The Joint OSD/OMB Budget Review

The Budget is due from all components of the Department of Defense (DOD) on September 15th and is accompanied by an update of the Five Year Defense Program (FYDP) and annexes. Distribution is made to the Office of Management and Budget (OMB) and all participating organizational elements of the Office of the Secretary of Defense (OSD).

The DoD jointly reviews the budget with the OMB staff in order to devote maximum review and analysis time here in the Department. The alternative would require earlier submission by OSD to OMB in order to provide time for independent OMB review. The current joint OSD/OMB review is unique throughout the government and has been for many years.

Participation in the joint review is open to all elements of the DoD components and OSD staffs. Inputs from participants are solicited by each appropriation director for inclusion in the decision package sets (DPS's); the decision documents ultimately signed by the Secretary/Deputy Secretary of Defense.

Oftentimes as DPS's are drafted, copies are "floated" for input from participants. Once the DPS takes final form it begins a formal coordination process. Coordination should be obtained from the interested Assistant Secretary/Principal Deputy Assistant Secretary level. All notes, memoranda, letters, or other pertinent appendages become a permanent part of the decision document and are retained in the documentation files. These documents are "close hold" in their "raw" signature form. The document, once coordinated with other OSD staff elements, is processed through the Deputy Assistant Secretary (Program/Budget), a representative of OMB, the Principal Deputy Assistant Secretary (Comptroller) and the Assistant Secretary (Comptroller), to the Secretary/Deputy Secretary of Defense. Subsequent to signature, the decision document is printed and distributed throughout the Department and OMB. In order to protect the confidential nature of DRB and OSD staff coordinations and positions, the document which is printed and distributed consists of only the decision document. This is essential to encourage open debate of issues and objective advice to the Secretary.

As the Secretary/Deputy Secretary approves and returns DPS's, they are translated into the Automated Budget Review System to reflect increases and decreases to the submissions. Periodic status reports are provided to the Secretary/Deputy Secretary as well as the OSD managers and staff and the submitting components. Status is in terms of Total Obligational Authority (TOA), the total cost of a program without regard to year or source of funding; Budget Authority (BA), essentially appropriations requested from the Congress; and Outlays, the net of gross disbursements and collections from customers. These are the three basic measures used throughout the budget community. For comparative purposes, dollar values are inflated and/or deflated to reflect constancy in order to measure year-to-year "real growth" as distinct from inflationary increases.

The status reporting is as frequent as management requires and is structured in hierarchial order relative to level of detail.

While the review is progressing, the Defense Resources Board (DRB) meets periodically to consider the relative ranking priorities of approximately $20-25 billion of programs ranked by the submitting components. The DRB first integrates the original component rankings by reviewing and approving OSD staff prepared priority ranking proposals (PRP's). Those PRP's not approved by the DRB are discarded. The DRB then meets with the Secretary who approves/disapproves the DRB re-ranking proposals. Subsequent iterations are sometimes appropriate. At the point when the Secretary begins meeting with the President on the overall budget levels, the Secretary oftentimes makes changes to the ranking to insure that the highest priority programs are included within the approved funding level. All such approved ranking changes are reflected daily in the automated system so the budget status reporting is current for both DPS changes and ranking changes.

As the process nears completion, various management summaries are available providing TOA, BA and Outlays in both current and constant budget year dollars. The level of real growth is identified and often debated as are the inflation and pay raise assumptions contained in the budget estimates.

Recognizing that last minute changes are disruptive and sometimes error prone, the Department makes the best advantage of time available to continue the review and decision process. However, once OMB has the budget in print, the word is passed that the budget is locked and changes are no longer permitted.

Attention and staff efforts are then directed to preparing information to release to the Press during the DoD Budget Press Briefing; congressional justifications, the Secretary's posture statement, and other related requirements. The FYDP and annexes are updated to reflect all applicable budget decisions and automated data bases and hard copy justification exhibits in support of the budget are provided to the congressional oversight committees. Reprograming requests which have been reflected in the budget are prepared, staffed and submitted to the applicable committees for approval. Accounting records are adjusted as applicable to be consistent with resources reflected in the current year column of the budget. A series of budget hearings and reprograming hearings dominate subsequent months necessitating a great expenditure of management time appearing before the applicable oversight committees.

PLANNING, PROGRAMMING, AND BUDGETING SYSTEM IMPROVEMENTS

The Secretary of Defense, in October 1977, directed that the Defense Department Planning, Programming and Budgeting System (PPBS) be revised to achieve five objectives:

1. To provide an opportunity for early Presidential participation in the process;

2. To permit the Secretary of Defense and the President, based on the advice of all appropriate offices and organizations in the Department of Defense, to play an active role in shaping the defense program;

3. To create a stronger link between planning and programmatic guidance and fiscal guidance;

4. To develop, through discussion, a sound and comprehensive rationale for the program, and

5. To ensure the program is based on sound analysis and contributions for all relevant offices.

The revised system was designed to provide a more coherent basis for guiding the Military Departments in the preparation of their specific program recommendations. It consolidated and reduced to one what in prior years had been three separate forms of guidance from the Secretary of Defense: the Defense Guidance, the Planning and Program Guidance, and the Fiscal Guidance. The revised consolidated guidance was to incorporate an analysis of the rationale for each aspect of the Secretary's guidance to the Services and of the overall defense program.

The Joint Chiefs of Staff and the Military Departments actively participated in the process--from the initial planning to the development of the defense budget to be submitted to the President. The Joint Chiefs of Staff also have modified their system for providing advice and recommendations to the Secretary of Defense in accordance with the opportunities for participation provided by the revised PPBS.

In addition to their participation in the PPBS, the Joint Chiefs of Staff advise the President, the National Security Council, and the Secretary of Defense on a wide range of national security matters. They also are statutory members of the Armed Forces Policy Council.

JCS, Departments Role

The role of the Joint Chiefs of Staff and the Military Departments in the process included the submission of the JCS Joint Strategic Objectives Plan, pre-draft consultation sessions with the Secretary of Defense, informal comment and review during the drafting process, extensive review and comment (written and face-to-face) on the preliminary draft, review and comment on a subsequent draft, and participation in the presentation of the proposals to the President.

In May 1977, the Joint Chiefs of Staff submitted to the Secretary of Defense the Joint Strategic Objectives Plan, Volume 1 (JSOP I). As in past years, this document included a statement of broad defense objectives, a discussion of the military threat facing the United States, general recommendations concerning strategy and force planning, and a discussion of areas of significant risk. In January 1978, the Joint Chiefs of Staff submitted JSOP II, which included, inter alia, the major force recommendations of the Joint Chiefs of Staff, a comparison of these recommendations with currently programmed forces, and an appraisal of programmed forces. Although JSOP I was submitted and JSOP II was substantially prepared before the revisions in PPBS, these documents provided the Secretary of Defense and the President with the basic views of the Joint Chiefs of Staff on military strategy and force requirements. In light of the changes in the PPBS, additional procedures were adopted to supplement the joint planning process so that the Secretary could, in the revised PPBS, more easily receive the full benefit of the advice, recommendations, and expert capability of the Joint Chiefs of Staff.

In the past, Secretarial guidance had developed in three parts and the JSOP documents were tailored to those parts. JSOP I was prepared prior to the Defense Guidance and assisted the Secretary in making the determinations of policy, strategy, and force planning that were included in the Defense Guidance. The JSOP II provided the Secretary with the JCS views on what should be included in the Planning and Programming Guidance and the Fiscal Guidance. Under the revised system, Secretarial guidance was combined into one document that also included the rationale on which the defense program would be based.

PPBS Modifications

When the modifications of the PPBS were first contemplated in the fall of 1977, the Joint Chiefs of Staff and the Secretaries of the Military Departments were asked for their comments, suggestions, and recommendations. After these recommendations and other comments on the PPBS proposal had been submitted, the Secretary of Defense agreed that it was important that the initial step in the annual process should be the responsibility of the Joint Chiefs of Staff and the Military Departments, and that they should have full opportunity to participate in the process throughout. In a memorandum dated Oct. 26, 1977, addressed to the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments, the Secretary of Defense established a procedure for consultative meetings "to give the Services, individually and collectively, an opportunity to give advice, make recommendations, and offer substantive input." The Secretary's memorandum continued:

"Though the revised PPBS is designed to afford the opportunity at several stages, I deem it important that one such opportunity be prior to the first draft of the document. The last thing I want to do is inhibit your initiative or innovation. I envision these meetings as an opportunity for you to present your proposals with respect to the CG and that a dialogue about them will ensue between the Services and the Secretary of Defense."

Those meetings took place in November. Each was attended by the Chairman of the Joint Chiefs of Staff or the Chairman's personal representative. The Secretary of Defense first held three lengthy meetings with, respectively, the Secretary of the Army and Chief of Staff of the Army; the Secretary of the Navy, Chief of Naval Operations and Commandant of the Marine Corps; and the Secretary of the Air Force and Chief of Staff of the Air Force; and staff members they designated to accompany them. A fourth, "wrap-up," meeting was then held with all three Secretaries of the Military Departments, the Chairman of the JCS, and the members of the Joint Chiefs of Staff. At these meetings the Chairman and members of the Joint Chiefs of Staff and the Secretaries of the Military Departments were able to provide dirctly to the Secretary of Defense prior to the drafting of any guidance, their advice, recommendations and comments.

Follow-Up Memoranda

After the meetings, the Army, Navy, and the Joint Chiefs of Staff sent follow-up memoranda to the Secretary of Defense emphasizing the points they considered most important and setting out the areas they believed required special attention. Other memoranda, concerning both the form and the content of the Secretary's guidance, followed.

The preliminary draft of the Secretary's guidance was shaped by the comments of the participants in the initial meetings, the follow-up memoranda, the directions of the Secretary of Defense, and informal comments and advice provided by the JCS and the Services during the drafting process.

The draft that was produced was "preliminary". It was not to have any effect until there had been a complete review and opportunities for comment by the JCS and the Services. It was circulated to the Joint Chiefs of Staff and to the Military Departments for comment in January 1978.

The review and comment period for the Joint Chiefs of Staff and the Military Departments covered four weeks. It was a working document, subject to change, to serve as a focus for debate and discussion. It was designed to provide a document to cover matters raised in the pre-draft meetings and memoranda, and a vehicle for discussion and addition to other considerations not covered in the initial discussions. The integration of matters previously contained in the Defense, Planning and Programming, and Fiscal Guidance documents and the requirement that the rationale for the defense program be subjected to increased analytical rigor demanded a careful consideration by the Joint Chiefs of Staff and the Services. It also provided the Joint Chiefs of Staff and the Military Departments with an opportunity to challenge the premises, reasoning and conclusions of the proposed guidance. If the rationale in the preliminary draft were faulty, the Joint Chiefs of Staff and the Service could focus on weak points in the rationale and suggest alternative guidance with better justification.

As indicated by the Secretary in the memorandum that accompanied the draft for comment and review:

"I want to use the Consolidated Guidance not merely to advise you in the preparation of your POMs (Program Objective Memoranda), but also as a vehicle for debate and dialog over the rationale it contains . . . ."

Detailed Comments

The Joint Chiefs of Staff and the Secretaries of the Military Departments submitted detailed comments on the draft. In addition, the Joint Chiefs of Staff provided a strategy section for inclusion, and substantial and useful recommendations on the strategic aspects of the guidance.

The written comments on the draft, the views expressed at the follow-up meetings and the guidance of the Secretary of Defense provided the basis for the next draft, which required development of a justification for all changes made, and a justification of changes that were recommended but not made. The redraft and justifications were then presented to the Secretary for decision and, based on his decisions, a revised draft was completed.

The revised draft was again circulated to the Chairman and members of the Joint Chiefs of Staff and to the Secretaries of the Army, Navy, and Air Force for their personal comment and review. Their comments went directly to the Secretary and Deputy Secretary of Defense for their personal review. As a result of those comments, further changes were made. The draft was then sent to the White House. In May 1978, to assist him in his review, the President met with the Secretary of Defense and the Joint Chiefs of Stff. Following that meeting, the President held further discussions with the Secretary of Defense and the JCS Chairman.

The remainder of the planning, programming and budgeting system followed the basic pattern of prior years. After receiving the draft guidance the Military Departments prepared and submitted their Program Objective Memoranda.

The retention of the above feature of the former PPBS reflects the degree to which the revised PPBS preserved the initiative of the Departments of the Army, Navy, and Air Force. Under the system instituted in the early 1960s, the programming initiative resided in the Office of the Secretary of Defense through Draft Presidential Memoranda (DPMs). These stipulated procurement, force structure and costing in detail. The Military Departments were given an opportunity to comment, but once the DPMs were setled, the Services went directly to the preparation of their detailed budgets. Under the current system, the initial formulation of the defense program continued--as in the past nine years--to be the responsibility of the Military Departments and not of the Office of the Secretary of Defense. Thus, the revised system provided an opportunity for participation of the military professionals in the development of the Secretarial guidance and retained for the Military Departments their basic programming initiative.

The PPBS also was structured to preserve the important role of the Joint Chiefs of Staff in the evaluation of program objectives. In prior years, the JCS had prepared and submitted to the Secretary a Joint Forces Memorandum (JFM) at the time that the POMs were prepared and submitted. The JFM

identified important program objectives and provided an assessment of the risk, in terms of defense strategy, incurred by adopting, or not adopting, certain program objectives. Under the revised PPBS, the Joint Chiefs of Staff have replaced the JFM with a Joint Program Assessment Memorandum (JPAM), which is provided to the Secretary after the POMs are submitted. The JPAM provides JCS advice to the Secretary for his review of the Service POMs, development of Issue Papers, and decisions on specific Service programs. It includes a risk assessment based on an overview of the national military strategy and the force structure recommended in the POMs, as well as recommendations for improvements in the overall defense program through selection of certain programs at alternative POM levels. The JPAM therefore provides the Secretary with more valuable assistance in his consideration of the programs of all three Services. The first JPAM was submitted as part of the present PPBS cycle.

Issue Papers

After the submission of the POMs, the staff of the Secretary of Defense drafted issue papers which were sent for review and comment to the Joint Chiefs of Staff, the Military Departments, the Office of Management and Budget, and National Security Council. The issue papers then were revised in response to the comments and provided to the Secretary of Defense. Based on the advice provided in the JPAM, his review of the POMs, and the issue papers, the Secretary made the basic program decisions that were then incorporated in the Program Decision Memoranda (PDMs). The PDMs were sent to the Joint Chiefs of Staff and the Military Departments for review and comment. Major comments--at the selection of the members of the Joint Chiefs of Staff and the Secretaries of the Military Departments--became the subject of a series of reclama meetings attended by the Secretary and Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff and representatives of the Services. As a result of the written comments and the reclama meetings, the PDMs were modified and issued as Amended Program Decision Memoranda (APDM).

The drafting of the APDMs marked the second point of Presidential involvement in the system. At that point, the Secretary of Defense with the personal assistance of the Chairman of the Joint Chiefs of Staff prepared a status report for the President describing the major features of the Service POM submissions, the major issues that had been raised and their disposition, and an evaluation of the differences among the defense programs available over a range of funding profiles. The status report was submitted to the President for review and guidance. The ADMs were sent to the Military Departments as the basis for the budget proposals that they are now preparing.

After the pre-draft meetings in November 1977, the Joint Chiefs of Staff initiated an evaluation of their role in the revised PPBS and decided to modify the basic documents through which they provided their formal input to the system. This led to several changes made at JCS suggestion. The first of these changes was the replacement of the JFM with the JPAM. This was accomplished in the first cycle of the revised PPBS, as discussed above.

Second Modification

The second modification involved a restructuring of the JSOP documents. To replace the JSOP I and II, the JCS created a Joint Strategic Planning Document (JSPD) to be submitted 60 days in advance of the preliminary draft guidance. The JSPD contains a comprehensive appraisal of the military threat to the United States, a statement of recommended military objectives, recommended military strategy to attain the objectives, and a summary of the JCS planning force levels that could execute, with reasonable assurance, the military strategy. It also will include the JCS views on the attainability of the recommended force levels within fiscal constraints, manpower resources, material availability, technology, and industrial capacity. It will incorporate an initial appraisal of the risk associated with programmed force levels and recommendations for changes in the prior Consolidated Guidance. Thus the JSPD will provide comprehensive recommendations by the Joint Chiefs of Staff tailored to the integrated approach of the revisd defense planning, programming, and budgeting system.

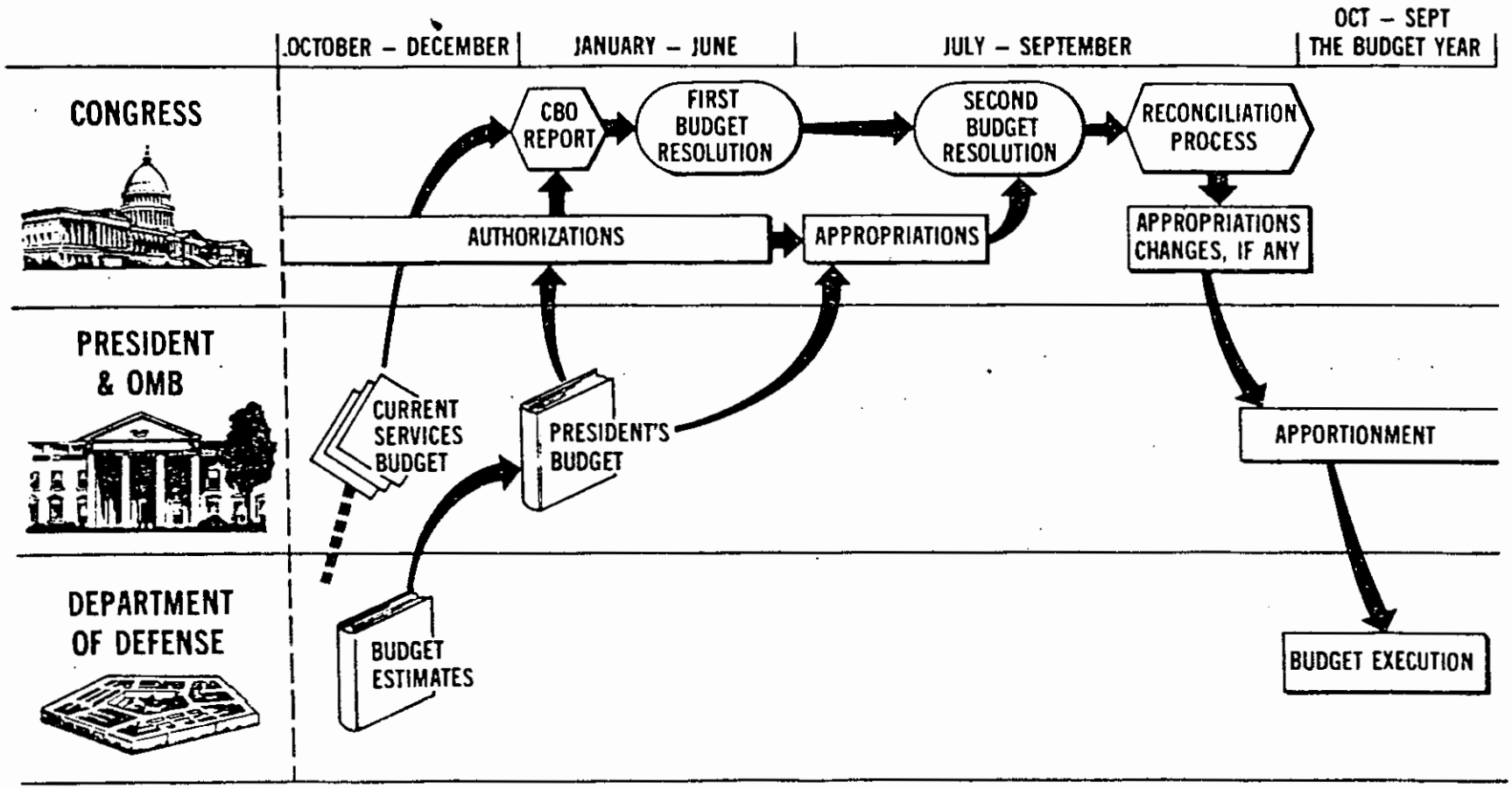
SUMMARY OF THE CONGRESSIONAL BUDGET PROCESS

- THIS SECTION PROVIDES A BRIEF DESCRIPTION OF THE CONGRESSIONAL BUDGET PROCESS AS ESTABLISHED BY THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

- THE ACT ESTABLISHES A TIMETABLE FOR VARIOUS PHASES OF THE BUDGET PROCESS.

- THE ACT ALSO ESTABLISHES PROCEDURES FOR CONGRESSIONAL REVIEW OF PRESIDENTIAL IMPOUNDMENT ACTIONS.

BUDGET PROCESS — NEW STYLE



THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

THE CONGRESSIONAL BUDGET PROCESS

Title III of the Act establishes a timetable for various phases of the congressional budget process, prescribing the actions to take place at each point. Following is a description of the elements of the congressional budget timetable set forth in Section 300 of the Act:

	Action to be completed
On or before Nov. 10 ----------	President submits current services budget

Submission of a current services budget is the first element in the timetable. This document estimates the budget authority and outlays needed to carry on existing programs and activities for the next fiscal year under certain economic assumptions. Its purpose is to give the Congress, at the earliest date possible (just one month after the current fiscal year has begun), detailed information with which to begin analysis and preparation of the budget for the upcoming fiscal year.

Thus, the Congressional Budget Office (CBO) and the House and Senate Budget Committees begin work on new budget projections based on the current fiscal year's levels. To help them evaluate the President's projections, the Act requires the Joint Economic Committee to report to the Budget Committees by December 31 on the estimates and economic assumptions in the current services budget.

	Action to be completed
On or before 15th day after Congress meets ---------	President submits his budget

The President's budget is required to be submitted 15 days after the Congress convenes. This budget remains one of the major factors in the development of the congressional budget. Shortly after its submission, the two Budget Committees begin hearings on the budget, the economic assumptions upon which it is based, the economy in general, and national budget priorities. Participants at these hearings include Administration officials, Members of Congress, and representatives of various national interest groups.

	Action to be completed
On or before Mar. 15 ----------	Committees and joint committees submit reports to Budget Committees

An important step in the budget process is the submission of the views and recommendations of all standing committees of the House and Senate.

These reports are due March 15, one month in advance of the reporting date of the first concurrent resolution on the budget. These reports are important to the proper functioning of the budget process and, accordingly, are made mandatory by the Act. They provide the Budget Committees with an early and comprehensive indication of committee legislative plans for the next fiscal year. These reports contain the views and estimates of new budget authority and outlays to be authorized in legislation under their jurisdictions which will become effective during the next fiscal year.

In addition, the Joint Economic Committee is directed to submit a report with its recommendations as to the fiscal policies that would be appropriate to achieve goals of the Employment Act of 1946.

	Action to be completed
On or before Apr. 1 ----------	CBO submits report to Budget Committees

The CBO is required to submit its report to the Budget Committees on or before April 1. This report deals primarily with overall economic and fiscal policy and alternative budget levels and national budget priorities.

	Action to be completed
On or before Apr. 15 ----------	Budget Committees report first concurrent resolution on the budget to their Houses

April 15 is fixed by the Act as the deadline for reporting by the Budget Committees of the first concurrent resolution on the budget. This date allows a maximum of one month for floor consideration in each House, conference between the two Houses, and adoption of conference reports, required to be completed by May 15.

The concurrent resolution sets forth the following:

1. The appropriate levels of total budget authority and outlays for the next fiscal year, both in the aggregate and for each major functional category of the budget.

2. The appropriate budget surplus or deficit for the next fiscal year.

3. The recommended level of Federal revenues and recommended increases or decreases in revenues to be reported by appropriate committees.

4. The appropriate level of the public debt and recommended increases or decreases to be reported by appropriate committees.

5. Any other matters deemed appropriate to the congressional budget process.

In addition, the report on the resolution compares the Budget Committee's revenue estimates and budget authority and outlay levels with the estimates and amounts in the President's budget. It also identifies the recommended sources of revenues; makes five-year budget projections; and indicates significant changes, if any, in Federal aid to States and localities.

The first budget resolution for a given fiscal year establishes targets for budget authority and outlays for each of the major functional categories, as well as for the five major budget aggregates--revenues, budget authority, outlays, deficit, and public debt. These budget targets, which represent a congressional determination of appropriate fiscal policy and national budget priorities, guide the Congress in its subsequent spending and revenue decisions. With the adoption of the second concurrent budget resolution, the aggregate budget authority, outlays, and revenue levels become binding.

Following adoption of the budget resolutions, the Budget Committee, aided by the CBO, provides up-to-date scorekeeping reports to inform Members as to how congressional action on spending and revenues compares with the budget aggregates and functional targets in the resolution.

On or before:	Action to be completed
May 15	Committees report bills authorizing new budget authority
May 15	Congress completes action on first concurrent resolution on the budget

May 15 is a key date in the new budget process for two reasons:

First, it is the deadline for the reporting of legislation authorizing new budget authority, a requirement imposed by Section 402 of the Act. Authorization measures reported after that date may be considered in the House only if an emergency waiver reported by the Rules Committee is adopted. Exempted from this May 15 reporting requirement are entitlement bills and omnibus social security legislation.

This reporting deadline is an important part of both the overall budget process and a prerequisite to the timely enactment of appropriation bills. In addition, section 607 of the Act requires advance submission by the Executive Branch of proposed authorizing legislation (that is, submission at least one year and 4½ months in advance of the fiscal year to which it applies); and the statement of managers on the Budget Act legislation expresses its expectation that the Congress will develop a pattern of advance authorizations for programs now authorized on an annual or multi-year basis.

Second, May 15 is the deadline for the adoption of the first budget resolution by the Congress; and prior to its adoption, neither House

may consider any revenue, spending, entitlement, or debt legislation. The only measures permitted to be considered prior to the adoption of the first resolution are those involving advance budget authority or changes in revenues which first become effective following the fiscal year dealt with in the first resolution.

In addition to the various matters required to be included in the resolution, the Act also provides for important material to be included in the joint statement of managers accompanying the conference report.

The joint statement must distribute the allocations of total budget authority and outlays contained in the resolution among the appropriate committees of the House and Senate. For example, if the conference report allocates $7 billion in budget authority and $6 billion in outlays for a certain functional category, the statement of managers must divide those amounts among the various committees of the House and Senate with jurisdiction over programs and authorities covered by that functional category. Each committee to which an allocation is made must, in turn, further subdivide its allocation among its subcommittees or programs, and promptly report such subdivisions to its House.

	Action to be completed
On or before 7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority

The next critical date in the budget process is the 7th day after Labor Day, the deadline for completing action on all regular budget authority and entitlement bills. The only exception to this requirement is for appropriations bills whose consideration has been delayed because necessary authorizing legislation has not been timely enacted.

This deadline is of critical importance for the budget process. While most spending legislation is expected to be acted upon in the months immediately following the adoption of the first resolution on May 15, it is crucial for all spending bills to be completed by the deadline date. The reason is that by the 7th day after Labor Day only three weeks will remain until the start of the new fiscal year, and during those weeks Congress must adopt a second budget resolution and undertake and complete a reconciliation process, if necessary.

Thus, even a small delay in completing authorizing and spending legislation can upset the timing of remaining budget actions (adoption of the second resolution and completion of the reconciliation process). Congress would then be forced into continued reliance on "continuing resolutions," a major defect sought to be corrected by the new budget process.

In addition, the report on the resolution compares the Budget Committee's revenue estimates and budget authority and outlay levels with the estimates and amounts in the President's budget. It also identifies the recommended sources of revenues; makes five-year budget projections; and indicates significant changes, if any, in Federal aid to States and localities.

The first budget resolution for a given fiscal year establishes targets for budget authority and outlays for each of the major functional categories, as well as for the five major budget aggregates--revenues, budget authority, outlays, deficit, and public debt. These budget targets, which represent a congressional determination of appropriate fiscal policy and national budget priorities, guide the Congress in its subsequent spending and revenue decisions. With the adoption of the second concurrent budget resolution, the aggregate budget authority, outlays, and revenue levels become binding.

Following adoption of the budget resolutions, the Budget Committee, aided by the CBO, provides up-to-date scorekeeping reports to inform Members as to how congressional action on spending and revenues compares with the budget aggregates and functional targets in the resolution.

On or before:	Action to be completed
May 15	Committees report bills authorizing new budget authority
May 15	Congress completes action on first concurrent resolution on the budget

May 15 is a key date in the new budget process for two reasons:

First, it is the deadline for the reporting of legislation authorizing new budget authority, a requirement imposed by Section 402 of the Act. Authorization measures reported after that date may be considered in the House only if an emergency waiver reported by the Rules Committee is adopted. Exempted from this May 15 reporting requirement are entitlement bills and omnibus social security legislation.

This reporting deadline is an important part of both the overall budget process and a prerequisite to the timely enactment of appropriation bills. In addition, section 607 of the Act requires advance submission by the Executive Branch of proposed authorizing legislation (that is, submission at least one year and 4½ months in advance of the fiscal year to which it applies); and the statement of managers on the Budget Act legislation expresses its expectation that the Congress will develop a pattern of advance authorizations for programs now authorized on an annual or multi-year basis.

Second, May 15 is the deadline for the adoption of the first budget resolution by the Congress; and prior to its adoption, neither House

may consider any revenue, spending, entitlement, or debt legislation. The only measures permitted to be considered prior to the adoption of the first resolution are those involving advance budget authority or changes in revenues which first become effective following the fiscal year dealt with in the first resolution.

In addition to the various matters required to be included in the resolution, the Act also provides for important material to be included in the joint statement of managers accompanying the conference report.

The joint statement must distribute the allocations of total budget authority and outlays contained in the resolution among the appropriate committees of the House and Senate. For example, if the conference report allocates $7 billion in budget authority and $6 billion in outlays for a certain functional category, the statement of managers must divide those amounts among the various committees of the House and Senate with jurisdiction over programs and authorities covered by that functional category. Each committee to which an allocation is made must, in turn, further subdivide its allocation among its subcommittees or programs, and promptly report such subdivisions to its House.

	Action to be completed
On or before 7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority

The next critical date in the budget process is the 7th day after Labor Day, the deadline for completing action on all regular budget authority and entitlement bills. The only exception to this requirement is for appropriations bills whose consideration has been delayed because necessary authorizing legislation has not been timely enacted.

This deadline is of critical importance for the budget process. While most spending legislation is expected to be acted upon in the months immediately following the adoption of the first resolution on May 15, it is crucial for all spending bills to be completed by the deadline date. The reason is that by the 7th day after Labor Day only three weeks will remain until the start of the new fiscal year, and during those weeks Congress must adopt a second budget resolution and undertake and complete a reconciliation process, if necessary.

Thus, even a small delay in completing authorizing and spending legislation can upset the timing of remaining budget actions (adoption of the second resolution and completion of the reconciliation process). Congress would then be forced into continued reliance on "continuing resolutions," a major defect sought to be corrected by the new budget process.

On or before:	Action to be completed
Sept. 15	Congress completes action on second required concurrent resolution on the budget
Sept. 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution

September 15 and 25 are, respectively, the dates for adoption of the second resolution and completion of the reconciliation process, the final phase of the new budget process.

The Act sets no deadline for reporting this second resolution. The date probably will vary from year to year depending on when action is completed on the various spending bills.

The second resolution affirms or revises, on the basis of new information and data, changed economic circumstances, and Congress' spending actions, the matters contained in the first resolution (that is, the "target" levels of budget authority and outlays, total revenues, and the public debt limit). In addition, the second resolution may direct the committees with jurisdiction over any changes to the House. The changes may include rescinding or amending appropriations and other spending legislation, raising or lowering revenues, making adjustments in the debt limit, or any combination of such actions.

For example, the resolution might call upon the Appropriations Committees to report legislation rescinding or amending appropriations, and the Ways and Means and Finance Committees to report legislation adjusting tax rates or the public debt limit. In addition, other committees may be called upon to report certain actions.

Implementing legislation solely within the jurisdiction of one committee is reported to the House or Senate by that Committee. However, if more than one committee is directed to report certain actions, then the committees submit their recommendations to the Budget Committees which compile the various actions, without substantive change, into a single reconciliation measure. This special procedure is necessary to expedite completion of the reconciliation process.

The Congress may not adjourn sine die until it has completed action on the second resolution and the reconciliation process. Furthermore, after adoption of the second resolution and completion of the reconciliation process, it is not in order in either House to consider any new spending legislation that would cause the aggregate levels of total budget authority or outlays adopted in that resolution to be exceeded, nor to consider a measure that would reduce total revenues below the levels in the resolution. Such legislation is subject to a point of order.

Of course, Congress may adopt a revision of its most recent resolution at any time during the fiscal year. In fact, the framers of the Budget Act anticipated that, in addition to the May and September resolutions, Congress may adopt at least one additional resolution each year, either in conjunction with a supplemental appropriations bill or in the event of sharp revisions in revenues or spending estimates brought on by major changes in the economy.

	Action to be completed
On or before Oct. 1 ----------	Fiscal year begins

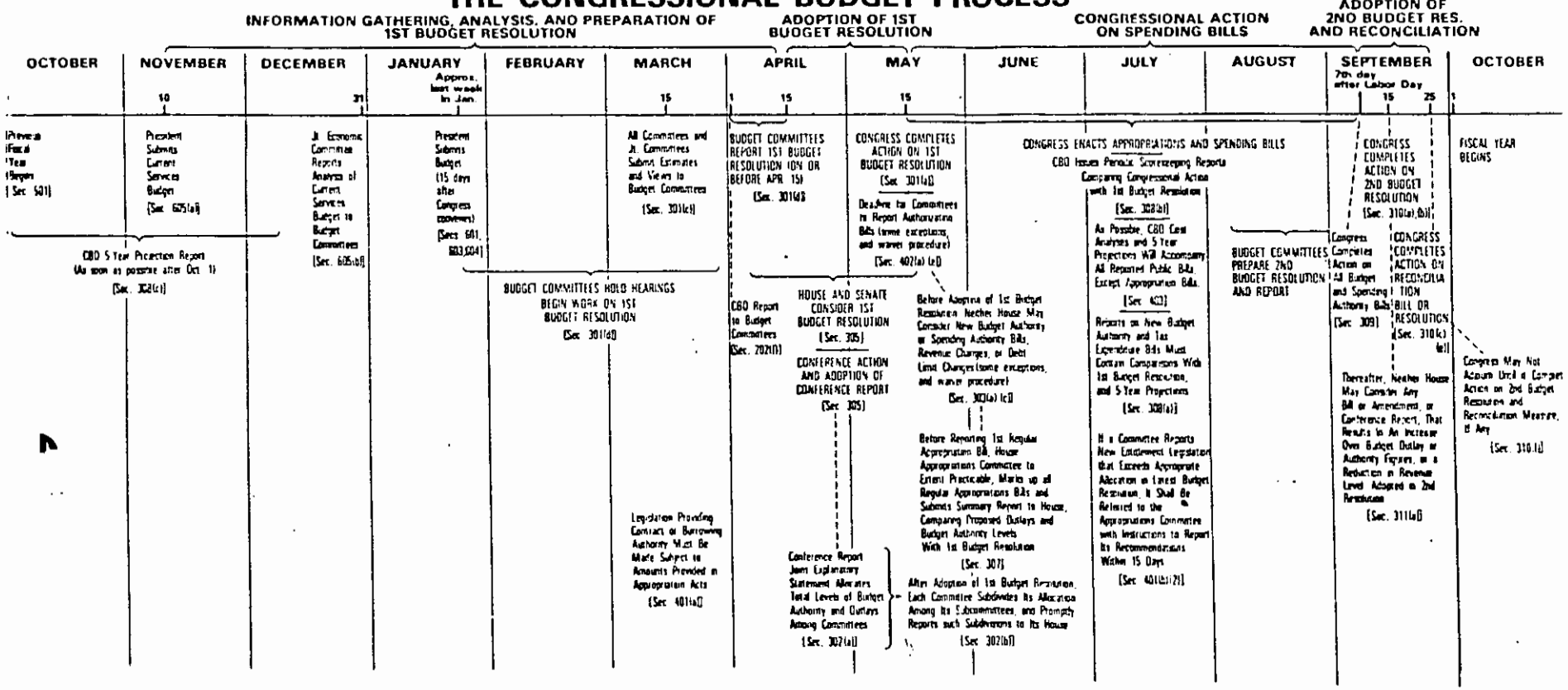
The completion of reconciliation actions beings the budget timetable to a close, five days before the start of the fiscal year on October 1.

* * * * *

The congressional budget timetable sets firm dates for key elements of the new system. Certain parts of the budget process cannot move ahead unless other actions are completed. Appropriations cannot be considered until the first budget resolution is adopted and necessary authorizations have been enacted. Reconciliation actions cannot be undertaken until action is completed on appropriation bills and the second budget resolution. Thus, failure to complete a particular action on schedule affects later actions as well. In short, the four main phases of the budget process (authorizations, budget resolutions, spending measures, and reconciliations) must be completed by the dates assigned to them in the Act.

HOUSE COMMITTEE ON THE BUDGET

THE CONGRESSIONAL BUDGET PROCESS



THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

IMPOUNDMENT CONTROL

Title X of the Act establishes procedures for congressional review of Presidential impoundment actions. This is a companion feature of the new budget control system. The title recognizes two types of impoundment actions by the Executive Branch: rescissions and deferrals.

Rescissions must be proposed by the President whenever he determines that (1) all or part of any budget authority will not be needed to carry out the full objectives of a particular program; (2) budget authority should be rescinded for fiscal reasons; or (3) all or part of budget authority provided for only one fiscal year is to be reserved from obligation for that year. In such cases, the President submits a special message to the Congress requesting rescission of the budget authority, explaining fully the circumstances and reasons for the proposed action. Unless both Houses of the Congress complete action on a rescission bill within 45 days, the budget authority must be made available for obligation.

Deferrals must be proposed by the President whenever any Executive action or inaction effectively precludes the obligation or expenditure of budget authority. In such cases, the President submits a special message to the Congress recommending the deferral of that budget authority. The President is required to make such budget authority available for obligation if either House passes an "impoundment resolution" disapproving the proposed deferral at any time after receipt of the special message.

Rescission and deferral messages are also to be transmitted to the Comptroller General who must review each message and advise the Congress of the facts surrounding the action and its probable effects. In the case of deferrals, he must state whether the deferral is, in his view, in accordance with existing statutory authority. The Comptroller General is also required to report to the Congress reserve or deferral actions which have not been reported by the President; and to report and reclassify any incorrect transmittals by the President.

If budget authority is not made available for obligation by the President as required by the impoundment control provisions, the Comptroller General is authorized to bring a civil action to bring about compliance. However, such action may not be brought until 25 days after the Comptroller General files an explanatory statement with the House and Senate.

The President is also required to submit monthly cumulative reports of proposed rescissions, reservations, and deferrals. These reports, to be published in the Federal Register, explain fully the factors that prompted the various impoundment actions.

APPROPRIATION STRUCTURE

- THIS SECTION CONTAINS A LISTING OF ALL APPROPRIATIONS AND FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.

- ANNUAL BUDGET REQUESTS ARE ADDRESSED IN TWO SEPARATE APPROPRIATIONS ACTS:

  - DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

    CONTAINS FUNDS FOR MILITARY PERSONNEL, RETIRED MILITARY PERSONNEL, OPERATION AND MAINTENANCE, PROCUREMENT, RESEARCH, DEVELOPMENT, TEST & EVALUATION, SPECIAL FOREIGN CURRENCY, AND REVOLVING AND MANAGEMENT FUNDS.

  - MILITARY CONSTRUCTION APPROPRIATIONS ACT

    CONTAINS FUNDS FOR MILITARY CONSTRUCTION AND FAMILY HOUSING.

APPROPRIATION TITLE

MILITARY PERSONNEL

- MILITARY PERSONNEL, ARMY
- MILITARY PERSONNEL, NAVY
- MILITARY PERSONNEL, MARINE CORPS
- MILITARY PERSONNEL, AIR FORCE
- RESERVE PERSONNEL, ARMY
- RESERVE PERSONNEL, NAVY
- RESERVE PERSONNEL, MARINE CORPS
- RESERVE PERSONNEL, AIR FORCE
- NATIONAL GUARD PERSONNEL, ARMY
- NATIONAL GUARD PERSONNEL, AIR FORCE

RETIRED PAY, DEFENSE

OPERATION AND MAINTENANCE

- OPERATION & MAINTENANCE, ARMY
- OPERATION & MAINTENANCE, NAVY
- OPERATION & MAINTENANCE, MARINE CORPS
- OPERATION & MAINTENANCE, AIR FORCE
- OPERATION & MAINTENANCE, DEFENSE AGENCIES
- OPERATION & MAINTENANCE, ARMY RESERVE
- OPERATION & MAINTENANCE, NAVY RESERVE
- OPERATION & MAINTENANCE, MARINE CORPS RESERVE
- OPERATION & MAINTENANCE, AIR FORCE RESERVE
- OPERATION & MAINTENANCE, ARMY NATIONAL GUARD
- OPERATION & MAINTENANCE, AIR NATIONAL GUARD
- RIFLE PRACTICE, ARMY
- CLAIMS, DEFENSE
- COURT OF MILITARY APPEALS, DEFENSE
- FOREIGN CURRENCY FLUCTUATION
- XIII OLYMPIC WINTER GAMES

PROCUREMENT

- AIRCRAFT PROCUREMENT, ARMY
- MISSILE PROCUREMENT, ARMY
- PROC. OF WEAPONS & TRACKED COMBAT VEHICLES, ARMY
- PROCUREMENT OF AMMUNITION, ARMY
- OTHER PROCUREMENT, ARMY
- AIRCRAFT PROCUREMENT, NAVY
- WEAPONS PROCUREMENT, NAVY
- SHIPBUILDING AND CONVERSION, NAVY
- OTHER PROCUREMENT, NAVY
- PROCUREMENT, MARINE CORPS
- AIRCRAFT PROCUREMENT, AIR FORCE
- MISSILE PROCUREMENT, AIR FORCE
- OTHER PROCUREMENT, AIR FORCE
- PROCUREMENT, DEFENSE AGENCIES

RESEARCH, DEVELOPMENT, TEST & EVALUATION
- RDT&E, ARMY
- RDT&E, NAVY
- RDT&E, AIR FORCE
- RDT&E, DEFENSE AGENCIES
- DIRECTOR OF TEST AND EVALUATION, DEFENSE

MILITARY CONSTRUCTION
- MILITARY CONSTRUCTION, ARMY
- MILITARY CONSTRUCTION, NAVY
- MILITARY CONSTRUCTION, AIR FORCE
- MILITARY CONSTRUCTION, DEFENSE AGENCIES
- NATO INFRASTRUCTURE
- MIL CON, ARMY NATIONAL GUARD
- MIL CON, AIR NATIONAL GUARD
- MIL CON, ARMY RESERVE
- MIL CON, NAVAL RESERVE
- MIL CON, AIR FORCE RESERVE

FAMILY HOUSING, DEFENSE
- FAMILY HOUSING, CONSTRUCTION
- FAMILY HOUSING, DEBT PAYMENT
- FAMILY HOUSING, OPERATIONS
- FOREIGN CURRENCY FLUCTUATION, CONSTRUCTION, DEFENSE
- HOMEOWNERS ASSISTANCE FUND, DEFENSE

SPECIAL FOREIGN CURRENCY PROGRAM

REVOLVING AND MANAGEMENT FUNDS
- DEFENSE PRODUCTION GUARANTEES, ARMY
- DEFENSE PRODUCTION GUARANTEES, NAVY
- DEFENSE PRODUCTION GUARANTEES, AIR FORCE
- LAUNDRY SERVICE, NAVAL ACADEMY
- NAVAL WORKING FUND
- ARMY STOCK FUND
- NAVY STOCK FUND
- MARINE CORPS STOCK FUND
- AIR FORCE STOCK FUND
- DEFENSE STOCK FUND
- ARMY INDUSTRIAL FUND
- NAVY INDUSTRIAL FUND
- MARINE CORPS INDUSTRIAL FUND
- AIR FORCE INDUSTRIAL FUND
- DEFENSE INDUSTRIAL FUND
- ARMY MANAGEMENT FUND
- NAVY MANAGEMENT FUND
- AIR FORCE MANAGEMENT FUND

DEDUCTIONS FOR OFFSETTING RECEIPTS
- OFFSETTING RECEIPTS, ARMY
- OFFSETTING RECEIPTS, NAVY
- OFFSETTING RECEIPTS, AIR FORCE
- OFFSETTING RECEIPTS, DEFENSE

DEFENSE-WIDE CONTINGENCIES
- CIVILIAN AND MILITARY PAY RAISES

OTHER LEGISLATION
- OTHER MILITARY ENTITLEMENTS
- UNIFORMED SERVICES RETIREMENT MODERNIZATION
- MILITARY PERSONNEL TRAVEL ALLOWANCES

TRUST FUNDS
- TRUST FUNDS, ARMY
- TRUST FUNDS, NAVY
- TRUST FUNDS, AIR FORCE
- TRUST REVOLVING FUNDS, ARMY
- TRUST REVOLVING FUNDS, NAVY
- TRUST REVOLVING FUNDS, AIR FORCE

- INTRAGOVERNMENTAL TRUST FUND, NAVY

THE PROCESS OF BUDGET EXECUTION

Office of The
Assistant Secretary of Defense
(Comptroller)

THE PROCESS OF BUDGET EXECUTION

- THIS BRIEFING DEALS WITH THE MATTER OF DEPARTMENT OF DEFENSE UNOBLIGATED AND UNEXPENDED BALANCES – A SUBJECT WHICH IS FREQUENTLY DISCUSSED AND OFTEN MISUNDERSTOOD.
- JUST AS IN THE SUBTITLE FOR THIS BRIEFING, THERE IS OFTEN A TENDENCY TO ATTACH A SUBJECTIVE QUALITY TO THESE TERMS.
- THESE TERMS ARE FREQUENTLY USED IN AN ABSTRACT WAY AND ADDRESSED AS IF THEY WERE A MEANS TO AN END.
- IT IS IMPORTANT TO UNDERSTAND THE PROCESS OF BUDGET EXECUTION, BECAUSE UNOBLIGATED AND UNEXPENDED BALANCES BECOME AN ARITHMETIC DERIVATIVE.

THE PROCESS OF BUDGET EXECUTION

[redacted]

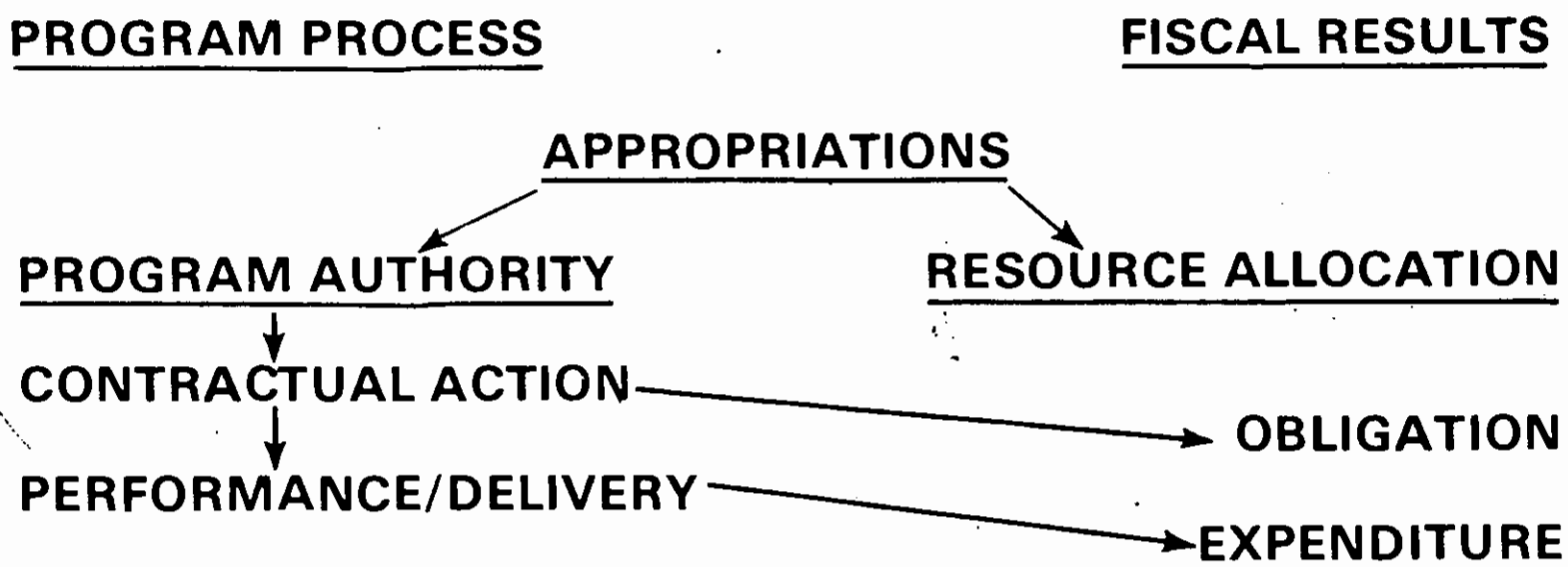
[redacted]

UNOBLIGATED
AND
UNEXPENDED BALANCES

EVENTS IN THE EXECUTION PROCESS

- THE LEGISLATIVE PROCESS PROVIDES BOTH THE AUTHORITY AND THE RESOURCES TO ACCOMPLISH DEPARTMENT OF DEFENSE PROGRAM OBJECTIVES.
- THE PROCESS IS EVENT ORIENTED.
- CONTRACTUAL ACTION INVOLVING PERSONAL SERVICES OR MATERIEL RESULTS IN OBLIGATIONS.
- PAYMENTS FOR PERFORMANCE RENDERED OR DELIVERY OF MATERIEL RESULTS IN EXPENDITURES.

EVENTS IN THE EXECUTION PROCESS



TIME PHASING OF THE EXECUTION PROCESS

- IF THE EVENTS IN THE EXECUTION PROCESS WERE COMPLETED ENTIRELY WITHIN EACH FISCAL YEAR, THERE WOULD BE NO UNOBLIGATED OR UNEXPENDED BALANCES.
- IF WE WERE DEALING ENTIRELY WITH OPERATING PROGRAMS IN THE DEPARTMENT OF DEFENSE BUDGET, THERE WOULD BE NO UNOBLIGATED BALANCES AT THE END OF EACH YEAR AND ONLY MODEST UNEXPENDED BALANCES.
- NEITHER OF THE FOREGOING TWO CONDITIONS APPLIES SINCE THE BUDGET DEALS ALSO WITH MAJOR CAPITAL INVESTMENTS.
- CONGRESS FULLY FUNDS THE CAPITAL INVESTMENTS APPROVED IN THE ANNUAL BUDGET, AND RECOGNIZES THE TIME PHASING REQUIREMENTS OF THE ACQUISITION PROCESS BY PROVIDING APPROPRIATION OBLIGATION LIFE SPANS AS APPROPRIATE TO THE VARIOUS FUNCTIONAL AREAS.

TIME PHASING OF THE EXECUTION PROCESS

OPERATIONS

- 1 YEAR APPROPRIATION LIFE
- 100% OBLIGATED IN 1ST YEAR
- 87% EXPENDED IN 1ST YEAR

R&D

- 2 YEAR APPROPRIATION LIFE
- 93% OBLIGATED IN 1ST YEAR
- 58% EXPENDED IN 1ST YEAR

PROCUREMENT (EXCL. SHIPBUILDING)

- 3 YEAR APPROPRIATION LIFE
- 76% OBLIGATED IN 1ST YEAR
- 13% EXPENDED IN 1ST YEAR

SHIPBUILDING

- 5 YEAR APPROPRIATION LIFE
- 51% OBLIGATED IN 1ST YEAR
- 5% EXPENDED IN 1ST YEAR

MILITARY CONSTRUCTION

- 5 YEAR APPROPRIATION LIFE
- 75% OBLIGATED IN 1ST YEAR
- 11% EXPENDED IN 1ST YEAR

DEPARTMENT OF DEFENSE BUDGET

MILITARY FUNCTIONS UNOBLIGATED AND UNEXPENDED BALANCES

- THE TIME SPAN REQUIRED FOR ORDERLY BUDGET EXECUTION IS SUCH THAT THERE WILL AND SHOULD BE BALANCES.
- UNOBLIGATED BALANCES REPRESENT PROGRAMS, OR PORTIONS OF PROGRAMS, WHICH HAVE NOT YET BEEN PLACED UNDER CONTRACT.
- WE WOULD EXPECT THE UNOBLIGATED BALANCES TO PERTAIN TO CAPITAL INVESTMENT PROGRAMS IN GENERAL AND TO THE MAJOR PROCUREMENT AREA IN PARTICULAR.
- IT IS IMPORTANT TO RECOGNIZE THAT BY FAR THE LARGER PORTION OF UNEXPENDED BALANCES REPRESENTS PROGRAMS WHICH HAVE REACHED THE CONTRACTUAL ACTION STAGE OF THE EXECUTION PROCESS. THESE BALANCES REPRESENT LEGAL OBLIGATIONS AGAINST WHICH PAYMENT MUST ULTIMATELY BE MADE.

DEPARTMENT OF DEFENSE BUDGET
MILITARY FUNCTIONS UNOBLIGATED AND UNEXPENDED BALANCES
($ BILLIONS)

	6/30/73	6/30/74	6/30/75	9/30/76	9/30/77	9/30/78	9/30/79	EST. 9/30/80	EST. 9/30/81
UNOBLIGATED BALANCES	12.7	15.1	16.7	21.0	20.0	21.3	23.0	24.4	23.8
OBLIGATED BALANCES	26.9	28.5	27.1	30.3	42.7	52.4	60.9	70.4	86.4
UNEXPENDED BALANCES	39.6	43.6	43.9	51.3	62.7	73.6	83.9	94.8	110.1

DOD UNOBLIGATED BALANCES
END OF FISCAL YEAR, 1978-81

- THE TRENDS AND BALANCES IN THE AREAS OTHER THAN PROCUREMENT ARE FAIRLY CONSTANT.
- THE RDT&E PROGRAM IS INCREMENTLY FUNDED AND OBLIGATES ON THE ORDER OF 93% IN THE INITIAL YEAR.
- MILITARY CONSTRUCTION, WHILE FULLY FUNDED AS A CAPITAL INVESTMENT, IS A RELATIVELY SMALL PORTION OF THE TOTAL DEPARTMENT OF DEFENSE BUDGET AND THE BALANCES ARE ACCORDINGLY MODEST.
- THE INDUSTRIAL FUNDS ARE REVOLVING FUNDS WHICH FINANCE THE OPERATIONS OF SHIPYARDS, ARSENALS, DEPOTS, AND OTHER COMMERCIAL AND INDUSTRIAL TYPE OF INHOUSE DOD ACTIVITIES.
- THE STOCK FUNDS ARE ALSO REVOLVING AND MANAGEMENT FUNDS WHICH FINANCE THE PURCHASE OF CONSUMABLE MATERIALS FOR RESALE TO THE MILITARY SERVICES AND OTHER AUTHORIZED CUSTOMERS. CONSUMABLE MOBILIZATION RESERVE MATERIALS ARE ALSO PURCHASED THROUGH THE STOCK FUNDS.
- AS EXPECTED THE LARGEST PORTION OF OUR UNOBLIGATED BALANCES APPLIES TO THE PROCUREMENT APPROPRIATIONS WHEREIN WE FINANCE THE ACQUISITION OF AIRCRAFT, MISSILES, SHIPS, TRACKED COMBAT VEHICLES, AND OTHER WEAPONS AND MATERIAL.

DOD UNOBLIGATED BALANCES
END OF FISCAL YEAR 1978-81
($ BILLIONS)

	9/30/78	9/30/79	EST. 9/30/80	EST. 9/30/81
PROCUREMENT	15.8	15.1	17.9	17.9
RDT&E	.9	1.1	1.1	1.3
MILITARY CONSTRUCTION	1.5	1.5	1.5	1.7
FAMILY HOUSING	.2	.2	.1	.2
INDUSTRIAL FUNDS	2.7	3.4	3.2	2.6
STOCK FUNDS	–	1.6	.5	–
TRUST FUNDS	.1	.1	.1	.1
TOTAL UNOBLIGATED BALANCES	21.3	23.0	24.4	23.8

PROCUREMENT APPROPRIATIONS UNOBLIGATED BALANCES

- WITHIN THE PROCUREMENT AREA THE NAVY SHIPBUILDING PROGRAM ACCOUNTS FOR THE LARGEST SINGLE PORTION OF THE UNOBLIGATED BALANCES.
- BALANCES IN OTHER APPROPRIATIONS VARY DEPENDING UPON THE NATURE AND SIZE OF THE PROGRAM.
- A COMPARISON OF THE BALANCES, EXCLUSIVE OF SHIPBUILDING, WITH THE PROGRAM VALUE EACH YEAR INDICATES THAT THE RELATIONSHIPS ARE STABLE AND REASONABLY PREDICTABLE. THE FOLLOWING TWO CHARTS PROVIDE AN AGING ANALYSIS OF BOTH UNOBLIGATED AND UNEXPENDED BALANCES IN THESE AREAS.

PROCUREMENT APPROPRIATIONS
UNOBLIGATED BALANCES
($ MILLIONS)

	9/30/78	9/30/79	EST. 9/30/80	EST. 9/30/81
AIRCRAFT, ARMY	183	193	234	236
MISSILES, ARMY	130	197	301	334
WPNS. AND TR. COMBAT VEH., ARMY	310	336	394	511
AMMUNITION, ARMY	452	479	520	577
OTHER, ARMY	802	750	715	897
AIRCRAFT, NAVY	1,031	1,306	1,096	1,589
WEAPONS, NAVY	998	878	847	976
SHIPBUILDING, NAVY	6,550	6,317	8,090	6,173
OTHER, NAVY	734	830	761	885
MARINE CORPS	130	207	143	198
AIRCRAFT, AIR FORCE	2,770	2,227	2,857	3,033
MISSILES, AIR FORCE	825	589	956	1,370
OTHER, AIR FORCE	752	599	839	986
DEFENSE AGENCIES	145	152	143	91
TOTAL UNOBLIGATED BALANCES	15,812	15,062	17,897	17,854
UNOBLIGATED BALANCES: AS A PERCENT OF AVAILABILITY	32.0%	30.7%	33.8%	29.6%

ANALYSIS OF PROCUREMENT (EXCLUDING SCN) UNOBLIGATED AND UNEXPENDED BALANCES

- APPROXIMATELY THREE-FOURTHS OF THE UNOBLIGATED BALANCES REPRESENT APPROPRIATIONS THAT ARE NO MORE THAN ONE YEAR OLD.

- ON THE ORDER OF 80% OF THE UNEXPENDED BALANCES REPRESENT APPROPRIATIONS THAT ARE NO MORE THAN TWO YEARS OLD.

ANALYSIS OF PROCUREMENT (EXCLUDING SCN) UNOBLIGATED AND UNEXPENDED BALANCES

($ BILLIONS)

	71	72	73	74	75	76	77	78	79	80	81
UNOBLIGATED BALANCE	6.5	5.1	5.4	6.7	7.5	10.2	9.3	9.3	8.7	9.8	11.7
1ST YEAR BALANCE	6.5	3.5	3.4	5.5	5.9	8.4	7.1	6.8	6.2	7.3	8.9
2ND YEAR BALANCE		1.6	2.0	1.2	1.6	1.8	2.2	2.4	2.6	2.5	2.8
UNEXPENDED BALANCE	17.9	17.3	18.1	18.4	18.4	22.4	28.9	34.9	39.9	45.3	53.7
1ST YEAR BALANCE	17.9	11.4	12.2	11.6	11.6	16.4	19.0	21.6	22.8	25.4	29.9
2ND YEAR BALANCE		5.9	4.1	4.9	5.0	4.2	7.8	9.8	11.7	12.6	14.4
3RD YEAR BALANCE			1.8	1.1	1.1	1.0	1.2	2.5	3.7	5.0	5.6
4TH YEAR BALANCE				.8	.3	.3	.4	.4	1.0	1.4	2.4
PRIOR YEARS					.4	.5	.5	.6	.7	.9	1.4

ANALYSIS OF SCN UNOBLIGATED AND UNEXPENDED BALANCES

- IN THE CASE OF SHIPBUILDING, THE AGING PATTERN VARIES BECAUSE OF THE MORE EXTENDED ACQUISITION CYCLE.

ANALYSIS OF SCN
UNOBLIGATED AND UNEXPENDED BALANCES
($ BILLIONS)

	71	72	73	74	75	76	77	78	79	80	81
UNOBLIGATED BALANCE	2.0	2.6	3.2	4.0	4.9	4.6	5.6	6.6	6.3	8.1	6.2
1ST YEAR BALANCE	2.0	1.4	1.4	2.0	2.7	2.0	3.1	2.9	2.2	3.8	3.0
2ND YEAR BALANCE		1.2	.9	.8	1.4	1.5	1.5	2.3	1.8	1.7	1.7
3RD YEAR BALANCE			.9	.7	.4	.9	.5	1.1	1.5	1.3	.7
4TH YEAR BALANCE				.5	.4	.2	.4	.2	.8	1.3	.8
5TH YEAR BALANCE							.1	.1			
UNEXPENDED BALANCE	5.5	6.6	7.5	8.9	9.1	10.2	13.2	15.8	16.5	18.9	20.6
1ST YEAR BALANCE	5.5	2.7	2.8	3.2	3.1	4.1	5.6	5.6	4.3	6.5	6.0
2ND YEAR BALANCE		3.9	2.1	2.2	2.6	2.4	3.4	4.9	4.8	3.2	5.6
3RD YEAR BALANCE			2.6	1.7	1.7	1.8	1.9	2.8	3.7	3.7	2.3
4TH YEAR BALANCE				1.8	1.0	1.1	1.2	1.2	1.9	2.9	2.7
PRIOR YEARS					.7	.8	1.1	1.3	1.8	2.6	4.0

AIRCRAFT EXECUTION

(BASED ON FY 1976 A-10 PROGRAM)

- TO ILLUSTRATE THE TIME-PHASED ASPECT OF BUDGET EXECUTION, THIS CHART SUMMARIZES CONTRACTUAL ACTION FOR THE FY 1976 A-10 AIRCRAFT PROGRAM.
- FOURTEEN SEPARATE CONTRACTS WERE INVOLVED.
- APPROXIMATELY 70% OF THE PROGRAM WAS OBLIGATED IN THE FIRST YEAR, AND THE REMAINDER WAS OBLIGATED IN APPROXIMATELY EQUAL INCREMENTS DURING THE SECOND AND THIRD YEARS.
- WHILE THE PRECISE PHASING FOR INDIVIDUAL PROGRAMS WILL VARY, WE ARE ABLE TO RELY UPON AGGREGATED HISTORICAL DATA TO MAKE REASONABLY ACCURATE BUDGET PROJECTIONS.

AIRCRAFT EXECUTION

(BASED ON FY 1976 A-10 PROGRAM)

$ IN MILLIONS

AIRCRAFT	PROGRAM	ACTUAL OBLIGATIONS YR. 1	YR. 2	YR. 3
AIRFRAME	156	135	149	156
ENG. CHANGE ORD.		(9)	(5)	(—)
RESERVE FOR INCENTIVES		(3)	(—)	(—)
RESERVE FOR ESCALATION		(7)	(2)	(—)
RESERVE FOR CLAIMS		(2)	(—)	(—)
ENGINES	54	40	47	54
ENGINE ACCESSORIES		(6)	(2)	(—)
RESERVE FOR INCENTIVES		(2)	(2)	(—)
RESERVE FOR ESCALATION		(6)	(3)	(—)
ELECTRONICS	5	4	5	5
GFE		(1)	(—)	(—)
SUPPORT	65	14	36	65
TRAINING EQUIPMENT		(12)	(5)	(—)
GROUND EQUIPMENT		(32)	(20)	(—)
DATA		(7)	(4)	(—)
OTHER	13	12	13	13
ORDNANCE		(1)	(—)	(—)
PROGRAM	293			
TOTAL OBLIGATIONS	—	205	250	293
UNOBLIGATED	—	(88)	(43)	(0)

DEPARTMENT OF DEFENSE BUDGET
FY 1979 OBLIGATIONS AND OUTLAYS

- ESTIMATES OF OBLIGATIONS EACH YEAR INCLUDE BOTH THE DIRECT (APPROPRIATED FUND) PROGRAM AND THE REIMBURSABLE (CUSTOMER) PROGRAM.
- OUTLAY ESTIMATES DEPEND HEAVILY UPON HISTORICAL DATA SINCE DISBURSEMENTS ARE MADE AT NUMEROUS CENTRALIZED FISCAL LOCATIONS, AND NOT THROUGH THE INDIVIDUAL PROGRAM MANAGER ORGANIZATIONS.
- THIS CHART COMPARES THE FY 1979 ACTUALS TO THE ESTIMATES REFLECTED IN THE FY 1980 PRESIDENT'S BUDGET (JANUARY 1979).
- AFTER ADJUSTING THE PLANS ONLY FOR APPROPRIATIONS AND CUSTOMER ORDERS WHICH FAILED TO MATERIALIZE, THE ACTUAL OBLIGATIONS FOR FY 1979 WERE AT 100.1% OF THE ESTIMATE AND OUTLAYS AT 102.8%.

DEPARTMENT OF DEFENSE BUDGET
FY 1979 OBLIGATIONS AND OUTLAYS
($ BILLIONS)

	OBLIGATIONS	OUTLAYS
PLAN	169.9	112.4
ADJUSTED AVAILABILITY	-1.1	-.5
REVISED PLAN	168.8	111.9
ACTUAL	169.0	115.0
ACTUAL AS % OF REVISED PLAN	100.1%	102.8%

FEDERAL GOVERNMENT UNOBLIGATED AND UNEXPENDED BALANCES

- OUR UNEXPENDED AND UNOBLIGATED BALANCES ARE IN FACT LARGE BUT THEY ARE PREDICTED AND PREDICTABLE.
- THE BALANCES FOR THE TOTAL FEDERAL GOVERNMENT ARE EVEN MORE IMPRESSIVE, WITH A PROJECTED TOTAL UNEXPENDED BALANCE EXCEEDING FOUR-FIFTHS OF A TRILLION DOLLARS BY END FY 1981.
- DOD ESTIMATED BALANCES FOR FY 1979 (WHICH ENDED 9/30/79) COMPARE FAVORABLY WITH THE ACTUAL RESULTS.
- THE FY 1979 ESTIMATES VS ACTUAL FOR OTHER AGENCIES UNDERSCORES THE FACT THAT WE ARE DEALING WITH ESTIMATES AND NOT A PRECISE SCIENCE.

FEDERAL GOVERNMENT UNOBLIGATED AND UNEXPENDED BALANCES ($ BILLIONS)

	9/30/78	9/30/79 AS FORECAST JANUARY 1979	9/30/79	EST. 9/30/80	EST. 9/30/81
FEDERAL FUNDS					
UNOBLIGATED BALANCES					
DOD MILITARY	21.2	22.4	22.9	24.4	23.7
OTHER AGENCIES	101.0	65.6	85.8	104.4	103.7
FEDERAL GOVERNMENT TOTAL	122.1	88.0	108.7	128.8	127.3
UNEXPENDED BALANCES					
DOD MILITARY	73.4	86.6	83.7	94.7	110.0
OTHER AGENCIES	386.6	398.0	409.4	471.1	511.4
FEDERAL GOVERNMENT TOTAL	460.1	484.6	493.1	565.8	621.4
TRUST FUNDS					
UNOBLIGATED BALANCES					
DOD MILITARY	.1	.1	.1	.1	.1
OTHER AGENCIES	135.6	149.7	148.3	158.3	169.8
FEDERAL GOVERNMENT TOTAL	135.8	149.8	148.4	158.4	169.9
UNEXPENDED BALANCES					
DOD MILITARY	.2	.2	.2	.2	.1
OTHER AGENCIES	179.1	199.3	195.0	209.4	225.2
FEDERAL GOVERNMENT TOTAL	179.3	199.5	195.1	209.5	225.4
TOTAL FEDERAL FUNDS & TRUST FUNDS					
UNOBLIGATED BALANCES					
DOD MILITARY	21.3	22.5	23.0	24.4	23.8
OTHER AGENCIES	236.6	215.3	234.1	262.7	273.5
FEDERAL GOVERNMENT TOTAL	257.9	237.8	257.1	287.2	297.2
UNEXPENDED BALANCES					
DOD MILITARY	73.6	86.8	83.9	94.8	110.1
OTHER AGENCIES	565.8	597.3	604.3	680.5	736.6
FEDERAL GOVERNMENT TOTAL	639.4	684.1	688.2	775.3	846.8

FEDERAL GOVERNMENT
UNOBLIGATED AND UNEXPENDED BALANCES

- THIS CHART HELPS TO ILLUSTRATE THAT WE ARE DEALING WITH THE PHENOMENON OF LARGE NUMBERS.
- AS A RESULT OF PROGRAM GROWTH TO A DEGREE AND INFLATION TO A LARGER DEGREE, THE BALANCES MUST BE EXPECTED TO GROW.
- DOD UNOBLIGATED BALANCES OF $13.0 BILLION AND UNEXPENDED BALANCES OF $36.0 BILLION A DECADE AGO WERE VERY LARGE NUMBERS.
- CONVERTING THESE FY 1971 BALANCES TO CONSTANT FY 1981 PRICES MAKES THEM EVEN MORE IMPRESSIVE.

FEDERAL GOVERNMENT UNOBLIGATED AND UNEXPENDED BALANCES
($ BILLIONS)

	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	EST FY 1980	EST FY 1981
CURRENT PRICES											
UNOBLIGATED BALANCES											
DOD MILITARY	13.0	11.9	12.7	15.1	16.7	21.0	20.0	21.3	23.0	24.4	23.8
OTHER AGENCIES	161.9	165.3	174.3	219.2	271.5	247.7	233.8	236.6	234.1	262.7	273.5
FEDERAL GOVERNMENT TOTAL	174.8	177.2	187.0	234.3	288.3	268.7	253.8	257.9	257.1	287.2	297.2
UNEXPENDED BALANCES											
DOD MILITARY	36.0	35.9	39.6	43.7	44.0	51.4	62.6	73.6	83.9	94.8	110.1
OTHER AGENCIES	224.9	233.7	254.1	379.0	462.9	490.2	526.3	565.8	604.3	680.5	736.6
FEDERAL GOVERNMENT TOTAL	260.9	269.5	293.7	422.7	506.9	541.5	589.0	639.4	688.2	775.3	846.8
CONSTANT 1981 PRICES											
UNOBLIGATED BALANCES											
DOD MILITARY	27.2	23.6	23.5	25.9	26.6	31.3	27.5	27.0	26.9	26.4	23.8
OTHER AGENCIES	339.1	327.3	322.7	376.1	432.2	369.7	321.0	300.4	273.9	283.8	273.5
FEDERAL GOVERNMENT TOTAL	366.3	350.9	346.2	402.0	458.8	401.0	348.5	327.4	300.8	310.2	297.2
UNEXPENDED BALANCES											
DOD MILITARY	76.9	73.8	78.6	79.2	70.0	76.4	86.9	95.4	99.8	103.2	110.1
OTHER AGENCIES	480.2	480.4	504.5	686.7	736.6	728.3	730.4	733.5	719.0	741.0	736.6
FEDERAL GOVERNMENT TOTAL	577.1	554.2	583.1	765.9	806.7	804.7	817.3	828.9	818.8	844.2	846.8

GAO REVIEW IN 1977 OF DOD UNOBLIGATED BALANCES

- WITHIN DOD PROGRAM PERFORMANCE IS MONITORED ON A CONTINUOUS BASIS.
- IN 1977, AT THE REQUEST OF THE CONGRESSIONAL BUDGET COMMITTEES, THE GENERAL ACCOUNTING OFFICE (GAO) CONDUCTED A SPECIAL REVIEW.
- THE CONCLUSIONS ON THIS CHART WERE INCLUDED AMONG THE PRINCIPAL GAO FINDINGS.

GAO REVIEW IN 1977 OF DOD UNOBLIGATED BALANCES

- GAO DID NOT FIND EVIDENCE THAT THE BUILD-UP IN UNOBLIGATED BALANCES FOR DEFENSE'S PROCUREMENTS BETWEEN JULY 1, 1972, AND SEPTEMBER 30, 1976, REPRESENTED A DEFENSE INABILITY TO PERFORM ITS PROGRAMS

- MOST OF THE INCREASE IN DEFENSE'S PROCUREMENT UNOBLIGATED TOTAL WAS DUE TO PROGRAMMED GROWTH RATHER THAN AN OBLIGATION RATE DECLINE

- THERE WAS NO EVIDENCE THAT ALLOWANCES FOR ENGINEERING CHANGE ORDERS AND INFLATION WERE OVERESTIMATED

SUMMARY

- A NEGATIVE CONNOTATION SHOULD NOT BE ATTACHED TO THE EXISTENCE OF UNOBLIGATED AND UNEXPENDED BALANCES. MISIMPRESSION EXISTS AMONG MANY THAT THESE BALANCES ARE COMPARABLE TO NON-INTEREST BEARING CASH IN AN INDIVIDUAL'S CHECKING ACCOUNT.
- COMPLETE ABANDONMENT OF THE FULL FUNDING PRACTICE WOULD MAKE LESS THAN ONE-FIFTH OF THE TOTAL UNEXPENDED BALANCES DISAPPEAR WHILE ADDING CONSIDERABLE COMPLICATIONS TO THE ANNUAL BUDGET PROCESS.
- ABANDONMENT OF THE FULL FUNDING PRINCIPLE WOULD ALSO REQUIRE THE DEVELOPMENT OF ANOTHER TERM COMPARABLE TO BUDGET AUTHORITY IN ORDER TO PROVIDE VISIBILITY WITH RESPECT TO THE TRUE LIABILITY OF THE FEDERAL GOVERNMENT.

SUMMARY

- UNOBLIGATED AND UNEXPENDED BALANCES PROVIDE A USEFUL MEASURE OF FEDERAL GOVERNMENT COMMITMENTS
- SUCH BALANCES DO NOT REPRESENT IDLE CASH
- TAX POLICIES AND TREASURY BORROWING PRACTICES ARE BASED UPON AMOUNTS TO BE EXPENDED WITHIN EACH FISCAL YEAR
- UNEXPENDED BUT OBLIGATED BALANCES CAN BE REDUCED BY CANCELLATION OF CONTRACTS
- UNEXPENDED AND UNOBLIGATED BALANCES CAN BE REDUCED BY CANCELLATION OF PROGRAMS OR BY ABANDONING THE CONGRESSIONAL PRINCIPLE OF "FULL FUNDING" CAPITAL INVESTMENTS

BUDGET EXECUTION FLEXIBILITIES

Office of The
Assistant Secretary of Defense
(Comptroller)

BUDGET EXECUTION FLEXIBILITIES

- REPROGRAMING
- TRANSFER AUTHORITY
- FOREIGN CURRENCY FLUCTUATION
- EMERGENCY AND EXTRAORDINARY EXPENSES
- SECTION 3732 DEFICIENCY AUTHORITY
- WORKING CAPITAL FUNDS TRANSFER AUTHORITY
- PERMANENT AUTHORITY
- FUNCTIONAL TRANSFERS
- EMERGENCY MILITARY CONSTRUCTION
- MILITARY CONSTRUCTION CONTINGENCY AUTHORITY AND FUNDS
- TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH
- TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH FACILITIES CONSTRUCTION
- CONSTRUCTION PROJECTS COST VARIATIONS
- RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED
- MINOR CONSTRUCTION

REPROGRAMING

Example of Use

A $44.0 MILLION REPROGRAMING REQUEST WAS APPROVED TO CREATE AN ADVANCE BUY LINE IN THE BACK-UP TITAN III BOOSTER PROGRAM IN FY 1980. THE OVERALL GOAL OF THE PROGRAM WAS TO TAKE INITIAL STEPS TO MAINTAIN CRITICAL TITAN III PRODUCTION CAPABILITY UNTIL INITIAL OPERATIONAL CAPABILITY OF THE SPACE SHUTTLE THROUGH ACQUISITION OF LONG-LEAD ITEMS. SOURCES OF FUNDING FOR THE INCREASE WERE FROM PROCUREMENT AND RDT&E APPROPRIATIONS.

REPROGRAMING

- APPLIES TO APPROPRIATIONS IN THE ANNUAL DOD APPROPRIATION ACT - MILITARY PERSONNEL, OPERATION & MAINTENANCE, PROCUREMENT, AND RESEARCH AND DEVELOPMENT.

- BASED UPON AGREEMENTS BETWEEN DOD AND THE CONGRESSIONAL ARMED SERVICES AND APPROPRIATIONS COMMITTEES..

- PROVIDES FLEXIBILITY TO REVISE THE PROGRAMS WITHIN AN APPROPRIATION.

- SOME ACTIONS MAY BE APPROVED BY THE MILITARY DEPARTMENTS AND DEFENSE AGENCIES; OTHERS REQUIRE APPROVAL BY THE SECRETARY OF DEFENSE AND NOTIFICATION OF, OR PRIOR APPROVAL BY, THE CONGRESSIONAL COMMITTEES SPECIFIED.

- A SUMMARY REPORT OF ALL REPROGRAMING ACTIONS IS SUBMITTED TO THE CONGRESS SEMIANNUALLY.

- CONSIDERABLE PRESSURE FROM THE COMMITTEES TO MINIMIZE REPROGRAMING. SECTION 743 OF THE 1980 ACT STATES THAT "NO PART OF THE FUNDS IN THIS ACT SHALL BE AVAILABLE TO PREPARE OR PRESENT A REQUEST TO THE COMMITTEES ON APPROPRIATIONS FOR THE REPROGRAMING OF FUNDS, UNLESS FOR HIGHER PRIORITY ITEMS, BASED ON UNFORESEEN MILITARY REQUIREMENTS, THAN THOSE FOR WHICH ORIGINALLY APPROPRIATED AND IN NO CASE WHERE THE ITEM FOR WHICH REPROGRAMING IS REQUESTED HAS BEEN DENIED BY THE CONGRESS."

APPROVAL AND/OR NOTIFICATION REQUIREMENTS FOR REPROGRAMMING ACTION

OOD COMPONENT ACTION	OSO ACTION			
OOD INSTRUCTION 7250.10 DATED JANUARY 10, 1980 "IMPLEMENTATION OF REPROGRAMING OF APPROPRIATED FUNDS," REQUIRES PRIOR APPROVAL OF THE SECRETARY OF DEFENSE OR THE DEPUTY SECRETARY OF DEFENSE FOR THE FOLLOWING:	OBTAIN PRIOR APPROVAL OF HOUSE & SENATE COMMITTEES ON		NOTIFY HOUSE AND SENATE COMMITTEES	
	ARMED SERVICES	APPRO-PRIAT.	ARMED SERVICES	APPRO-PRIAT.
1. ACTIONS REQUIRING PRIOR COMMITTEE APPROVAL.				
A. ANY REPROGRAMING TO INCREASE THE PROCUREMENT QUANTITY OF AN INDIVIDUAL AIRCRAFT, MISSILE, NAVAL VESSEL, TRACKED COMBAT VEHICLE, OTHER WEAPON OR TORPEOO AND RELATED SUPPORT EQUIPMENT FOR WHICH FUNDS ARE AUTHORIZED UNDER 10 USC 138.	YES	YES		
B. ANY REPRDGRAMING ACTION INVOLVING THE APPLICATION OF FUNDS, IRRESPECTIVE OF THE AMOUNT, TO ITEMS IN WHICH ANY ONE OR MORE OF THE CONGRESSIONAL COMMITTEES IS KNOWN TO HAVE A SPECIAL INTEREST; ALSO ANY REPROGRAMING ACTION WHICH, BY NATURE OF THE ACTION, IS KNOWN TO BE OR HAS BEEN DESIGNATED AS A MATTER OF SPECIAL INTEREST TO ONE OR MORE COMMITTEES, E.G. REPROGRAMING FOR TRANSFERS PURSUANT TO THE GENERAL TRANSFER AUTHORITY IN OOD APPROPRIATION ACTS.	1/	YES		

1/ YES, IF ACTION INVOLVES AN APPROPRIATION FOR WHICH FUNDS HAVE BEEN AUTHORIZED UNDER 10 USC 138. THE REPROGRAMING ACTION IS FORWARDED TO THESE COMMITTEES AND IS MARKED "INFORMATION COPY" ONLY WHEN FUNDS (EXCEPT RDT&E) CITED AS SOURCES OF FINANCING WERE SUBJECT TO AUTHORIZING LEGISLATION. ALL REPROGRAMING ACTIONS WHICH CITE RDT&E FUNDS AS A SOURCE OF FINANCING REQUIRE ARMED SERVICES COMMITTEE APPROVAL.

APPROVAL AND/OR NOTIFICATION REQUIREMENTS FOR REPROGRAMING ACTIONS

DOD COMPONENT ACTION	OSD ACTION			
DOD INSTRUCTION 7250.10 DATED JANUARY 10, 1980 "IMPLEMENTATION OF REPROGRAMING OF APPROPRIATED FUNDS," REQUIRES PRIOR APPROVAL OF THE SECRETARY OF DEFENSE OR THE DEPUTY SECRETARY OF DEFENSE FOR THE FOLLOWING:	OBTAIN PRIOR APPROVAL OF HOUSE & SENATE COMMITTEES ON		NOTIFY HOUSE AND SENATE COMMITTEES ON	
	ARMED SERVICES	APPROPRIATIONS	ARMED SERVICES	APPROPRIATIONS
II. ACTIONS REQUIRING NOTIFICATION TO THE COMMITTEES				
A. MILITARY PERSONNEL – REPROGRAMING INCREASE OF $5 MILLION OR MORE IN A BUDGET ACTIVITY.				YES
B. OPERATION AND MAINTENANCE – REPROGRAMING INCREASE IN ANY BUDGET ACTIVITY OF $5 MILLION OR MORE.				YES
C. PROCUREMENT – REPROGRAMING INCREASE OF $5 MILLION OR MORE IN A LINE ITEM OR THE ADDITION TO THE PROCUREMENT LINE ITEM DATA BASE OF A PROCUREMENT LINE ITEM OF $2 MILLION OR MORE.			1/	YES
D. RDT&E – REPROGRAMING INCREASE OF $2 MILLION OR MORE IN ANY PROGRAM ELEMENT, INCLUDING THE ADDITION OF A NEW PROGRAM OF $2 MILLION OR MORE, OR THE ADDITION OF A NEW PROGRAM ESTIMATED TO COST $10 MILLION OR MORE WITHIN A 3-YEAR PERIOD.			YES	YES
E. REPROGRAMING ACTIONS INITIATING NEW PROGRAMS OR LINE ITEMS WHICH RESULT IN SIGNIFICANT FOLLOW ON COSTS EVEN THOUGH INITIAL ACTIONS ARE BELOW $5 MILLION AND $2 MILLION THRESHOLDS IN A THRU D ABOVE.			1/	YES

1/ YES, IF ACTION INVOLVES AN APPROPRIATION FOR WHICH FUNDS HAVE BEEN AUTHORIZED UNDER 10 USC 138. THE REPROGRAMING ACTION IS FORWARDED TO THESE COMMITTEES AND IS MARKED "INFORMATION COPY" ONLY WHEN FUNDS (EXCEPT RDT&E) CITED AS SOURCES OF FINANCING WERE SUBJECT TO AUTHORIZING LEGISLATION. ALL REPROGRAMING ACTIONS WHICH CITE RDT&E FUNDS AS A SOURCE OF FINANCING REQUIRE ARMED SERVICES COMMITTEE APPROVAL.

APPROVAL AND/OR NOTIFICATION REQUIREMENTS FOR REPROGRAMMING ACTION

DOD COMPONENT ACTION	OSD ACTION			
DOD INSTRUCTION 7250.10 DATED JANUARY 10, 1980 "IMPLEMENTATION OF REPROGRAMING OF APPROPRIATED FUNDS," REQUIRES APPROVAL OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER) FOR THE ACTIONS IN SECTION III	OBTAIN PRIOR APPROVAL OF HOUSE & SENATE COMMITTEES ON		NOTIFY HOUSE AND SENATE COMMITTEES ON	
	ARMED SERVICES	APPROPRI-ATIONS	ARMED SERVICES	APPROPRI-ATIONS
III. ACTIONS CLASSIFIED AS AUDIT-TRAIL-TYPE CHANGES (INTERNAL REPROGRAMINGS)	N/A	N/A	N/A	N/A
RECLASSIFICATIONS REPORTING CHANGES IN AMOUNTS, BUT NOT IN THE SUBSTANCE OF THE PROGRAM NOR FROM THE PURPOSES ORIGINALLY BUDGETED FOR, TESTIFIED TO, AND DESCRIBED IN THE BUDGET JUSTIFICATIONS SUBMITTED TO THE CONGRESSIONAL COMMITTEE.				
IV. QUARTERLY REPORTING ON NEW STARTS	N/A	N/A	YES	YES
ADVANCE NOTIFICATION ON BELOW THRESHOLD REPROGRAMINGS FOR NEW PROGRAMS OR LINE ITEMS NOT OTHERWISE REQUIRING PRIOR APPROVAL OR NOTIFICATION ACTION IS MADE BY LETTER DIRECTLY TO THE COMMITTEES BY THE DOD COMPONENT INVOLVED. THESE ITEMS ARE THEN REPORTED QUARTERLY ON A DD FORM 1416-1, SPECIAL QUARTERLY REPORT OF PROGRAMS, WHICH ALSO INCLUDES ACTIONS PREVIOUSLY CONSIDERED BY THE COMMITTEES AS PRIOR APPROVAL OR NOTIFICATION ACTIONS.				

DEPARTMENT OF DEFENSE

REPROGRAMING ACTIONS, FY 1970-1979

($ MILLIONS)

REQUESTED	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979
NUMBER OF ACTIONS	129	132	82	56	24	45	43	55	66	60 b/
NUMBER OF LINE ITEMS	299	275	185	129	37	194	110	112	115	159
DOLLAR VALUE OF PROGRAM	$2,431	$3,266	$1,866	$1,453	$ 219	$1,446	$ 791	$ 1,036	$ 1,237	$ 1,163
(GENERAL TRANSFER AUTHORITY)	–	(348)	(803)	(789)	(75)	(758)	(225)	(452)	(733)	(428)
APPROVED										
DOLLAR VALUE OF PROGRAM	2,385	3,146	1,680	1,255	200	1,166	687	728	1,032	956
(GENERAL TRANSFER AUTHORITY)	–	(280)	(694)	(672)	(65)	(533)	(167)	(230)	(688)	(383)
COMPARISON										
VALUE OF TOTAL DEFENSE PROGRAM a/	74,000	71,247	74,632	76,701	79,141	82,095	92,561	105,548	113,409	125,199
% OF REPROGRAMING INCREASES	3.3%	4.4%	2.3%	1.6%	0.3%	1.4%	.7%	.7%	1.0%	.8%
(GENERAL TRANSFER AUTHORITY)	–	4.0%	1.3%	0.8%	0.2%	0.6%	.2%	.2%	.6%	.4%
BELOW-THRESHOLD REPROGRAMINGS c/										
NUMBER OF ACTIONS						1,864	2,186	1,396	1,087	1,468
TOTAL $ VALUE						787	1,210	1,578	1,063	1,357

a/ EXCLUDES MILITARY CONSTRUCTION, FAMILY HOUSING, MILITARY ASSISTANCE, CIVIL FUNCTIONS, AND CIVIL DEFENSE.

b/ EXCLUDES 4 ACTIONS FORMALLY WITHDRAWN.

c/ DATA NOT AVAILABLE PRIOR TO FY 75

DEPARTMENT OF DEFENSE

REPROGRAMING ACTIONS FOR FISCAL YEARS 1970-1979

($ MILLIONS)

	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979
NUMBER OF ACTIONS FORWARDED TO CONGRESS	129	132	82	56	24	45	43	55	66	60 a/
(PRIOR APPROVAL ACTIONS)	(41)	(47)	(42)	(38)	(16)	(28)	(30)	(36)	(42)	(37)
(NOTIFICATION ACTIONS)	(88)	(85)	(40)	(18)	(8)	(17)	(13)	(19)	(24)	(23)
$ REQUESTED BY TITLE										
MILITARY PERSONNEL	$ 54	$ 366	$ 287	$ 222	$10	$ 192	$75	$ 33	$ 52	$ 27
RETIRED PAY, DEFENSE	–	–	–	–	–	–	–	–	–	15
OPERATIONS & MAINTENANCE	212	585	697	923	88	438	168	129	544	276
PROCUREMENT	1,744	1,792	669	224	82	674	501	763	476	625
RDT&E	421	523	213	84	39	22	47	111	165	189
REVOLVING & MANAGEMENT FUNDS	–	–	–	–	–	120	–	–	–	–
CLAIMS, DEFENSE	–	–	–	–	–	–	–	–	–	31
TOTAL REQUESTED BY DOD	2,431	3,266	1,866	1,453	219	1,446	791	1,036	1,237	1,163
(PRIOR APPROVAL ACTIONS)	(950)	(1,222)	(916)	(984)	(148)	(1,085)	(402)	(683)	(902)	(846)
(NOTIFICATION ACTIONS)	(1,481)	(2,044)	(950)	(469)	(71)	(361)	(389)	(352)	(335)	(316)
TOTAL APPROVED BY CONGRESS	2,385	3,146	1,614	1,255	200	1,166	687	728	1,032	956
(PRIOR APPROVAL ACTIONS)	(904)	(1,105)	(751)	(816)	(129)	(804)	(320)	(430)	(837)	(727)
(NOTIFICATION ACTIONS)	(1,481)	(2,041)	(863)	(439)	(71)	(360)	(367)	(298)	(195)	(229)

a/ EXCLUDES 4 ACTIONS FORMALLY WITHDRAWN

TRANSFER OF AUTHORITY

Example of Use

THIS AUTHORITY, USED IN CONJUNCTION WITH THE REPROGRAMMING SYSTEM, ENABLED THE MOVEMENT OF $13 MILLION TO THE MISSILE PROCUREMENT, AIR FORCE ACCOUNT TO ACCELERATE DELIVERY SCHEDULES FOR SATELLITE FLIGHT MODELS 9 THROUGH 12 TO MAINTAIN A VIABLE DEFENSE SATELLITE COMMUNICATION SYSTEM SPACE SEGMENT. FUNDS PROGRAMMED IN THE OTHER PROCUREMENT, AIR FORCE ACCOUNT FOR BOMBS, SPACETRACK, AND FIRST DESTINATION TRANSPORTATION WERE USED AS A SOURCE OF FINANCING.

TRANSFER AUTHORITY

- SECTION 734 OF THE 1980 DOD APPROPRIATION ACT PROVIDES A GENERAL AUTHORITY FOR TRANSFERS, NOT TO EXCEED $750 MILLION DURING FY 1980 BETWEEN APPROPRIATIONS OR FUNDS AVAILABLE TO DOD FOR MILITARY FUNCTIONS (EXCEPT MILITARY CONSTRUCTION). DOD HAS REQUESTED THAT CONGRESS INCREASE THIS LIMITATION.

- AUTHORITY TO TRANSFER MAY NOT BE USED UNLESS FOR HIGHER PRIORITY ITEMS BASED ON UNFORESEEN MILITARY REQUIREMENTS.

- REQUIRES A DETERMINATION BY THE SECRETARY OF DEFENSE THAT SUCH ACTION IS IN THE NATIONAL INTEREST AND APPROVAL BY OMB.

- PROVIDES THAT THE SECRETARY OF DEFENSE SHALL NOTIFY CONGRESS PROMPTLY OF ALL TRANSFERS.

- THE USE OF THIS AUTHORITY IS ALSO SUBJECT TO THE PRIOR APPROVAL OF THE APPROPRIATIONS COMMITTEES UNDER THE REPROGRAMMING PROCEDURES.

FOREIGN CURRENCY FLUCTUATION

Example of Use

THE EXCHANGE RATE FOR THE DEUTSCHEMARK USED TO COMPUTE THE FY 1980 FINANCING REQUIREMENTS FOR THE APPROVED PROGRAM IN GERMANY WAS $2.24. THE JANUARY 1980 EXCHANGE RATE WAS DOWN TO $1.71. THE FOREIGN CURRENCY FLUCTUATION ACCOUNT WOULD BE USED TO PROVIDE ADDITIONAL DOLLARS TO BUY THE SAME PROGRAM AT THE NEW RATE.

CONVERSELY, THE EXCHANGE RATE FOR THE LIRA USED TO COMPUTE THE FY 1980 FINANCING REQUIREMENTS FOR THE APPROVED PROGRAM IN TURKEY WAS $17.67. THE JANUARY 1980 RATE WAS UP TO $70.00. IN THIS CASE, ACCORDING TO LAW, THE ADDITIONAL FUNDS GENERATED BY THE HIGHER RATE CANNOT BE USED IN TURKEY TO BUY ADDITIONAL PROGRAM, BUT MUST BE RETURNED TO THE FOREIGN CURRENCY FLUCTUATION ACCOUNT.

FOREIGN CURRENCY FLUCTUATION

- FUNDS ARE APPROPRIATED TO THE FOREIGN CURRENCY FLUCTUATION, DEFENSE, ACCOUNT FOR TRANSFER TO MILITARY PERSONNEL AND OPERATION AND MAINTENANCE APPROPRIATIONS (AVAILABLE FOR DEFENSE ACTIVITIES IN FOREIGN COUNTRIES) TO FINANCE INCREASED OBLIGATIONS DUE TO DOWNWARD FLUCTUATIONS IN THE CURRENCY EXCHANGE RATES (FROM THOSE USED IN BUDGET PREPARATION).

- FUNDS MUST BE TRANSFERRED INTO THIS ACCOUNT WHEN UPWARD FLUCTUATIONS IN CURRENCY EXCHANGE RATES RESULT IN SUBSTANTIAL NET GAINS IN THE MILITARY PERSONNEL AND OPERATION AND MAINTENANCE APPROPRIATIONS

- THE INTENT IS BOTH TO SHIELD OPERATING PROGRAMS FROM SIGNIFICANT LOSSES AND TO RECOUP SIGNIFICANT GAINS TO PREVENT WINDFALL INCREASES BEING USED TO FINANCE WHAT MIGHT BE LOW PRIORITY PROGRAMS, OR PROGRAMS WHICH WERE NOT REVIEWED AND APPROVED BY THE CONGRESS.

- THE SECRETARY OF DEFENSE HAS AUTHORITY TO APPROVE THESE TRANSFERS. AN ANNUAL REPORT TO THE CONGRESS ON ALL TRANSFERS MADE TO OR FROM THIS APPROPRIATION IS REQUIRED.

EMERGENCIES AND EXTRAORDINARY EXPENSES LIMITATION

Example of Use

IN ADDITION TO SUPPORTING PROGRAMED AND TARGET OF OPPORTUNITY INTELLIGENCE EFFORTS, THIS LIMITATION ALSO COVERS REPRESENTATION ALLOWANCES.

EMERGENCIES AND EXTRAORDINARY EXPENSES

- WITHIN THE OPERATION AND MAINTENANCE APPROPRIATION FOR THE DEFENSE AGENCIES, AND FOR EACH OF THE MILITARY DEPARTMENTS, AN AMOUNT IS SPECIFIED FOR EMERGENCIES AND EXTRAORDINARY EXPENSES. (LESS THAN $5 MILLION ANNUALLY PER COMPONENT).

- THESE FUNDS ARE USED FOR COVERT PURPOSES AND FOR EXPENSES NOT OTHERWISE AUTHORIZED TO BE PAID FROM DEFENSE APPROPRIATIONS. THEY MAY BE USED ON THE APPROVAL OF THE SECRETARY OF THE RESPECTIVE MILITARY DEPARTMENT, OR THE SECRETARY OF DEFENSE IN THE CASE OF THE DEFENSE AGENCIES APPROPRIATION. THE APPROPRIATE SECRETARY MUST CERTIFY THAT THE USE OF THE MONEY IS NECESSARY FOR CONFIDENTIAL MILITARY PURPOSES.

- LEGISLATION REQUIRES THE SECRETARY OF DEFENSE TO SUBMIT A REPORT OF EXPENDITURES UNDER THESE LIMITATIONS ON A QUARTERLY BASIS TO THE COMMITTEES ON ARMED SERVICES AND APPROPRIATIONS OF THE SENATE AND HOUSE OF REPRESENTATIVES.

SECTION 3732 DEFICIENCY AUTHORITY

Most Recent Example of Use

THIS AUTHORITY GENERALLY REFERRED TO AS THE "FEED AND FORAGE ACT" WAS INVOKED IN FISCAL YEAR 1980 IN THE OPERATION AND MAINTENANCE ACCOUNTS. ITS USAGE PROVIDED FOR ADDITIONAL FUEL AND TRANSPORTATION COSTS DUE TO UNANTICIPATED FUEL PRICE INCREASES.

SECTION 3732 DEFICIENCY AUTHORITY

- UNDER SECTION 3732 OF THE REVISED STATUTES (41 USC 11), THE DEPARTMENT OF DEFENSE HAS LIMITED AUTHORITY TO ENTER INTO OBLIGATIONS ON A DEFICIENCY BASIS.
- ITS APPLICATION IS LIMITED TO THE NECESSITIES OF THE CURRENT YEAR UNDER CIRCUMSTANCES IN WHICH APPROPRIATIONS FOR CLOTHING, SUBSISTENCE, FORAGE, FUEL, QUARTERS, TRANSPORTATON, OR MEDICAL AND HOSPITAL SUPPLIES ARE EXHAUSTED.
- APPROVAL BY THE SECRETARY OF DEFENSE AND NOTIFICATION TO THE CONGRESS IS REQUIRED.
- WHEN THE FULL EXTENT OF THE DEFICIENCIES ARE KNOWN, A REQUEST MUST BE SUBMITTED TO THE CONGRESS FOR FUNDS TO COVER SUCH DEFICIENCIES.
- THIS STATUTE WAS USED AT THE TIME OF THE BERLIN AND CUBAN CRISES. IT WAS USED IN FY 1980 TO COVER INCREASED FUEL AND RELATED TRANSPORTATION COSTS.
- THERE HAVE BEEN A NUMBER OF RECENT ATTEMPTS WITHIN THE CONGRESS TO REPEAL THIS STATUTE.

WORKING CAPITAL FUNDS TRANSFER AUTHORITY

Example of Use

UNDER THE PROVISIONS OF THIS AUTHORITY, DURING FY 1980, CASH BALANCES OF $13 MILLION IN THE DEFENSE STOCK FUND AND $48 MILLION IN THE ARMY STOCK FUND WERE TRANSFERRED TO THE NAVY AND AIR FORCE STOCK FUNDS TO PROCURE WAR RESERVES.

WORKING CAPITAL FUNDS TRANSFER AUTHORITY

- SECTION 736 OF THE 1980 DOD APPROPRIATION ACT AUTHORIZES THE TRANSFER OF CASH BALANCES BETWEEN WORKING CAPITAL FUNDS OF THE DEPARTMENT OF DEFENSE (STOCK FUNDS AND INDUSTRIAL FUNDS).

- USE OF THIS AUTHORITY REQUIRES APPROVAL BY THE SECRETARY OF DEFENSE AND OMB.

PERMANENT AUTHORITY

UNFUNDED CONTRACT AUTHORITY

Example of Use

ON A RECURRING BASIS UNFUNDED CONTRACT AUTHORITY IS USED IN THE STOCK FUNDS TO MAINTAIN REQUIRED LEVELS OF INVENTORY BY OBLIGATING CONTRACTS/PURCHASE ORDERS IN SUCH AMOUNTS TO ACCOMMODATE PROCUREMENT AND ADMINISTRATIVE LEAD TIMES, RISING INFLATION, AND OTHER STOCKAGE REQUIREMENTS TO SATISFY CUSTOMER ORDERS IN A TIMELY MANNER.

THE OUTSTANDING VALUE OF UNFUNDED CONTRACT AUTHORITY AT THE END OF FY 1979 WAS $4 BILLION.

PERMANENT AUTHORITY

UNFUNDED CONTRACT AUTHORITY

- U.S. CODE TITLE 10, 2210 (b) PROVIDES THAT "OBLIGATIONS MAY, WITHOUT REGARD TO FISCAL YEAR LIMITATIONS, BE INCURRED AGAINST ANTICIPATED REIMBURSEMENTS TO STOCK FUNDS IN SUCH AMOUNTS AND FOR SUCH PERIODS AS THE SECRETARY OF DEFENSE, WITH THE APPROVAL OF THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, MAY DETERMINE TO BE NECESSARY TO MAINTAIN STOCK LEVELS CONSISTENTLY WITH PLANNED OPERATIONS FOR THE NEXT FISCAL YEAR."

- UNFUNDED CONTRACT AUTHORITY OBLIGATIONS ARE LIQUIDATED BY REIMBURSEMENTS FROM CUSTOMER ORDERS.

FUNCTIONAL TRANSFERS

Example of Use

IN APRIL, 1979 THE FEDERAL COBOL COMPILER TEST SERVICE WAS TRANSFERRED FROM THE DEPARTMENT OF THE NAVY TO THE GENERAL SERVICES ADMINISTRATION (GSA). $149,000 WAS TRANSFERRED FROM THE OPERATION AND MAINTENANCE, NAVY, ACCOUNT, TO GSA TO SUPPORT THIS FUNCTIONAL TRANSFER.

FUNCTIONAL TRANSFERS

- UNDER 10 USC 126, AUTHORITY EXISTS TO TRANSFER FUNDS FROM ONE APPROPRIATION ACCOUNT TO ANOTHER IN CONNECTION WITH THE TRANSFER OF RESPONSIBILITIES FROM ONE ORGANIZATION TO ANOTHER.
- THIS AUTHORITY HAS BEEN USED IN THE CASE OF REORGANIZATION ACTIONS.
- SUCH TRANSFERS ARE SUBJECT TO APPROVAL BY THE SECRETARY OF DEFENSE AND OMB.

EMERGENCY MILITARY CONSTRUCTION

Example of Use

A RECENT USE OF THIS AUTHORITY WAS TO PROVIDE $4,400,000 TO THE NAVY FOR DREDGING OF THE THAMES RIVER IN CONNECTICUT TO PROVIDE ADEQUATE CHANNEL DEPTH FOR TRANSIT OF THE FIRST TRIDENT SUBMARINE FROM ITS CONSTRUCTION SITE, ELECTRIC BOAT DIVISION OF GENERAL DYNAMICS CORPORATION, TO LONG ISLAND SOUND FOR SEA TRIALS.

EMERGENCY MILITARY CONSTRUCTION

- THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION ACT PROVIDES EACH OF THE MILITARY DEPARTMENTS WITH AUTHORITY OF $20,000,000 TO PROCEED WITH CONSTRUCTION OF FACILITIES MADE NECESSARY BY CHANGES IN MISSIONS AND RESPONSIBILITIES WHICH HAVE BEEN OCCASIONED BY (1) UNFORSEEN SECURITY CONSIDERATIONS, (2) NEW WEAPONS DEVELOPMENTS, (3) NEW AND UNFORESEEN RESEARCH AND DEVELOPMENT REQUIREMENTS, (4) IMPROVED PRODUCTION SCHEDULES, OR (5) REVISIONS IN THE TASKS OR FUNCTIONS ASSIGNED TO A MILITARY INSTALLATION OR FACILITY OR FOR ENVIRONMENTAL CONSIDERATIONS.

- USE OF THIS AUTHORITY REQUIRES A DETERMINATION BY THE SECRETARY OF DEFENSE THAT DEFERRAL OF SUCH CONSTRUCTION FOR INCLUSION IN THE NEXT MILITARY CONSTRUCTION AUTHORIZATION ACT WOULD BE INCONSISTENT WITH INTERESTS OF NATIONAL SECURITY. ALSO, THE SECRETARY INVOLVED IS REQUIRED TO NOTIFY THE CONGRESSIONAL ARMED SERVICES COMMITTEES.

- FUNDS TO FINANCE SUCH CONSTRUCTION MUST BE REPROGRAMED, WITH THE CONCURRENCE OF THE COMMITTEES ON APPROPRIATIONS, FROM SAVINGS OR FROM LESSER PRIORITY MILITARY CONSTRUCTION PROJECTS.

MILITARY CONSTRUCTION CONTINGENCY AUTHORITY AND FUNDS

Example of Use

RECENTLY, UNDER THIS AUTHORITY, $8.6 MILLION WAS APPROVED FOR CONSTRUCTION OF FACILITIES AT DIEGO GARCIA TO SUPPORT THE INCREASED TEMPO OF OPERATIONS IN THE INDIAN OCEAN.

MILITARY CONSTRUCTION CONTINGENCY AUTHORITY AND FUNDS

- THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION ACTS CONTAIN AUTHORITY WHICH PERMITS THE TRANSFER OF FUNDS FROM THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION TO OTHER APPROPRIATIONS OF THE DEPARTMENT OF DEFENSE WHICH ARE AVAILABLE FOR MILITARY CONSTRUCTION. THE PROJECTS TO BE FINANCED MUST BE DETERMINED TO BE VITAL TO THE SECURITY OF THE UNITED STATES.

- IN FY 1981, $30 MILLION HAS BEEN PROGRAMED UNDER THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION TO PROVIDE FINANCING FOR THIS AUTHORITY.

- USE OF THIS AUTHORITY REQUIRES APPROVAL BY THE SECRETARY OF DEFENSE AND NOTIFICATION OF THE COMMITTEES ON ARMED SERVICES OF BOTH THE HOUSE AND SENATE. COMMENCING WITH THE FY 1980 MILITARY CONSTRUCTION APPROPRIATIONS ACT, THE HOUSE APPROPRIATIONS COMMITTEE HAS MADE THE UTILIZATION OF CONTINGENCY FUNDS SUBJECT TO PRIOR APPROVAL REPROGRAMING.

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH

Example of Use

FUNDS FOR MISSILES AND RELATED EQUIPMENT IN THE RDT&E, DEFENSE AGENCIES APPROPRIATION WERE TRANSFERRED TO RDT&E, ARMY FOR BALLISTIC MISSILE DEFENSE (DEFENDER).

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH

- THE ANNUAL DOD APPROPRIATION ACT PROVIDES AUTHORITY TO TRANSFER FUNDS BETWEEN THE RDT&E, DEFENSE AGENCIES APPROPRIATION AND OTHER APPROPRIATIONS FOR PROGRAMS RELATED TO ADVANCED RESEARCH

- THIS AUTHORITY IS INTENDED TO APPLY TO PROGRAMS MONITORED BY THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

- USE OF THE AUTHORITY REQUIRES A DETERMINATION BY THE SECRETARY OF DEFENSE

- THERE HAS BEEN NO USE OF THE AUTHORITY IN RECENT YEARS

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH FACILITIES CONSTRUCTION

EXAMPLE OF USE

THIS AUTHORITY WAS USED FOR CONSTRUCTION ON KWAJALEIN ISLAND IN SUPPORT OF THE BALLISTIC MISSILE RANGE TO PROVIDE A CAPABILITY FOR TESTING BALLISTIC MISSILE WARHEADS AND DECOY BODIES AT GREAT DISTANCES. THE TRANSFER WAS TO MILITARY CONSTRUCTION FROM RDT&E (ARPA) BY DECREASING OTHER LOWER PRIORITY ADVANCED RESEARCH PROJECTS.

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH FACILITIES CONSTRUCTION

- PUBLIC LAW 89-188 AUTHORIZED THE SECRETARY OF DEFENSE TO CONSTRUCT FACILITIES REQUIRED FOR ADVANCE RESEARCH PROJECTS NOT TO EXCEED A CUMULATIVE COST OF $20 MILLION. TO DATE, $8 MILLION OF THIS AUTHORITY HAS BEEN USED AND $12 MILLION REMAINS AVAILABLE.
- THE FUNDS REQUIRED TO FINANCE THIS AUTHORITY ARE BUDGETED FOR, ALONG WITH OTHER ADVANCE RESEARCH FUNDS, UNDER THE RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE AGENCIES APPROPRIATION. UPON APPROVAL TO CONSTRUCT AN ADVANCE RESEARCH FACILITY, THE NECESSARY FUNDS ARE TRANSFERRED TO THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION.
- THIS TRANSFER AUTHORITY IS RESTATED ON AN ANNUAL BASIS IN THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION LANGUAGE. THERE IS NO REQUIREMENT TO NOTIFY CONGRESS OF ITS USE.

CONSTRUCTION PROJECTS COST VARIATIONS

Example of Use

RECENTLY, IT WAS NECESSARY TO USE THIS AUTHORITY TO ACCOMMODATE A 54% INCREASE (FROM $118,200,000 TO $181,900,000) IN THE COST OF THE SPACE TRANSPORTATION SYSTEM (STS) LAUNCH COMPLEX AT VANDENBERG AIR FORCE BASE, CALIFORNIA.

CONSTRUCTION PROJECTS COST VARIATIONS

- THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION ACT PROVIDES THAT THE MILITARY DEPARTMENTS AND DEFENSE AGENCIES MAY INCREASE STATION AUTHORIZED TOTALS FOR CONSTRUCTION BY 5% IN CONUS AND 10% FOR OUTSIDE THE UNITED STATES. IF ONLY ONE PROJECT (FACILITY) IS AUTHORIZED FOR A STATION, AN INCREASE OF 25% MAY BE APPROVED. SUCH INCREASES ARE PERMITTED ONLY WHEN (1) THEY ARE REQUIRED FOR THE SOLE PURPOSE OF MEETING UNUSUAL VARIATIONS IN COST AND (2) THEY COULD NOT HAVE BEEN REASONABLY ANTICIPATED.
- INCREASES IN EXCESS OF THE ABOVE PERCENTAGES CAN BE INCURRED ONLY AFTER APPROVAL BY THE SECRETARY OF DEFENSE, NOTIFICATION OF THE COMMITTEES ON ARMED SERVICES OF THE SENATE AND HOUSE OF REPRESENTATIVES, AND EITHER (1) THIRTY DAYS HAVE ELAPSED FROM DATE OF NOTIFICATION, OR (2) BOTH COMMITTEES HAVE INDICATED APPROVAL.
- SUCH INCREASES ARE TO BE FUNDED FROM SAVINGS FROM OTHER CONSTRUCTION PROJECTS. FOR PROJECTS COSTING IN EXCESS OF $500,000, COST INCREASES EXCEEDING 25% OR $1,000,000, WHICHEVER IS LESSER, ARE SUBJECT TO PRIOR APPROVAL REPROGRAMMING BY THE COMMITTEES ON APPROPRIATIONS. IN NO EVENT MAY THE TOTAL AMOUNT AUTHORIZED FOR AN APPROPRIATION BE EXCEEDED BECAUSE OF COST VARIATIONS.

RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED

Example of Use

RECENT USE OF THIS AUTHORITY WAS FOR RESTORATION OF A TITAN II MISSILE COMPLEX AT MCCONNELL AFB, KANSAS, WHICH WAS DAMAGED AND RENDERED INOPERATIVE BY A MASSIVE OXIDIZER SPILL.

RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED

- 10 U.S.C. 2673 PROVIDES AUTHORITY FOR THE MILITARY DEPARTMENTS TO RESTORE OR REPLACE FACILITIES THAT HAVE BEEN DAMAGED OR DESTROYED BY FIRE, FLOODS, HURRICANES OR OTHER "ACTS OF GOD."
- THE LEGISLATION REQUIRES THAT EACH USE OF THIS AUTHORITY BE APPROVED BY THE SECRETARY OF DEFENSE, AND THAT THE COMMITTEES ON ARMED SERVICES OF THE SENATE AND HOUSE OF REPRESENTATIVES BE NOTIFIED.
- FUNDS TO FINANCE SUCH CONSTRUCTION MUST BE REPROGRAMED FROM SAVINGS OR FROM LOWER PRIORITY PROJECTS. SUCH REPROGRAMING REQUIRES THE PRIOR APPROVAL OF THE COMMITTEES ON APPROPRIATIONS OF THE SENATE AND HOUSE OF REPRESENTATIVES.

MINOR CONSTRUCTION

Example of Use

IN MAY, 1980, THE DIRECTOR, DEFENSE MAPPING AGENCY, APPROVED A $377,000 PROJECT FOR ALTERATION OF FACILITIES AT FORT SAM HOUSTON, TEXAS, TO ACCOMMODATE THE RELOCATION OF THE HEADQUARTERS, INTER-AMERICAN GEODETIC SURVEY, FROM THE PANAMA CANAL ZONE TO THE CONTINENTAL UNITED STATES.

MINOR CONSTRUCTION

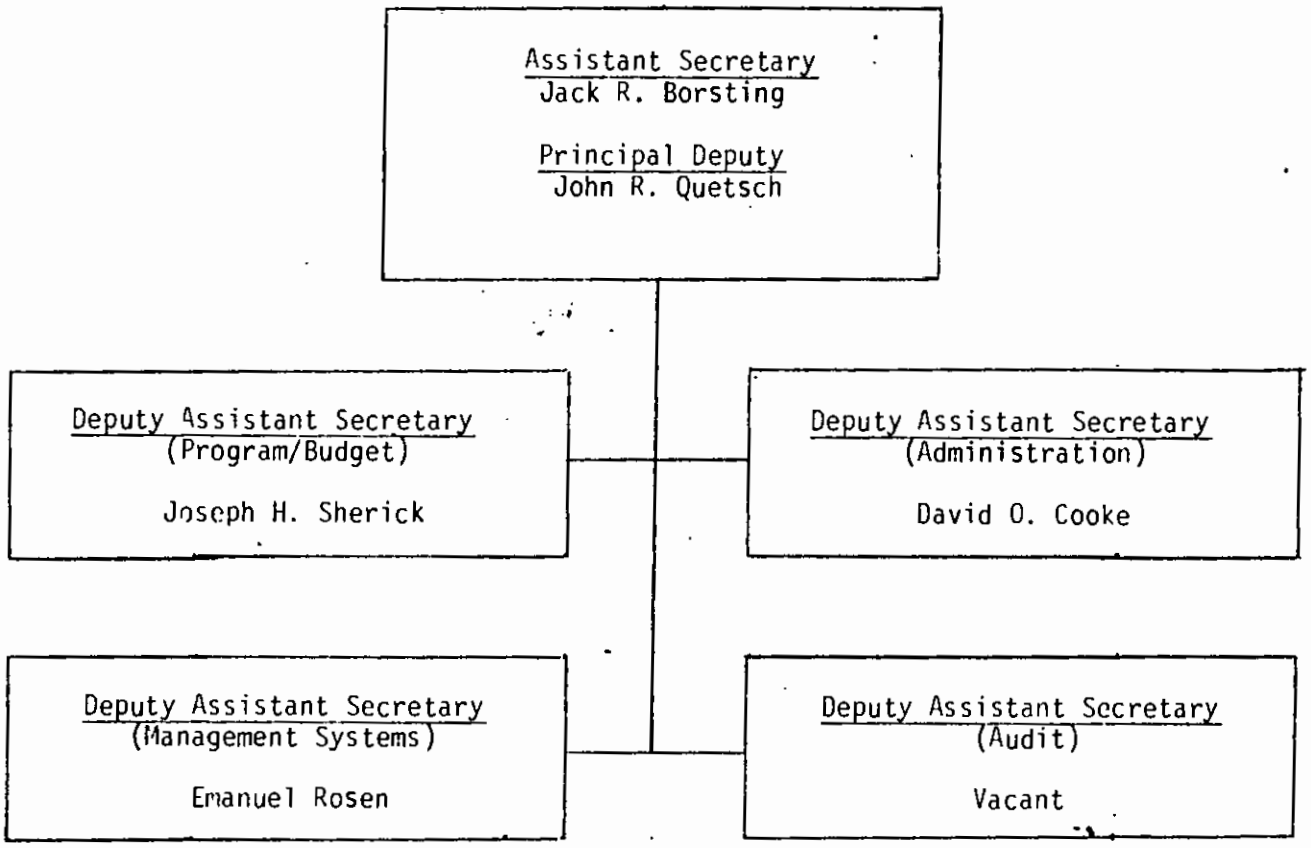
- AUTHORITY IS PROVIDED BY 10 U.S.C. 2674 TO CONSTRUCT FACILITIES COSTING $500,000 OR LESS WHICH ARE NOT OTHERWISE AUTHORIZED BY LAW
- APPROPRIATIONS AVAILABLE FOR MILITARY CONSTRUCTION MAY BE USED FOR SUCH CONSTRUCTION, GENERALLY REFERRED TO AS "MINOR CONSTRUCTION". IN ADDITION, FUNDS AVAILABLE FROM APPROPRIATIONS FOR OPERATION AND MAINTENANCE MAY BE USED FOR ANY PROJECT COSTING NOT MORE THAN $100,000.
- THE LEGISLATION REQUIRES THAT PROJECTS COSTING $300,000 OR MORE BE APPROVED BY THE SECRETARY OF THE MILITARY DEPARTMENT OR DIRECTOR OF DEFENSE AGENCY CONCERNED AND, FURTHER, THAT PROJECTS COSTING $400,000 OR MORE BE APPROVED BY THE SECRETARY OF DEFENSE.
- AN ANNUAL DETAILED REPORT IS REQUIRED TO BE SUBMITTED TO THE COMMITTEES ON ARMED SERVICES AND APPROPRIATIONS OF THE SENATE AND HOUSE OF REPRESENTATIVES ON THE USE MADE OF THIS AUTHORITY. IN ADDITION, THESE COMMITTEES MUST BE NOTIFIED IN WRITING AT LEAST 30 DAYS BEFORE ANY FUNDS ARE OBLIGATED AGAINST ANY PROJECT COSTING MORE THAN $300,000.

ORGANIZATION

- THIS SECTION CONTAINS AN ORGANIZATION CHART FOR THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER).

- FOLLOWING THE ORGANIZATION CHART IS A CAPSULE SUMMARY OF EACH OF THE DEPUTY ASSISTANT SECRETARY FUNCTIONS.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
(COMPTROLLER)



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

JACK R. BORSTING

Executive Assistant - LTC John L. Finan, USAF
Special Assistant - Graydon I. Lose
Director Special Projects - Michael Sovereign
Assistant for Administration - David D. Gurganus

	Civ	Mil	Total
Professional	5	5	10
Clerical	5	1	6
Total	10	6	16

Advises and assists the Secretary of Defense in the performance of the Secretary's programming, budgetary, and fiscal functions and organizational and administrative matters pertaining to these functions.

Provides for the design and installation of resource management systems throughout the DoD, as assigned.

Collects, analyzes, and reports resource management information to the Secretary of Defense and, as required, to the General Accounting Office and other agencies outside the DoD.

Advises and assists the Secretary of Defense in matters pertaining to general administration of the Department, organizational and management planning, DoD Privacy Program, Historical Records and Reports for OSD.

OFFICE OF THE PRINCIPAL DEPUTY ASSISTANT SECRETARY (COMPTROLLER)

John R. Quetsch

	Civ	Mil	Total
Professional	1	-	1
Clerical	1	-	1
Total	2	-	2

Maintains cognizance of all major issues and actions related to the OASD(Comptroller) and acts for the Assistant Secretary in his absence.

Advises and assists the Assistant Secretary on the entire range of financial functions within the Department of Defense.

JACK RAYMOND BORSTING
ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)
Biography

Dr. Jack R. Borsting, previously the Provost and Academic Dean at the Naval Postgraduate School in Monterey, California, was nominated by President Jimmy Carter on 11 June 1980, to be Assistant Secretary of Defense (Comptroller). He was confirmed by the United States Senate on 31 July 1980, and was sworn in by the Secretary of Defense on 12 August 1980.

Born in 1929, in Portland, Oregon, he received a B.A. degree in mathematics from Oregon State University in 1951. This was followed by an M.A. (1952) in mathematics and a Ph.D. (1959) in mathematical statistics from the University of Oregon.

He assumed the position of Provost and Academic Dean at the Naval Postgraduate School in 1974. Prior to that he was Professor and Chairman of the Department of Operations Research and Administrative Sciences at the Naval Postgraduate School. Before assuming the Chairmanship of the Operations Research Department, he was a professor in the Mathematics Department. Other academic positions he has held include Visiting Professor at the University of Colorado at Boulder, Visiting Distinguished Professor at the Oregon State University and teaching positions at the University of Oregon.

During the years 1954-1956 he served with the Air Force as a Nuclear Weapons Project Officer engaged in the development of practice weapons at the Air Force Special Weapons Center at Albuquerque, New Mexico.

Dr. Borsting is Past President of the Operations Research Society of America (ORSA). He is Honorary Treasurer of the International Federation of Operations Research Societies, and previously held the office of ORSA's liaison representative to the International Federation of Operations Research Societies. Previously he held other positions with ORSA including Secretary and Council Member. He is also a Past President of the Military Operations Research Society and is a Fellow of the American Association for the Advancement of Science. He has been a director of the Western Association of Collegiate Schools of Business.

He has been a member of various Advisory Boards and Panels including: Advisory Board Member of the Navy Personnel Research and Development Center, San Diego; Planning Committee member, Unified Science and Mathematics for Elementary Schools, Educational Development Corporation (National Science Foundation Project). He is listed in Who's Who in America and the American Men of Science.

Dr. Borsting is married to the former Peggy Anne Nygard. They have one daughter, Lynn Carol Borsting, and one son, Eric Jeffrey Borsting.

August 1980

John R. Quetsch
Principal Deputy Assistant Secretary of Defense
(Comptroller)

Mr. John R. Quetsch, a native of Oak Park Illinois, attended Public and Parochial schools there. He was graduated from the University of Notre Dame with a Bachelor of Arts Degree in political science in 1952.

Mr. Quetsch joined the Department of the Navy as a management intern in 1952. Except for two years (1952-54) in the Army, primarily in Korea with the 9th Infantry Regiment, he has served continuously with the Department of Defense since that time.

From 1955 to 1962, Mr. Quetsch worked as a budget analyst for the Bureau of Ships in operations, research, procurement, industrial fund and military assistance programs. In 1962, he joined the Operation and Maintenance Directorate in the Office of the Assistant Secretary of Defense (Comptroller), reviewing service and defense agency programs. In 1965, he was appointed Director for Operations, responsible for integrating the military personnel, operation and maintenance, and industrial fund budget functions and controlling civilian employment levels. He became Principal Assistant to the Deputy Assistant Secretary (Program/Budget) in 1974 and DASD(P/B) in 1976. Mr. Quetsch was appointed to his present position of Principal Deputy Assistant Secretary of Defense (Comptroller) on September 2, 1976.

Mr. Quetsch is married to the former Mary Fritch of South Bend, Indiana. They have five sons and two daughters and reside in McLean, Virginia.

GRAYDON I. LOSE
Special Assistant to the
Assistant Secretary of Defense (Comptroller)

Mr. Graydon I. Lose was born in Middleburg, Pennsylvania on July 12, 1932. He was graduated from Susquehanna University, Selinsgrove, Pennsylvania, in 1954 with a degree of Bachelor of Science in business administration. He did graduate study in management at Temple University and was awarded the degree of Master of Business Administration from American University in 1967. Mr. Lose served with U.S. Army Counterintelligence in Korea from 1954 to 1956.

In August 1957, Mr. Lose began his civil service career as a staff auditor with the U.S. Army Audit Agency in Baltimore. In June 1959, he joined the Comptroller's office of the Middletown Air Materiel Area at Olmsted Air Force Base in Pennsylvania as a staff accountant and became a supervisory accountant a year later.

Mr. Lose transferred to Headquarters, United States Air Force, in September 1962 and became a systems accountant with the Accounting and Finance Directorate. During 1965-1966, he held a position as Senior Associate with the Defense Systems Division of the Bunker-Ramo Corporation. From April 1966 to June 1967, Mr. Lose was the Deputy Chief of the Agency Financial Reports Office at Headquarters, National Aeronautics and Space Administration.

In June 1967, Mr. Lose joined the Office of the Assistant Secretary of Defense (Comptroller) as a Program Analyst in the Management Systems Development office. In 1969, he became a Budget Analyst for the Deputy Comptroller for Plans and Systems, and then in 1972 became the Deputy Director for Program and Financial Control in the Program/Budget office.

In July 1974, Mr. Lose became the Special Assistant to the Assistant Secretary of Defense (Comptroller) and handles liaison with the Congressional Appropriations Committees.

ASD(COMPTROLLER)

PDASD(COMPTROLLER

DASD(PROGRAM/BUDGET) ES 4
Joseph H. Sherick

DIRECTOR, PROGRAM & FIN CONTROL ES 4
Clyde O. Claister
DEPUTY DIRECTOR P&FC ES 4
John W. Melchner

DIRECTOR, PLANS & SYSTEMS ES 4
John W. Beach
DEPUTY DIRECTOR P&S ES 1
Robert J. Lieberman

DIRECTOR, CONSTRUCTION ES 4
Allen D. South

DIRECTOR, PROCUREMENT ES 4
Richard A. Harshman
DEPUTY DIRECTOR PROCUREMENT ES 4
Stephen A. Trodden

DIRECTOR, RESEARCH & DEVELOPMENT ES 4
David J. Hessler
DEPUTY DIRECTOR R&D ES 4
Nelson W. Eaton

DIRECTOR, OPERATIONS ES 4
Donald B. Shycoff
DEPUTY DIRECTOR OPERATIONS ES 4
Frank L. McLaughlin

DIRECTOR, MILITARY PERSONNEL ES 4
L. Paul Dube

OFFICE OF THE DEPUTY ASSISTANT SECRETARY (PROGRAM/BUDGET)

Joseph H. Sherick

	Civ	Mil	Total
Professional	1	-	1
Clerical	2	-	2
Total	3	-	3

Directs and supervises:

-- The programming system of the DoD.

-- The establishment of budgetary principles, policies, systems and procedures.

-- The formulation, management, and execution of the budget of the DoD.

-- The development of financing policy within the DoD.

-- An automated management system to support the programming and budgeting processes.

JOSEPH H. SHERICK

Mr. Joseph H. Sherick was appointed to the position of Deputy Assistant Secretary of Defense (Program/Budget), Office of the Assistant Secretary of Defense (Comptroller), January 27, 1980.

Mr. Sherick is a career civil servant who began his Federal service as a Budget Analyst at the Frankford Arsenal in 1950 and served for nine years in various financial management positions in the field and at the Department of Army Headquarters. In 1959, he joined what is now the Office of Management and Budget in the Executive Office of the President, where he held the position of Assistant to the Chief of the Military Division. From 1966 to 1968, he served as the Comptroller of the Defense Atomic Support Agency (now the Defense Nuclear Agency). In 1968, he was selected as the Budget Director for Research and Development in the Office of the Assistant Secretary of Defense (Comptroller). He served in this capacity until April 1973, when he was appointed as the Deputy Comptroller of the Army. He became Deputy Comptroller (Program/Budget) in the Office of the Assistant Secretary of Defense (Comptroller) in October 1976 and held this position until he was selected for his current position.

Mr. Sherick served in the Navy from 1942 to 1946. He attended Temple University, where he earned a Bachelor of Arts Degree in 1949 and his Juris Doctor Degree in 1958. He is a member of the Bar in the District of Columbia and Virginia.

He is the recipient of the Exceptional Civilian Service Medal of the Defense Atomic Support Agency (Defense Nuclear Agency), the Secretary of Defense Meritorious Civilian Service Medal, with Palm, and the Exceptional Civilian Service Medal of the Department of the Army.

DIRECTORATE FOR PROGRAM AND FINANCIAL CONTROL

Director — Clyde O. Glaister

	Civ	Mil	Total
Professional	13	-	13
Clerical	2	-	2
Total	15	-	15

Prepares policies, plans, and guidance for the maintenance, extension, and improvement of the DoD Planning, Programming, Budgeting System (PPBS).

Prepares the annual calendar year action schedule for the Program/Budget Review.

Prepares policies and objectives to guide development and implementation of subsystems to the Five-Year Defense Program.

Analyzes current and projected financial and quantitative data to ascertain financial requirements and progress in terms of obligations and expenditure rates in DoD appropriations and reports on significant trends and conditions therein.

Prepares and continuously reviews the estimates of obligations, expenditures, and estimates of annual carry-over of availability for all funds appropriated to the DoD.

Prepares fiscal reports, special financial statements, charts, and graphs required in support of budget presentation, studies, and economic analyses.

Establishes reprogramming procedures, conducts technical review, and processes reprogramming actions to the Congress.

Develops and operates computer systems and programs supporting the budget process.

Develops, reviews, and analyzes the Five-Year Defense Program (FYDP).

Operates and controls the Defense Programming System to include: reviewing and processing of all Program Objective Memoranda (POM), advising and assisting primary action offices in the preparation of proposed Program Change Decision (PCD's), and processing the Program Change Decisions of the Secretary to the DoD components.

Participates in special program studies and reviews.

Clyde O. Glaister
Director for Program and Financial Control

Mr. Clyde O. Glaister, a native of New Kensington, Pennsylvania was born on April 6, 1935. He attended public schools in Vandergrift, Pennsylvania and LaSalle and American Universities. He began his career in government with the U.S. Air Force Headquarters staff in 1954. Since 1961 he has served in the Office of the Secretary of Defense, returning to the Air Force for a short period in 1965 and 1966. In 1967 he rejoined the OSD Comptroller staff as a program analyst initially concentrating his efforts on the Five Year Defense Program. Subsequent involvement in the budget formulation process led to overall responsibility for the DoD Planning, Programing, and Budgeting System.

In 1974 he was appointed Deputy Director and in 1976 appointed Director for Program and Financial Control. In this capacity he is responsible for: policies, plans and guidance for maintenance, extension, and improvement of the PPBS; preparation of the annual calendar; development of annexes to the FYDP; liaison with the congressional oversight committees on Mission Budgeting; preparation of obligation and outlay estimates for the DoD budget; overall financial control of the Secretary's budget review and formulation process providing daily status of the impact of the Secretary's decisions on component requests; monitoring, controlling and reporting status of congressional oversight committee review of the budget; controlling the Treasury warrants and OMB apportionment of appropriations enacted; establishing policies and procedures for the DoD reprograming system, keeping the department and the Congress apprised of the status of congressional actions; monitoring overall financial plans and reporting to the Comptroller and Secretary the status of program execution; responsible for accounting system integrity and consistency with established policy including solvency of accounts and initial determination of violations of the punitive statutes regarding obligations and expenditures; developing and operating time-shared computer systems designed to support the above processes.

Mr. Glaister is married to the former Carole Sue Main of Upper Sandusky, Ohio. They have two daughters, Dana and Diana, and reside at 2017 Soapstone Drive, Reston, Virginia.

March 1980

DIRECTORATE FOR PLANS AND SYSTEMS

Director John W. Beach

	Civ	Mil	Total
Professional	7	-	7
Clerical	2	-	2
Total	9	-	9

Establish budget principles, policies, and procedures covering formulation, presentation, and execution of the DoD budget. Maintain continuous surveillance of Defense budgetary levels to ensure conformance with Congressional budget resolutions.

Develop aggregate financing policy within DoD, e.g., to measure the effects of inflation and pay raises. Prepare budget amendments and supplementals as needed.

Project alternative levels of Defense budgetary resources based on different pay and price level assumptions. Prepare current services estimates indicating the budgetary resources needed to maintain current program levels.

Prepare DoD appeals to Congressional authorization and appropriation actions.

Develop economic studies and analyses to show the impact of outside economic events on Defense budgets and programs. Conversely, measure and evaluate the impact of Defense spending on overall economic activity. This includes econometric forecasting techniques.

Prepare budget submissions, Congressional testimony, Congressional action items, and other related material.

Report to and advise NATO allies on trends in U.S. Defense budgetary resources.

Maintain surveillance of the impact of DoD transactions entering the International Balance of Payments.

JOHN W. BEACH (John)

Director for Plans & Systems
Office of Assistant Secretary
of Defense (Comptroller)
Room 3A862, The Pentagon
Washington, DC 20301
(202) 697-9171

Syracuse University (B.S., 1960 and MPA, Economics, 1965).
U.S. Army Quartermaster Corps, 1962-1964; further graduate training economics and mathematics, American and George Washington Universities (1966-1970).

In present position since April 1979. Directs Department of Defense budget review procedures dealing with authorization and appropriation requests from the Congress. Prepares formal statements and other materials for Defense officials to present to the Congress dealing with Defense budget. Develops forecasts of Defense budget under alternative pay and price level assumptions.

Selected Federal Management Intern, 1965.
Secretary of Defense Meritorious Civilian Service Medal - 1975

DIRECTORATE FOR CONSTRUCTION

Director Allen D. South

	Civ	Mil	Total
Professional	5	-	5
Clerical	2	-	2
Total	7	-	7

Reviews, evaluates, and makes recommendations on DoD Components' Program Objective Memoranda, budget requests, apportionment requests, and budget execution plans for all military construction, family housing appropriations of the DoD, and for the areas of national intelligence and other classified programs.

Monitors the execution of the budget for the military construction and family housing appropriations.

Manages the Defense Homeowner's Assistance Fund.

Monitors the financial execution of intelligence and classified programs and participates in the Defense Intelligence Programs Reviews.

Biographical Sketch

Allen D. South

Born in Canton, South Dakota on March 30, 1923.

Educated in the State of Missouri public school system. Graduated from the Central Business College, Sedalia, Missouri in 1942.

Entered the Army in 1943 and served in the European theater until being discharged in 1945.

Became a civilian employee of the Department of Navy and served in various positions in the Comptroller field at Great Lakes, Illinois; transfering to Navy Headquarters, Washington, DC in 1957, serving there until 1964.

Joined the staff of the Office of Assistant Secretary of Defense (Comptroller) in 1964, held various positions in Program/Budget, being promoted to the Director for Construction in 1969, the position currently held.

DIRECTORATE FOR PROCUREMENT

Director Richard A. Harshman

	Civ	Mil	Total
Professional	10	-	10
Clerical	2	-	2
Total	12	-	12

Reviews, evaluates, and makes recommendations on DoD Components' Program Objective Memoranda, budget requests, apportionment requests, and budget execution plans for all procurement appropriations and stock funds of the DoD.

Monitors the execution of the budget for the procurement appropriations and stock fund accounts.

Biographical Sketch
Richard A. Harshman

Mr. Harshman was born in Frederick, Maryland on September 7, 1935. He attended public schools in Arlington County, Virginia graduating from Washington-Lee High School in 1953. Mr. Harshman attended Richmond Professional Institute in Richmond, Virginia, 1954-56 and graduated from American University of Washington, D.C., in 1958 with a B.S. in Business Finance. He completed several graduate courses at American and George Washington Universities.

Mr. Harshman was employed as a Cost Accountant with the Stone Paper Tube Company, an industrial concern in Mt. Ranier, Maryland, for the period 1959-61. He then entered U.S. Government service with the Department of the Air Force Comptroller in 1961. Mr. Harshman was chosen to be a Junior Professional Assistant (JPA) and placed in an accelerated advancement program as a budget analyst trainee. He moved into more responsible positions in the Air Force financial management field, first as a financial analyst and then a budget analyst for tactical missile programs. His experience during this period centered on budget execution and computation of requirements for Air Force missile procurement programs. In 1968, Mr. Harshman accepted a budget analyst position with the Assistant Secretary of the Navy (Financial Management) with program and budget responsibility for the Shipbuilding and Conversion appropriation. After a year with the Navy financial organization he was selected to be a senior budget analyst with the Assistant Secretary of Defense (Comptroller) in the Procurement Directorate.

Mr. Harshman moved through ever-increasing complex program review responsibility within the Procurement Directorate, first in the electronics and communications programs, then tactical missile procurement and finally all strategic ICBM and Cruise missile procurement. He was promoted to the position of Deputy Director of the organition in November, 1971. After two years of service, Mr. Harshman was selected to be Director of the Procurement Directorate for the Assistant Secretary of Defense (Comptroller).

Mr. Harshman is married to the former Myra Springer of Arlington, Virginia, has two sons and resides in Fairfax, Virginia.

DIRECTORATE FOR RESEARCH AND DEVELOPMENT

Director David J. Hessler

	Civ	Mil	Total
Professional	6	-	6
Clerical	1	-	1
Total	7	-	7

Reviews, evaluates, and makes recommendations on DoD Components' Program Objective Memoranda, budget requests, apportionment requests, and budget execution plans for all research, development, test, and evaluation appropriations of the DoD.

Monitors the execution of the budget for research, development, test, and evaluation appropriations.

Biographical Sketch
David J. Hessler

David J. Hessler was born in the District of Columbia on January 22, 1929. He attended St. Johns College Prep School, Georgetown University and was graduated from the University of Maryland in 1952 with a Bachelor of Science degree.

After graduation, he accepted a position as an analyst with the Assistant Secretary of State for Economic Affairs. From there in 1953 he was promoted to the Bureau of Security and Consular Affairs in the Department of State to take charge of their budget and administrative affairs.

In June, 1955, he transferred to the Department of Defense, accepting a position in the Research and Development Division of the Navy's Bureau of Ordnance, with responsibility for review of the field establishment budget for the Bureau's R&D facilities. Following a year and a half in BUORD, in 1957 he was promoted to the Navy Comptroller's Office. During the period 1957-60 he accepted positions of increasing responsibilities in the budget field including review and analysis of the Navy's Shipbuilding Program.

In June, 1960, he was appointed as a senior budget examiner in the Procurement Directorate of the Assistant Secretary of Defense Comptroller with responsibility for the Shipbuilding, Safeguard, and Ballistic Missile Programs.

In June, 1969, he was appointed Special Assistant to the Principal Deputy Assistant Secretary of Defense (Comptroller) with primary responsibility for the review of our military assistance programs for South Vietnam and Laos.

On May 18, 1973, he was appointed to his present position as Director for Research and Development (GS-17) in the Office of the Deputy Assistant Secretary of Defense (Comptroller). In this capacity he is responsible for the review of Department of Defense budget and apportionment requests relating to Research, Development, Test and Evaluation programs.

Mr. Hessler is married to the former R. Joyce McCabe. They have two daughters, Louise who is married to Lt. Robert J. Van Hooser (USA) and Diane who lives with them in Chevy Chase.

December 8, 1976

DIRECTORATE FOR OPERATIONS

Director Donald B. Shycoff

	Civ	Mil	Total
Professional	12	-	12
Clerical	3	-	3
Total	15	-	15

Reviews, evaluates, and makes recommendations on DoD Components' Program Objective Memoranda, budget requests, apportionment requests, and budget execution plans for the annual cost of operations and industrial funds of the DoD.

Monitors the execution of the budget for the operations accounts and industrial funds.

Coordinates overall operations justification to the Congress.

BIOGRAPHICAL SKETCH
DONALD B. SHYCOFF

Mr. Donald B. Shycoff was born in Haverhill, Massachusetts. He graduated from Syracuse University in 1953 with a Bachelor's degree in Political Science and attended post graduate school at the University of Illinois. Mr. Shycoff began his government career with the Navy Department in 1957.

Mr. Shycoff joined the Office of the Secretary of Defense (Comptroller) staff as an analyst in 1966. He was designated Director for Military Personnel in August 1973. He became Director for Operations in the Office of the Deputy Assistant Secretary of Defense (Program/Budget) in April 1974. The Directorate for Operations is responsible for review and analysis of budget programs and estimates for operation and maintenance and industrial funds of the Military Departments and Defense Agencies, including the related military and civilian manpower requirements.

Mr. Shycoff has received numerous awards and he received the Meritorious Civilian Service award in December 1975.

DIRECTORATE FOR MILITARY PERSONNEL

Director Lawrence P. Dube

	Civ	Mil	Total
Professional	5	-	5
Clerical	2	-	2
Total	7		7

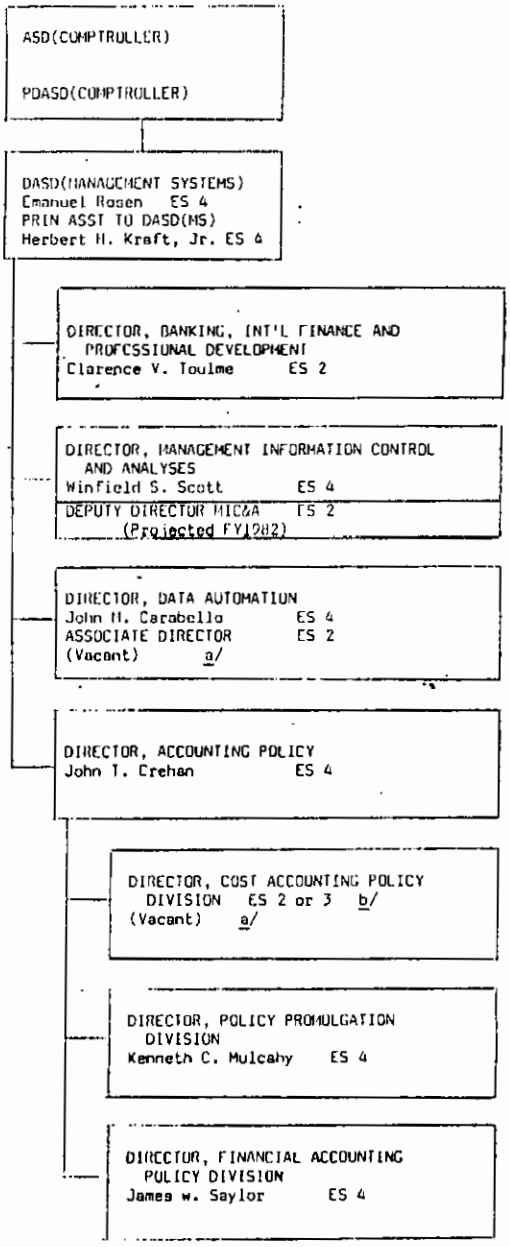
Reviews, evaluates, and makes recommendations on DoD Components' Program Objective memoranda, budget requests, apportionment requests, and budget execution plans for active duty military personnel, Reserve personnel, and retired military personnel apropriations of the DoD.

Monitors the execution of the budget for the appropriations identified above.

BIOGRAPHICAL SKETCH OF LAWRENCE P. DUBE

Mr. Dube was born in Nashua, New Hampshire in 1938. He received his BA Degree at the University of New Hampshire majoring in Political Science.

He began his career in the Federal Government in 1962 working in the budget field for various offices in the Department of Navy until 1968 when he joined the Comptroller staff in the Office of the Secretary of Defense (Operations Directorate). He became Director, Military Personnel in April 1974.



a/ Selection made by Management; in administrative processing and OPM review.

b/ ES 2 if possible; if not, ES 3, as required under current guidelines.

OFFICE OF THE DEPUTY ASSISTANT SECRETARY (MANAGEMENT SYSTEMS)

Emanuel Rosen

Principal Assistant — Herbert H. Kraft, Jr.

	Civ	Mil	Total
Professional	2	-	2
Clerical	2	-	2
Total	4	-	4

Directs and supervises:

The development and implementation of the program for improving management systems in DoD.

The development of policies, systems and procedures for the management and accounting of resources and operations.

Military banking, credit union and international financial matters.

The policies and procedures for the procurement, use, and management of automatic data processing in DoD.

The development of information and analyses to assist DoD managers in appraising Defense performance.

Management information and reporting systems, both in DoD and by contractor, in support of weapon systems acquisition.

Control of management information systems within OSD and DoD.

The development of DoD-wide policies and plans for education and professional development in the Comptroller area.

EMANUEL ROSEN

BIOGRAPHICAL SKETCH

Mr. Rosen was born in Brooklyn, New York and attended the New York City Public Schools. He received his Bachelor of Arts degree from Brooklyn College and a Master of Arts degree in Economics from Columbia University. Subsequently, he attended various institutions in the Washington area studying budgeting, business administration and defense systems analysis.

Mr. Rosen started his government career as a management intern in the Department of the Navy's Bureau of Ships in 1953. He subsequently held various positions in the Department of the Navy as a budget analyst, budget officer and system designer. In his last position with the Department of the Navy, he was Director, Budget Policy and Procedures Division in the Office of Navy Comptroller.

In March 1975, he assumed the position of Principal Assistant for Management Systems in the Office of the Assistant Secretary of Defense (Comptroller).

On February 6, 1979, he was appointed to the position of Deputy Assistant Secretary of Defense for Management Systems.

Mr. Rosen is a resident of Potomac, Maryland.

BIOGRAPHICAL SKETCH

MR. HERBERT H. KRAFT, JR.

Mr. Herbert H. Kraft, Jr., was designated Principal Assistant to the Deputy Assistant Secretary of Defense (Management Systems) effective 25 March 1979. Mr. Kraft assists in directing a staff of systems accountants, financial experts and other professionals engaged in the development and oversight of DoD policy for accounting, automatic data processing, information control including acquisition management information and the provision of financial services on military installations worldwide, including serving as focal point with Treasury, OMB, GAO, GSA and NBS on all related policy and procedural matters.

Born on August 8, 1932, in Philadelphia, Pennsylvania, Mr. Kraft attended Philadelphia public schools, graduating from Central High School in 1950. He then attended Muskingum College, New Concord, Ohio, and was graduated cum laude with a Bachelor of Arts Degree in History and Economics in 1954. He continued his education at the Woodrow Wilson School of Public and International Affairs at Princeton University, graduating in 1956, with the Master in Public Affairs Degree.

In July 1956, he joined the Office of the Secretary of Defense as an Executive Trainee. From October 1956 to October 1959, he served on active duty with the U. S. Army. Mr. Kraft has served continuously since 1959 with the Office of the Secretary of Defense in progressively more responsible positions, as a program analyst, audit reports analyst, budget analyst, and financial economist. In June 1973, Mr. Kraft was named Special Assistant to the Principal Deputy Assistant Secretary of Defense (Comptroller), and later in January 1975 became the Director for Banking, International Finance and Professional Development, his most recent position.

Mr. Kraft attended the Industrial College of the Armed Forces, graduating in June 1970. While at the Industrial College, he also earned the degree of Master of Science in Business Administration from the George Washington University. In addition to his other academic training, he has attended the Federal Executive Institute, the Defense Resources Management Education Center, and the DoD Computer Institute.

He is married to the former Louise H. Knoke of New Rochelle, New York. They reside with their three children in Vienna, Virginia.

DIRECTORATE FOR BANKING, INTERNATIONAL FINANCE AND PROFESSIONAL DEVELOPMENT

Director C. V. Toulme

	Civ	Mil	Total
Professional	9	-	9
Clerical	2	-	2
Total	11	-	11

Develops, monitors, and implements, as required, policies and procedures for the delivery of banking and credit union services at military installations in the United States and overseas. Exercises direct control over the following aspects of military banking at overseas installations:

Determination of banking services to be provided and the fees and charges for those services.

Arranging for funding of banking services and selection of institutions to provide those services.

Continued oversight and periodic on-site review of military banking income, expense, and customer service.

Develops and monitors policies and prepares reports pertaining to such financial matters as custody, use and disposal of foreign currencies.

Establishes and monitors DoD policies and systems for the development and maintenance of a professional Comptroller organization through planned career staffing, development, and utilization, through transmission of the latest developments in financial and resource management to DoD schools; and through sponsorship of experimental and pilot seminars and symposia.

BIOGRAPHICAL SKETCH

MR. CLARENCE V. TOULME

Mr. Toulme was designated Director for Banking, International Finance and Professional Development, Office of the Assistant Secretary of Defense (Comptroller) effective 25 May 1980. Prior to that time, he was associated with the Office of the Assistant Secretary of the Army (Installations, Logistics, and Financial Management).

Mr. Toulme is responsible for developing and monitoring DoD policies and procedures for banks and credit unions which operate on DoD installations worldwide. In addition, he develops policies governing the use of certain foreign currencies by DoD agencies and other designated foreign financial matters in which DoD has interest. He is responsible for the formulation and development of education, training and career development programs for financial and resource management specialists throughout DoD.

Prior to his association with the Office of the Assistant Secretary of the Army, Mr. Toulme was on active duty with the United States Army assigned to the Finance Corps. In addition to various assignments at CONUS installations, he served in Europe, Canada, and Vietnam.

He is a graduate of Bowling Green College of Commerce, holding a Bachelor of Science degree in accounting. In addition, he has attended the Armed Forces Staff College, Norfolk, Virginia, and the Department of Defense Computer Institute, Washington.

Mr. Toulme resides with his family in McLean, Virginia.

DIRECTORATE FOR MANAGEMENT INFORMATION CONTROL AND ANALYSIS

Director Winfield S. Scott

	Civ	Mil	Total
Professional	17	-	17
Clerical	4	-	4
Total	21	-	21

Develops policies for management and control of the DoD information program to comply with applicable public laws and OMB Circulars. Represents DoD in development of related Federal policies and criteria.

Develops and monitors the DoD-wide information management improvement program.

Develops policies for the DoD Data Element and Code Registration and Standardization Program. Serves as the approval authority for standard data elements and codes within DoD.

Develops policies for management information reporting and management systems in support of weapons systems acquisitions, including those subject to Selected Acquisition Report (SAR) requirements.

Develops policies and promulgates criteria for cost and schedule management control systems used by Defense contractors. Monitors implementation of contractor cost performance reporting systems.

Develops policies for the preparation and dissemination of statistical information used for management purposes in the Department of Defense and transmitted to Congress, the public and other Government agencies.

Prepares summaries of management information and analyses for the Secretary of Defense and key OSD officials on a periodic basis.

Provides OASD(C) membership and support to CAIG activities.

BIOGRAPHY

WINFIELD S. SCOTT is Director for Management Information Control and Analysis, Office of the Comptroller (DoD). He is responsible for providing leadership and direction in the development and administration of management information systems, acquisition management cost performance measurement systems, summary executive management information systems, and DoD information control.

He came to the Office of the Secretary of Defense (OSD) after retirement from the Army as a Brigadier General. Mr. Scott's first assignement in OSD was that of Special Consultant to the Deputy Secretary of Defense (DepSecDef) and Advisor to the Chairman of the Acquisition Advisory Group, a panel of experts commissioned by the DepSecDef to review major weapons systems acquisition management interfaces within the Department of Defense and make appropriate recommendations. His last assignment in the Army was that of organizer and first Commandant of the Defense Systems Management School, a school established by the Honorable David Packard, when he was the Deputy Secretary of Defense, for the express purpose of improving weapons systems acquisition management in the Department. Immediately prior to his duties as Commandant, Mr. Scott served: as Tri-service Project Manager for the 2.75 inch Rocket System for three years; a three-year tour of duty as principal Mid-range Logistic Planner on the staff of the J-4 of the Organization of the Joint Chiefs of Staff; Ordnance Officer, Military Assistance Command, Vietnam and Senior Ordnance Advisor to the Chief of Ordnance, Republic of Vietnam Armed Forces; and in a series of logistic and operational assignments with the United States for over 20 years.

He received a B.S. in Military Engineering from the United States Military Academy, an M.S. in Electrical Engineering from Northwestern University, and an MBA from George Washington University. He also attended the Management Program for Executives, Graduate School for Business, University of Pittsburgh.

Contact at: Directorate for Management Information Control and Analysis
Office of the Assistant Secretary of Defense (Comptroller)
Department of Defense
Washington, D.C. 20301
(202) 697-6107

10/10/79

DIRECTORATE FOR DATA AUTOMATION

Director John M. Carabello

	Civ	Mil	Total
Professional	7	-	7
Clerical	2	-	2
Total	9	-	9

Develops and oversees the implementation of policies, plans and standards associated with the administration of the DoD ADP Program.

Serves as liaison for DoD with other Government agencies, Congress and private industry on broad national and federal ADP policy issues.

Provides advice and analysis regarding the continuation, termination or redirection of major automated information systems throughout DoD.

Conducts studies aimed at strengthening ADP resource management throughout DoD.

Works with USDR&E and ASD(C^3I) staff to improve the management of computer resources embedded in major weapons systems.

BIOGRAPHY

JOHN M. CARABELLO is the Director for Data Automation in the Office of the Assistant Secretary of Defense (Comptroller). He is responsible for developing policies and plans for the administration of Defense ADP resources.

He was promoted to his present position in September 1977 after serving from September 1973 as the Director of ADP Policy, Technology and Standards -- one of the three Divisions he now heads. Prior to joining the Office of the Assistant Secretary of Defense (Comptroller) in 1970, he worked in the Navy's Office of Information Systems Planning. He entered the public service with the Department of the Navy as a Federal Management Intern in 1965.

He completed his undergraduate studies at Albright College in 1964. In 1977, he received an M.P.A. degree in management systems from the University of Southern California.

DIRECTORATE FOR ACCOUNTING POLICY

Director John T. Crehan

	Civ	Mil	Total
Professional	16	-	16
Clerical	4	-	4
Total	20	-	20

Develops accounting policies, principles, and standards. Reviews and recommends for approval financial management systems integrating accounting, financial reporting, appropriated funds, working capital funds, and property of the DoD. These policies and principles govern:

The integration of resource management and financial systems.

Use of working capital funds.

Cost accounting and transfer pricing.

Collections and expenditures of funds.

The administrative control of funds.

Uniform account structures and classification.

Financial inventory accounting and reporting for expense and investment items, including Government-owned property in possession of contractors.

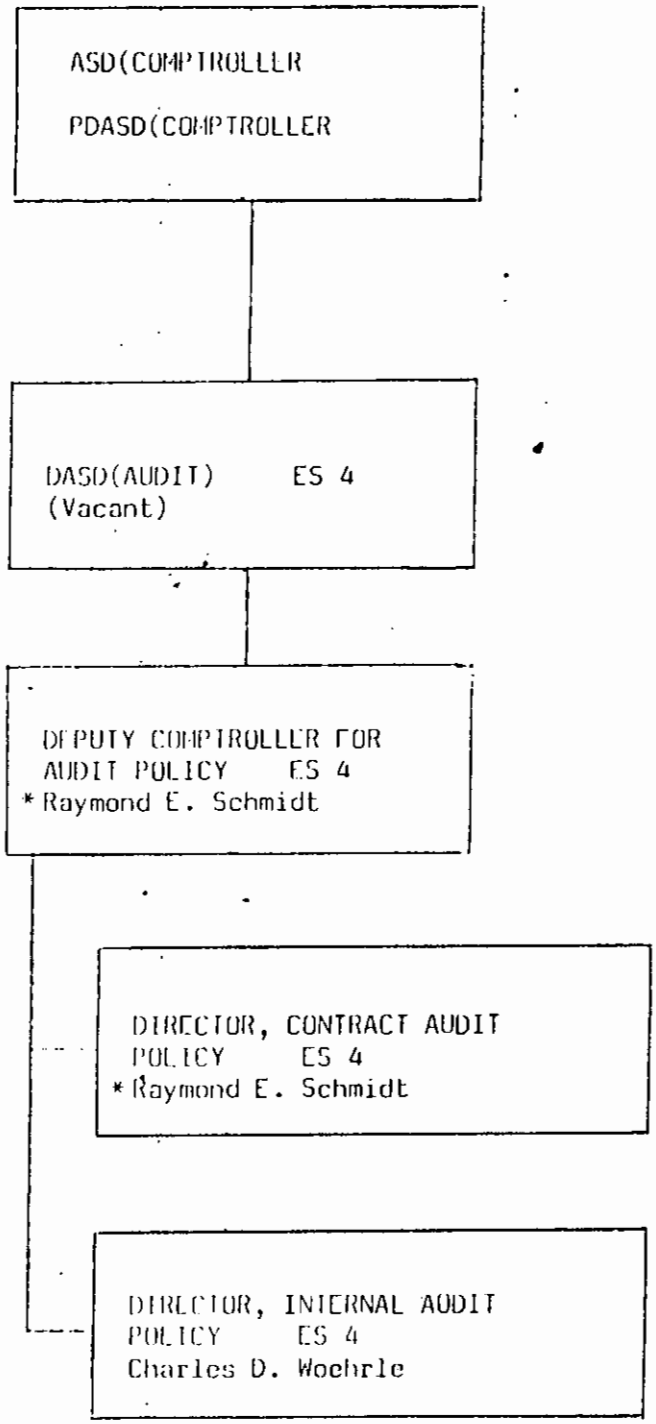
Pricing of foreign military sales and user charges.

Accounting for nonappropriated funds.

BIOGRAPHICAL SKETCH

JOHN T. CREHAN

Mr. John T. Crehan is the Director for Accounting Policy, OASD (Comptroller). He was appointed to that position on February 12, 1975. Prior to joining OSD, Mr. Crehan was with the Defense Contract Audit Agency (DCAA), where he held various positions in its Headquarters offices at Cameron Station, Alexandria, Virginia. His last assignment with DCAA was as the Regional Manager of the New York Region. Mr. Crehan has also served with the U.S. Army Audit Agency and a national firm of Certified Public Accountants. He holds a BS degree from Duquesne University and is a Certified Public Accountant. He is a member of the American Institute of Certified Public Accountants, the Association of Government Accountants, and the Armed Services Military Comptrollers Association.



* Deputy Comptroller for Audit Policy and acts as Director, Contract Audit Policy

OFFICE OF THE DEPUTY ASSISTANT SECRETARY (AUDIT)

	Civ	Mil	Total
Professional	1	1	2
Clerical	1	-	1
Total	2	1	3

Directs and supervises:

-- Contracts Audit and Internal Audit policies and plans.

-- The planning, development, and issurance of policies and procedures for the guidance and direction of DoD audits of interservice and Defense-wide programs, the Security Assistance Program, and other significant areas concerning either DoD activities or contractor costs.

-- The coordination of audit programs and schedules within the DoD internal audit organizations and between the DoD internal audit organizations and the GAO.

-- The providing of advisory internal audit service to the Office of the Secretary of the Defense and other DoD components.

-- The performance of special audits of selected areas by Defense audit organizations.

-- The evaluation of GAO and other audit reports, the preparation of comments thereon and the follow-up on corrective actions.

-- Liaison with the GAO, State Department, and military department activities on matters relating to internal audits of the Security Assistance Program and interservice and special audits performed or directed.

BIOGRAPHICAL SKETCH

James H. Curry

Mr. Curry was selected on December 21, 1979, as the Deputy Director of the Defense Audit Service (DAS). In this position he is responsible for all operational aspects of DAS and works closely with the Director on policy matters.

Mr. Curry previously held the Regional Manager's position in Europe with DAS. Prior to that he headed up the Pacific Office with OSD Audit during the Vietnam Conflict. In 1971 he was awarded the Medal for Civilian Service in Vietnam by Ellsworth Bunker.

Mr. Curry began his Government auditing career with the General Accounting Office in 1959. He subsequently held positions in the General Services Administration and with OSD Audit before his present assignment with the Defense Audit Service. Mr. Curry is a graduate of Susquehanna University, and received a Masters of Business Administration from the University of Pennsylvania. He is a Certified Public Accountant and a Certified Internal Auditor.

Mr. Curry is a native of Hershey, Pennsylvania. He is married and the Curry's have one son, who is currently enrolled in Gettysburg College.

Currently, Mr. Curry is holding the position of Acting Deputy Assistant Secretary of Defense(Audit) and Acting Director, Defense Audit Service.

DEPUTY COMPTROLLER FOR AUDIT POLICY

Raymond E. Schmidt

	Civ	Mil	Total
Professional	1	-	1
Clerical	1	-	1
Total	2	-	2

Develops policies and plans for contract and internal auditing within the DoD.

Analyzes, evaluates and coordinates audit organizations, programs, operations and reports of the DoD.

Sponsors periodic planning meetings of DoD internal audit groups to coordinate audits of common functions or activities.

Summarizes for key officials highlights of internal audit reports from Defense components and provides follow-up information on action taken on significant matters included in audit reports.

Provides guidance on recruiting, career development and staff management of auditors.

Prescribes audit cognizance assignments for Defense agencies and joint activities.

Participates in development of procurement policies, especially cost principles relating to contract auditing.

Represents the DoD audit community in governmental audit and professional organization meetings concerned with current audit trends.

RAYMOND E. SCHMIDT

Biographical Sketch

After World War II service as a pilot in the China-Burma-India theater, Mr. Schmidt was a corporate auditor for the Reynolds Metals Company, Richmond, Virginia until his recall to active duty with the U.S. Air Force during the Korean War.

Mr. Schmidt joined the staff of the U.S. Air Force Auditor General in a civilian capacity in 1953 and performed both internal and contract audit assignments at its District Headquarters in New York City, and at field locations within the District, including offices at the ITT Federal Laboratories and RCA Corporation. He was Chief of the New Jersey Branch Office, USAF Auditor General, from 1964 to 1965 when he transferred to the newly established Defense Contract Audit Agency.

Joining the Office of the Assistant Secretary of Defense (Comptroller) in 1966, Mr. Schmidt has had responsibility for audits of Defense agencies and Defense-wide interservice audits of assigned functional areas. He is currently Assistant for Audit Policy as well as Director, Contract Audit Policy.

Mr. Schmidt received a BS degree in Business Administration with high honors from Rutgers University where he majored in accounting. He is a member of the Association of Government Accountants, Northern Virginia Chapter. A native of New Jersey, he currently resides in Fairfax County, Virginia, with his wife Catherine and their five children.

DIRECTORATE FOR INTERNAL AUDIT POLICY

Director Charles D. Woehrle

	Civ	Mil	Total
Professional	6	-	6
Clerical	1	-	1
Total	7	-	7

Develops policies and objectives with respect to internal auditing in the DoD.

Provides technical guidance to the DoD internal audit organizations as representative of the ASD(Comptroller).

Assures that all Defense components and activities are subject to appropriate internal audit coverage.

Monitors and coordinates the audit activities of the DoD audit components, including their joint programming activities. Chairs periodic programming meetings.

Reviews the operations of the Defense internal audit organizations for conformance with DoD audit policies and objectives.

Reviews internal audit reports for compliance with DoD audit reporting standards, and disseminates significant audit results and trends to the Secretary of Defense and Deputy Secretary of Defense and to interested DoD officials.

Provides guidance on staff qualifications, recruiting, career development and staff management, and develops and directs DoD joint audit training activities.

Provides assistance and guidance with respect to any matters relating to the effective performance of the internal audit mission.

BIOGRAPHICAL SKETCH

Charles D. Woehrle

Director for Internal Audit Policy

Charles D. (Chuck) Woehrle was appointed to the position of Director for Internal Audit Policy on January 1, 1978. He has served the DoD Comptroller and the Deputy Assistant Secretary of Defense(Audit) since 1967, 6 years in the management of interservice audits, and six in the development and monitoring of DoD internal audit policies. Mr. Woehrle's professional accounting background also includes 12 years of supervisory level audit experience with the Army Audit Agency and 6 years of senior level experience with a firm of Certified Public Accountants.

Mr. Woehrle is a graduate of St. Louis University (Bachelor of Science with major in finance and accounting). He is a Certified Internal Auditor and is an active member of the Association of Government Accountants, currently serving as Chairman of the National Task Force on Operational Auditing and as a member of the National Education Board. He has developed an AGA course on Operational Auditing and conducts lectures on the subject at DoD and AGA auditor training courses. He is a member of the Board of Directors of the Pentagon Federal Credit Union and formerly served as chairman of its supervisory (audit) committee.

He served as an officer and an aviator with the U.S. Marine Corps in combat during World War II and the Korean conflict.

Mr. Woehrle was born in Overland, Missouri. He and his wife, the former Bettie Copeland, reside in Vienna, Virginia.

DIRECTORATE FOR CONTRACT AUDIT POLICY

Director Raymond E. Schmidt

	Civ	Mil	Total
Professional	4	-	4
Clerical	-	-	-
Total	4	-	4

Develops policies and procedures to be followed in matters relating to audit of Defense contractors' records; and provides technical guidance to the Defense Contract Audit Agency (DCAA) as representative of the ASD (Comptroller). Reviews and evaluates audit instruction developed by DCAA to assure consistency with DoD policies.

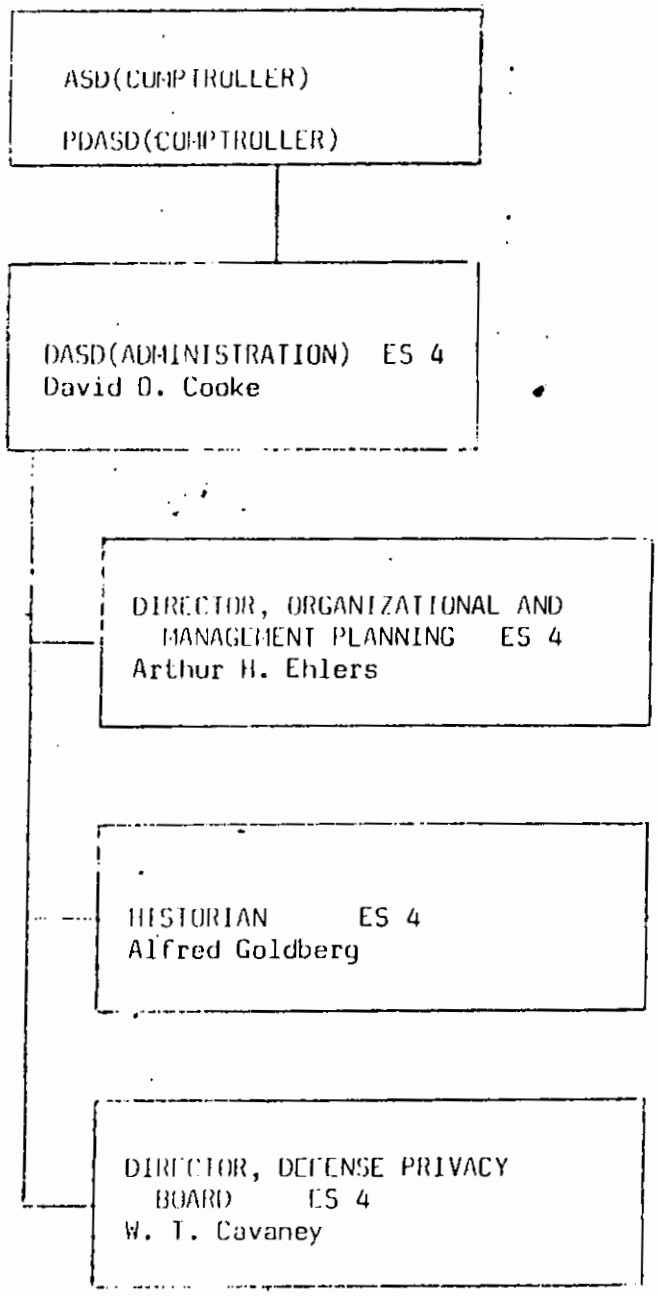
Evaluates the effectiveness of contract audit support of procurement by determining the degree of utilization by procurement and the adequacy of the support furnished, for the purpose of recommending changes in policy.

Participates with OUSD(R&E) staff in the development of procurement regulations or instructions related to contract audit or contract cost practices. Services on standing Armed Services Procurement Regulation subcommittees or ad hoc committees.

Evaluates GAO reports and DoD responses which involve contract audits.

Participates in developing DoD position on proposed issuances by the Cost Accounting Standards Board. Participates in developing implementing instructions on standards, rules or regulations issued by the Board.

Maintains liaison with ASD offices, military departments, Defense agencies, Government groups, industry groups, university groups and public accounting associations/firms with respect to matters affecting the pricing or costing of contracts or the auditing of costs incurred or proposed thereunder.


ASD(COMPTROLLER)
PDASD(COMPTROLLER)
DASD(ADMINISTRATION) ES 4
David O. Cooke
DIRECTOR, ORGANIZATIONAL AND MANAGEMENT PLANNING ES 4
Arthur H. Ehlers
HISTORIAN ES 4
Alfred Goldberg
DIRECTOR, DEFENSE PRIVACY BOARD ES 4
W. T. Cavaney

OFFICE OF THE DEPUTY ASSISTANT SECRETARY (ADMINISTRATION)

D. O. Cooke

	Civ	Mil	Total
Professional	2	-	2
Clerical	1	-	1
Total	3	-	3

The Deputy Assistant Secretary of Defense (Administration) serves as the principal staff assistant within the Office of the Secretary of Defense for administration and management matters, and as such:

Carriers out assigned coordinating responsibilities and special assignments for the Secretary and Deputy Secretary of Defense and for the Assistant Secretary of Defense (Comptroller).

Advises the Secretary and Deputy Secretary of Defense on organizational and management matters in the DoD.

Directs Washington Headquarters Services which:

Provides administrative support to OSD, OJCS, and other assigned activities within the NCR.

Provides policy supervision and manages common facilities and services within the NCR.

October 1979

DAVID O. COOKE
Deputy Assistant Secretary of Defense
(Administration)

Mr. Cooke has been involved in Defense management since 1958 when he was a member of Secretary of Defense McElroy's task force on reorganization which led to the passage of the DoD Reorganization Act of 1958. In 1959 he developed a DoD policy reference book for Secretary of Defense Gates and in 1960 served on special DoD reorganization study groups under Mr. Gates.

In January 1961, Mr. Cooke was assigned to the Office of Organizational and Management Planning. This was the office responsible during the McNamara era for the establishment of the Defense Intelligence Agency, the Defense Supply Agency, the Defense Contract Audit Agency and other major organizational changes in Defense. In the summer of 1964, Mr. Cooke became Director of Organizational and Management Planning and in January 1969 he was named Deputy Assistant Secretary of Defense (Administration).

Among the major Defense reorganizations in the 1970's for which Mr. Cooke had responsibility for planning and implementing were the Defense Civil Preparedness Agency, the Defense Mapping Agency and the Defense Investigative Service, as well as overall DoD headquarters realignments. As Chairman of the Defense Investigative Review Council from 1971-78, he played a major role in shaping both policy and programs for counterintelligence and related investigatory activities. He has been a principal DoD spokesman before Congressional committees on these policies and programs as well as related security matters.

Mr. Cooke has frequently served as the senior Defense representative on important interagency groups, including the Interagency Classification Review Council, President Ford's Intelligence Operations Group, and the National Study Commission on Records and Documents of Public Officials. He is the Defense member of the interagency Assistant Secretaries' Management Group.

As the Deputy Assistant Secretary of Defense (Administration) Mr. Cooke serves in a dual capacity as the Director, Washington Headquarters Services (WHS) which was established as a field activity of the Office of the Secretary in 1977. The WHS mission is to provide administrative and operational support to certain Defense activities in the National Capital Region. Such support includes budget and accounting, personnel management, office services, security, records management, travel, computer services, information and data systems and other administrative support.

Mr. Cooke has been awarded the DoD Distinguished Service Medal -- the highest department career award -- three times. He also holds the Secretary of Defense Medal for Outstanding Public Service -- an award rarely conferred on a career official.

Mr. Cooke is a graduate of New York State University College at Buffalo, New York (B.S., 1941) and received an M.S. from New York State University at Albany, New York in 1942. He received his law degree from the George Washington University Law School in 1950 where he was a member of the Law Review and Order of the COIF. He is a member of the District of Columbia Bar, the Court of Appeals for the District of Columbia and the Court of Military Appeals.

Mr. Cooke is a retired Captain, United States Navy. During his active duty he served in a wide variety of assignments mainly involving legal duties.

Mr. Cooke is married to Marion McDonald Cooke, also a lawyer. They have three children: Michele, Lot and David. He currently resides at 1412 23rd Road South, Arlington, Virginia.

Mr. Cooke is a member of the American Bar Association, the U. S. Maritime Law Association, the Federal Bar Association, and the American Society for Public Administration.

By virtue of his very high level experience in the Pentagon since 1957, Mr. Cooke is familiar with Defense problems across the board and has developed close personal relationships with most of the present civilian and military leaders within DoD.

DIRECTORATE FOR ORGANIZATIONAL AND MANAGEMENT PLANNING

Director Arthur H. Ehlers

	Civ	Mil	Total
Professional	7	2	9
Clerical	2	1	3
Total	9	3	12

Conducts studies, develops plans, and recommends changes with respect to DoD organization structure and management practices.

Provides policy guidance, planning, and coordination for the DoD Emergency Preparedness Program.

Supervises and coordinates the DoD Committee Management Program.

Analyzes and controls manpower requirements for OSD, OJCS, and activities assigned to OSD for administrative support.

ARTHUR H. EHLERS

Title: Director for Organizational and Management Planning, Office of the Assistant Secretary of Defense (Comptroller)

Responsibilities:

Directs a staff within the Office of the Secretary of Defense having responsibility to conduct reviews, make evaluations, and develop recommendations for the Secretary concerning the organization, functions, and management of DoD activities and programs.

Background:

- 18 years of Federal service
- Began as civilian personnel specialist under the Army Chief of Staff
- Tour with Dept of HEW -- assigned a variety of management and personnel responsibilities
- Entered Office, Secretary of Defense 1965 with similar responsibilities
- Moved to present organization in 1969
- Became Director 1973

HISTORICAL STAFF

Historian Alfred Goldberg

	Civ	Mil	Total
Professional	3	-	3
Clerical	1	-	1
Total	4	-	4

Prepares and maintains historical records and reports for OSD.

Coordinates the historical activities of the DoD.

Represents the DoD on matters related to history.

Performs special assignments.

ALFRED GOLDBERG
OSD HISTORIAN

U.S. Army and Army Air Forces - 1942-46 - Private to Captain

U.S. Air Force Reserve - 1946-78

Ph.D - The Johns Hopkins University - 1950

U.S. Air Force Historical Division - 1946-65

Chief of Current History Branch - 1950-63

Senior Historian - 1963-65

Visiting Fellow - Kings College, University of London, 1962-63

Social Science Council Research Fellowship - 1962-63

Staff Member, Warren Commission - 1964

Lecturer, University of Maryland - 1953-65

Lecturer, UCLA - 1968

Lecturer, University of Southern California - 1966-69

Rand Corporation - Senior Staff Member, 1965-73

OSD Historian - 1973-

Publications:

Co-author, The Army Air Forces in World War II (7 vols.)

Editor, A History of the U.S. Air Force, 1907-1957

Co-editor, The Department of Defense: Documents on Establishment and Organization, 1944-1978

Articles and reviews in books, journals, and encyclopedias

DEFENSE PRIVACY BOARD

W. T. Cavaney

	Civ	Mil	Total
Professional	2	1	3
Clerical	1	-	1
Total	3	1	4

Directs and administers the DoD Privacy Program under the Deputy Assistant Secretary of Defense (Administration). The Privacy Program was established by DoD Directive 5400.11 to ensure compliance with the Privacy Act of 1974 (5 U.S.C. 552a).

DoD policy for the Privacy Program is developed by the Defense Privacy Board. The Chairman is the Deputy Assistant Secretary of Defense (Administration); members consist of representatives from the Military Departments, the Defense Logistics Agency, the Assistant Secretary of Defense (MRA&L), and the General Counsel of the DoD. The Director of the Defense Privacy Office serves as Executive Secretary of the Board. The Chairman speaks for the Board on policy matters; the Executive Secretary on administrative matters.

BIOGRAPHY

William T. Cavaney

Mr. Cavaney is a native of Chicago, Illinois, and a graduate of the University of Chicago where he received an AB and JD. He is a member of the Illinois Bar. During World War II he served on active duty as a Naval Reserve Officer. He has been employed in various Components of the Department of Defense, as an investigator, attorney, intelligence and security analyst and is currently Executive Secretary of the Defense Privacy Board.

DEFENSE CONTRACT AUDIT AGENCY

The Defense Contract Audit Agency authorized personnel strength is 3,575

FACT SHEET
DEFENSE CONTRACT AUDIT AGENCY
(DCAA)

DCAA was established as a separate agency in the Department of Defense in 1965 by DoD Directive 5105.36; prior to that time its functions were performed by the three military departments and DLA. It was created principally to provide more independence, objectivity and consistency in advisory audit recommendations to procurement personnel regarding contractor costs, and to effect other operating improvements. Its Director is responsible to the Assistant Secretary of Defense (Comptroller).

The Agency audits about 9,600 business enterprises, including many large defense contractors such as Lockheed, Boeing, General Dynamics, and McDonnell Douglas. The results of the audits are provided to procurement and contract administration components for use in negotiation, administration and settlement of contracts and subcontracts. These contract audit services are also furnished a number of other Government agencies to avoid duplication. DCAA is the only Agency with which defense contractors deal on audit matters.

The principal specific functions of the Agency are:

Review of pricing proposals (in FY 79 the Agency reviewed about 29,000 proposals for approximately $98 billion),

Audit of costs incurred under Government contracts (approximately $34 billion audited in FY 79),

Review of the adequacy of contractors' accounting and financial management systems and estimating procedures,

Review of contractors' compliance with regulations and promulgated standards of the Cost Accounting Standards Board established by Public Law 91-379, and

Audit of contractors' compliance with Public Law 87-653 ("Truth in Negotiations").

In fiscal year 1979 savings as a result of audit recommendations were $3.4 billion, representing a return of 33 to 1 on amounts expended for operation of the Agency. DCAA audits include reviews of the economy and efficiency of contractor operations; in 1972 the General Accounting Office confirmed the appropriateness of the longstanding practice of DCAA to include such reviews in its audit programs, and in 1975 recommended the Agency give them greater priority.

Approximately 3,400 persons are employed in 390 locations throughout the United States and overseas; 77 field offices are located in the plants of the larger contractors. Operations are highly decentralized--audit reports are signed and released at the field office level; supervision is provided through six regional offices and the Headquarters in Cameron Station, Alexandria, Virginia.

Over 60 percent of DCAA's personnel are auditors, GS-510, for which recruiting is normally from college graduates with accounting majors. About 560 are certified public accountants and many others are training for the examination.

Progressive programs for technical guidance and professional career development are maintained--a contract audit manual is published by Headquarters; a training facility for contract auditing is operated in Memphis, Tennessee; a cadre of auditors conducts research in advanced audit techniques, especially those in which computers are involved; training and career development of all auditors is carefully planned and monitored; and a program for development of top executives is maintained through a system of education, on-the-job training, evaluation and counseling, and rotational assignments. The DCAA executive development program was recently surveyed by the Civil Service Commission and received an unusual outstanding rating accompanied by letters of commendation from the Chairman of the Civil Service Commission and the Secretary of Defense.

The Director is Mr. Frederick Neuman, CPA; Mr. Charles O. Starrett, Jr., CPA, is the Deputy Director.

FREDERICK NEUMAN
Biographical Sketch

Frederick Neuman is the Director of the Defense Contract Audit Agency (DCAA). This Agency is responsible for all contract auditing in the Department of Defense, and also performs this service for many other Federal departments and agencies.

After graduating from the College of the City of New York with a Bachelor of Business Administration degree, he was associated with a firm of Certified Public Accountants in that city for about four years. In 1942, he accepted a position as auditor with the old Army Air Corps in Pennsylvania. He remained with the Army Air Corps audit organization until it was absorbed by the U.S. Army Audit Agency (USAAA) in 1946. He served with the USAAA until January 1965, where his last position was Chief, Procurement Audits Division of the Headquarters office in Washington, D.C.

In January 1965, he was appointed to the planning group which was formed to establish DCAA. He held four prior positons of high responsibility in the Headquarter's organization of the newly formed Defense Agency before being appointed to his present post as Director on 1 August 1976.

Mr. Neuman is a Certified Public Accountant in the State of New York, a charter member of the New York Association of Government Accountants (AGA), formerly a member of the Washington Chapter (AGA), and currently a member of the Montgomery-Prince Georges Chapter (AGA). He has served as chairman of several committees at the national level of AGA, and is National President-Elect for the 1979-1980 term.

He is active as a speaker at many professional meetings and serves as a panel member during various seminars on professional subjects. For many years Mr. Neuman has been a guest lecturer at the Defense Systems Management School at Fort Belvoir, Virginia, and the U. S. Army Judge Advocate General's School at Charlottesville, Virginia. In addition, he lectures at university-sponsored educational programs as well as those conducted by professional organizations.

In recognition of his contributions and excellent performance, Mr. Neuman received many awards and citations during his Government career. In 1970 he was given the Distinguished Civilian Service Award and Gold Medal for his performance in the Defense Contract Audit Agency during the period July 1965 through December 1970. On 18 December 1979 he was awarded the Secretary of Defense Meritorious Civilian Service Medal.

139 pages

ASSISTANT SECRETARY OF DEFENSE (MANPOWER, RESERVE AFFAIRS AND LOGISTICS)

The attached documents represent all of the "issue papers" prepared by the ASD(MRA&L) in connection with the transition from the Carter to Reagan Administration. The OASD(MRA&L) advises that nothing has been omitted or deleted from these documents.

MRA&L TRANSITION BOOK

I. MRA&L Organization

Tab A - MRA&L Charter, Directive 5124.1

Tab B - MRA&L Organization Chart

Tab C - Deputates - Resumes, Organization and Major Functions

1. Civilian Personnel Policy
2. Installations and Housing
3. Supply, Maintenance and Transportation
4. Office of Economic Adjustment
5. Equal Opportunity
6. Energy, Environment and Safety
7. Military Personnel Policy
8. Program Management
9. Reserve Affairs
10. Requirements, Resources and Analysis
11. Reserve Forces Policy Board
12. Special Projects
13. Weapons Support
14. Administration

Tab D - MRA&L Administrative Budget

Tab E - MRA&L Research, Studies and Data Program

Tab F - Partial Listing of 1980 Congressional Appearances

Tab G - Major Upcoming Action Items

II. MRA&L Issues

Tab H - Overview

Tab I - Issue Papers

1. Active Force Recruiting Capability Forecast FY 81 and FY 82
2. Aptitude Testing and Enlistment Standards
3. Educational Incentives
4. Pay and Retention in the Active Force
5. Training Quality and Resources
6. Undergraduate Helicopter Pilot Training (UHPT) Consolidation
7. Dependents Overseas
8. Transfer of DoD Dependents Schools System to Department of Education
9. Equal Opportunity and Force Representativeness
10. Mobilization Manning
11. National Service
12. Full-Time Support Program/Military Status of Technicians
13. DoD Civilian Employment Ceilings
14. Civilian Management and Compensation Issues
15. Issues and Directions in Weapon Support Planning and Management
16. Maintenance Efficiency
17. Depot Maintenance System
18. Commercial and Industrial-Type Activities Program
19. Supply Management
20. Airlift and Sealift Capability
21. Facilities Deficiencies
22. NATO MilCon Issues

23. Base Structure and Support

24. DoD Community Impacts

25. Energy Supply and Demand

26. Hazardous Material and Munitions Management

27. DoD Safety Programs

28. Mobilization Exercises and Capability

29. Rapid Deployment Force Support Requirements

30. Materiel Readiness and Sustainability

31. Host Nation Support

April 20, 1977
NUMBER 5124.1

ASD(C)

Department of Defense Directive

SUBJECT Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics)

References:
(a) DoD Directive 5120.27, "Assistant Secretary of Defense (Manpower and Reserve Affairs)," December 7, 1973 (hereby cancelled)
(b) DoD Directive 5126.22, "Assistant Secretary of Defense (Installations and Logistics)," March 28, 1975 (hereby cancelled)
(c) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976

A. PURPOSE

Pursuant to the authority vested in the Secretary of Defense under the provisions of title 10, United States Code, one of the positions of Assistant Secretary of Defense is designated the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) (hereinafter "the ASD(MRA&L)"), with responsibilities, functions and authorities as prescribed herein.

B. RESPONSIBILITIES

The ASD(MRA&L) is the principal staff adviser and assistant to the Secretary of Defense for Department of Defense civilian and military personnel requirements, policy and planning; reserve affairs; logistics; and installations management. For each of his assigned areas he shall:

1. Develop policies, conduct analyses, provide advice, make recommendations, and issue guidance on Defense plans and programs.

2. Develop systems and standards for the administration and management of approved plans and programs.

3. Initiate programs, actions, and taskings to ensure adherence to DoD policies and national security objectives;

and to ensure that programs are designed to accommodate operational requirements and promote the readiness and efficiency of the forces.

4. Review and evaluate programs for carrying out approved policies and standards.

5. Participate in those planning, programming, and budgeting activities which relate to ASD(MRA&L) responsibilities.

6. Review and evaluate the implications of proposed weapon systems for manpower, personnel and logistics support functions.

7. Review and evaluate recommendations concerning manpower and logistics requirements and priorities.

8. Promote coordination, cooperation, and mutual understanding within the Department of Defense and between the DoD and other Federal agencies and the civilian community.

9. Serve on boards, committees, and other groups pertaining to his functional areas, and represent the Secretary of Defense on MRA&L matters outside the DoD.

10. Exercise staff supervision over the Director, Defense Logistics Agency.

11. Provide policy guidance to, and supervise the operation of the following OSD field activities: Defense Dependents Schools; Manpower Data Center.

12. Perform such other duties as the Secretary of Defense may from time to time prescribe.

C. FUNCTIONS

The ASD(MRA&L) shall carry out the responsibilities described in section B. for the following functional areas:

1. Force structure analysis as related to quantitative and qualitative manpower requirements, manpower utilization, logistics and support.

2. Development of manpower programs to meet requirements.

3. Administration of controls on military and civilian manpower strengths.

4. Attraction and retention of military personnel.

5. Compensation, retired pay, per diem, travel and transportation allowances.

6. Civilian and military personnel training and education.

7. Personnel management systems.

8. Labor-management relations.

9. Nonappropriated fund activities.

10. Commercial affairs, credit unions, commissaries, and post exchanges.

11. Morale, discipline and welfare.

12. Personnel utilization.

13. Community services.

14. National Guard and Reserve Affairs as provided in title 10, United States Code, including facilities and construction, logistics, training, mobilization readiness and other related aspects of reserve affairs.

15. Equal opportunity, including employment and utilization of personnel, education in race relations and human relations, and contractor compliance with equal opportunity requirements of Defense contracts.

16. Career development.

17. Supply systems.

18. Transportation management and sealift and airlift readiness.

19. Postal policy.

20. Customs inspection.

21. Warehousing.

22. Provision of DoD resources to other agencies for drug and narcotics enforcement efforts.

23. Equipment and support readiness, including repair, overhaul and modification.

24. Safety and accident prevention.

25. Environmental quality.

26. Energy management and conservation.

27. International logistics and coproduction arrangements.

28. Installations and real property acquisition, maintenance, and disposal.

29. Military base structure and utilization.

30. Military construction and family housing.

31. Economic adjustment.

32. Federal-state relations.

33. Such other areas as the Secretary of Defense may from time to time prescribe.

D. RELATIONSHIPS

1. In the performance of his duties, the ASD(MRA&L) shall:

a. Coordinate and exchange information with other DoD organizations having collateral or related functions.

b. Use existing facilities and services, whenever practicable, to achieve maximum efficiency and economy.

2. All DoD organizations shall coordinate all matters concerning the functions cited in section C. with the ASD(MRA&L).

E. AUTHORITIES

The ASD(MRA&L) is hereby delegated authority to:

1. Issue instructions and one-time directive-type memoranda which carry out policies approved by the Secretary of Defense, in his assigned fields of responsibility. Instructions to the Military Departments will be issued through the Secretaries of those Departments or their designees. Instructions to Unified and Specified Commands will be issued through the Joint Chiefs of Staff.

2. Obtain such reports, information, advice, and assistance, consistent with the policies and criteria of DoD Directive 5000.19, as he deems necessary.

3. Communicate directly with heads of DoD organizations, including the Secretaries of the Military Departments, the Joint Chiefs of Staff, the Directors of Defense Agencies, and, through the Joint Chiefs of Staff, the Commanders of the Unified and Specified Commands.

4. Establish arrangements for DoD participation in those non-defense governmental programs for which he has been assigned primary cognizance.

Continuation of E.

5. Communicate with other Government agencies, representatives of the legislative branch, and members of the public, as appropriate, in carrying out assigned functions.

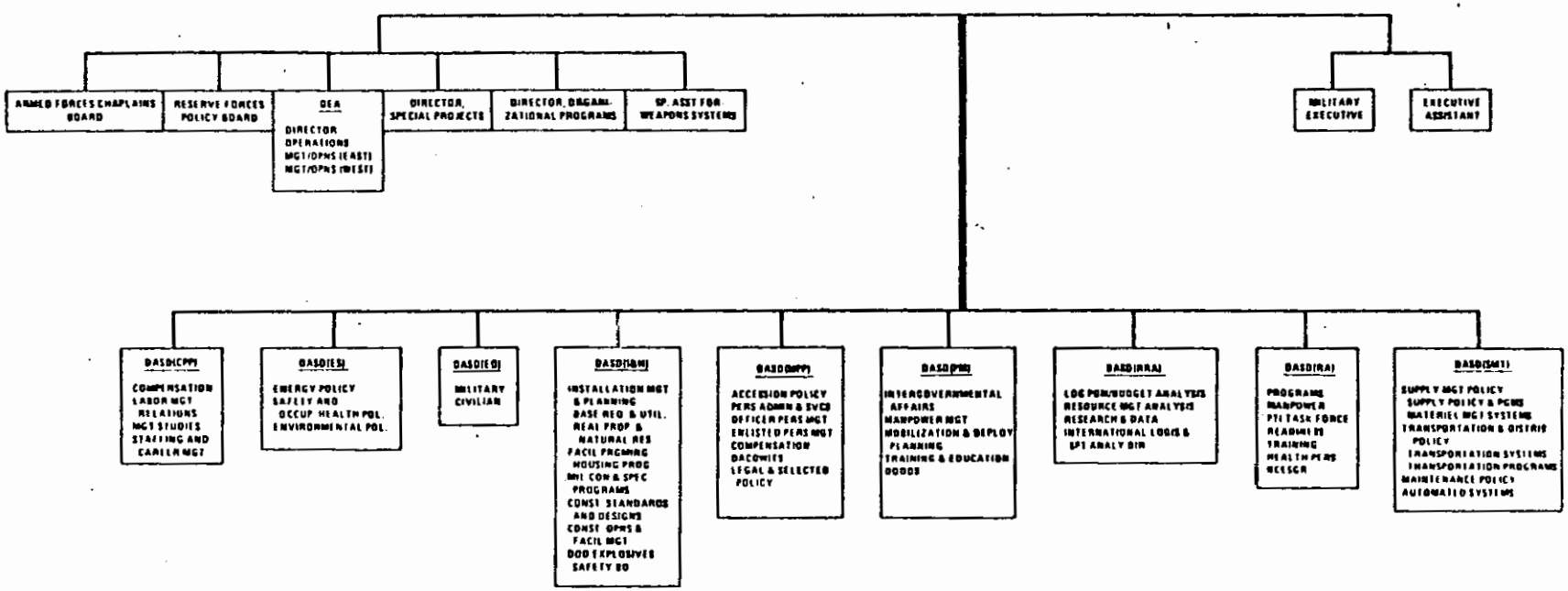
F. EFFECTIVE DATE

This Directive is effective immediately.

Harold Brown
Secretary of Defense

ASSISTANT SECRETARY OF DEFENSE
(MANPOWER, RESERVE AFFAIRS & LOGISTICS)

PRINCIPAL DEPUTY



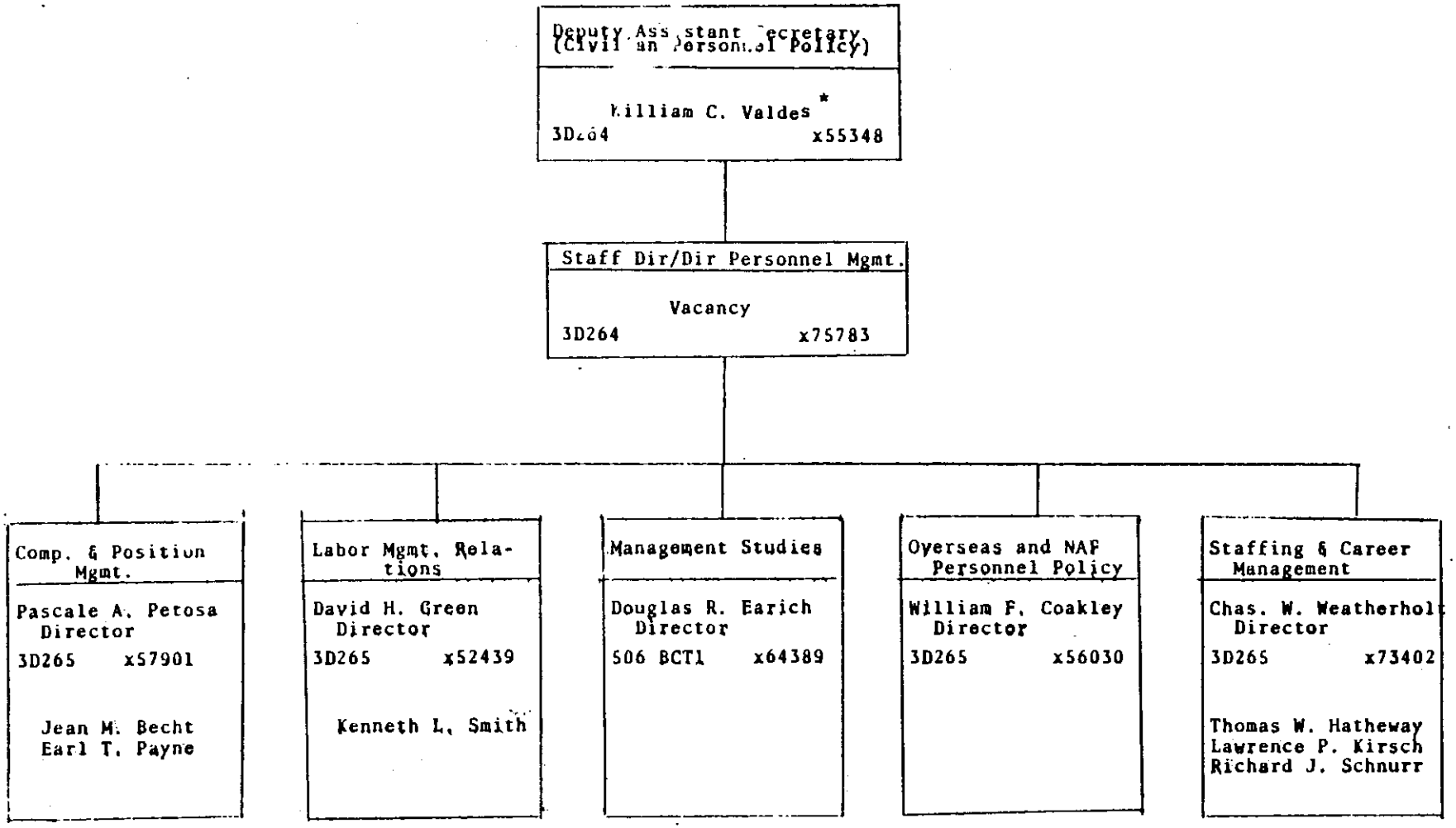
William C. Valdes
Deputy Assistant Secretary of Defense
(Civilian Personnel Policy)
Office of the Assistant Secretary of Defense
(Manpower, Reserve Affairs and Logistics)

Dr. Valdes was born in New York City on September 27, 1918. He was graduated from Yale University in 1940 with a B.A. degree and subsequently received an M.A. degree from The George Washington University in Personnel Administration and a Ph.D. degree in Public Administration from American University. During World War II, he served in the Air Force.

Before entering Federal service, he was employed as a Management Analyst with the consulting firm of Burton Bigelow Organization in New York City, and with the Ranger Engine Division of Fairchild Aircraft Corporation as Assistant to the Director of Industrial Relations.

After entering the Federal service, Dr. Valdes held a series of personnel management positions in the Veterans Administration, Navy, Air Force and the Office of the Secretary of Defense before assuming his present position as Deputy Assistant Secretary of Defense for Civilian Personnel Policy in the Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics. In his present capacity, Dr. Valdes has policy responsibility for all civilian personnel policy matters in the Department of Defense world-wide.

Dr. Valdes has represented the Secretary of Defense on numerous inter-governmental boards and committees concerned with wage policy and labor relations and is a Professorial Lecturer in Public Administration at The George Washington University. He has been awarded the Meritorious and Distinguished Civilian Service Awards by the Secretary of Defense and currently holds a Presidential Rank of Meritorious Executive in the Senior Executive Service.



*Re-employed annuitant

STATEMENT OF FUNCTIONS

Office of Civilian Personnel Policy

The Office of Civilian Personnel Policy is responsible for the formulation of Department of Defense overall civilian personnel policies affecting U. S. citizen employees in the United States and foreign areas, foreign national employees, and employees of nonappropriated fund instrumentalities in the military departments and defense agencies.

In carrying out its responsibilities, the Office of Civilian Personnel Policy develops DoD-wide policies and programs in those areas where uniform standards or coordinated procedures are required or desirable, establishes the DoD position to the Congress, Office of Management and Budget, Office of Personnel Management and other Federal agencies, develops DoD-wide career programs, and provides policy guidance to the Centralized Referral Activity and the Automated Career Management System for DoD employees. The Office of Civilian Personnel Policy also is responsible for providing policy supervision to the Technical Staff, DoD Wage Fixing Authority and for issuing wage schedules which fix the pay rates, based upon locality surveys, of about 500,000 "blue collar" employees in the Department of Defense and thousands of such other employees in other Federal agencies. Surveys are also conducted fixing wages for about 100,000 nonappropriated fund hourly paid employees.

Included in the scope of these activities are policies and programs related to employment, examining, placement, training and development, pay, separation, incentive awards, union and employee relations, overseas employment policies, travel and per diem, and all other personnel policy matters relating to the Department's over one million civilian employees (including foreign nationals) paid from appropriated funds, and policies governing employment and utilization of approximately 300,000 employees paid from nonappropriated funds.

PERRY J. FLIAKAS

Deputy Assistant Secretary of Defense

(Installations and Housing)

Primary responsibility for the formulation of Defense-wide policies, plans, programs, and standards for management of real property from acquisition to final disposition, including: military construction, installations and bases, housing, operation and maintenance of facilities, utilization, real property management, pollution control, and explosives safety.

Appointed September 1974. Grade GS-18.
Converted to Senior Executive Service Career Appointment in July 1979.

Over 30 years experience in various high level responsible positions in the Department of Defense ranging from logistics - supply management, materiel maintenance, and materiel requirements; financial management and budget; real property management, housing, and construction management:

Previous Positions:

Jan 1972 to Sept 1974	—	Director of Facilities Planning and Programming and Principal Deputy to the Deputy Assistant Secretary of Defense (Installations and Housing), OASD (I&L). (GS-18).
Aug 1969 to Jan 1972	—	Director of Housing Programs and Principal Deputy to the Deputy Assistant Secretary of Defense (Installations and Housing), OASD(I&L). (GS-18).
May 1968 to Aug 1969	—	Director for Construction, Office, Assistant Secretary of Defense, Comptroller. (GS-17).
Sept 1967 to May 1968	—	Deputy Director Operations Division, Office, Assistant Secretary of Defense, Comptroller. (GS-16).
April 1967 to Sept 1967	—	Deputy Military Assistance Comptroller, Office, Assistant Secretary of Defense, International Security Affairs. (GS-16).
Jan 1966 to April 1967	—	Chief, Operating Resources Management Office, Office, Deputy Chief of Staff for Logistics, Department of Army, (GS-16).

Jul 1962 to Jan 1966	--	Budget Analyst, Office, Assistant Secretary of Defense, Comptroller. (GS-15).
Aug 1950 to Jul 1962	--	Various positions in Logistics, Supply Management, and Materiel Requirements activities. Office, Chief of Ordnance, Department of Army. (GS-5 - 14).
Sept 1949 to Aug 1950	--	Private industry: Certified Public Accounting Firm, Frank C. Frantz & Co., chartered, Washington, D.C.

Education: Georgetown University, School of Foreign Service Bachelor Science Degree in Public and Business Administration. 1949.

Military Service: U.S. Army, 1944 to 1946, 82nd Airborne Divison, European Theater of Operations.

Honors and Awards: Awarded Secretary of Defense Meritorious Award, 1973, by Secretary of Defense Laird.
Personal commendations from Assistant Secretaries of Defense Anthony, Shillito, Mendolia, Shrontz, White and Pirie.
Consistent "outstanding" annual evaluation.

Personal Data: Date of Birth: August 15, 1926
Place of Birth: Washington, D.C.
Married; three children

Local address: 8810 Tallyho Trail, Potomac, Maryland 20854
Office telephone: (202) 695-7804
Home telephone: (301) 299-6806

DEPUTY ASSISTANT SECRETARY OF DEFENSE (Installations and Housing)

Perry J. Filakas, Rm. 3E 760, x57804

Director, Facilities Programming

John F. Rollence
Rm. 3D 764, x77363

- **Staff Director, Housing Programs**
  Patrick J. Meehan, Jr.
  Rm. 3D 764, x57957
- **Staff Director, NATO Programs and Foreign Construction**
  Kelly Campbell (Acting)
  Rm. 3D 764, x52902
- **Staff Director, Military Construction and Special Programs**
  Vytautas B. Bandjunis
  Rm. 3D 764, x53372

Director, Installation Management and Planning

E. A. Rogner
Rm. 3E 752, x50054

- **Staff Director, Base Requirements and Utilization**
  Earnest A. Buzalski
  Rm. 3D 814, x78241
- **Staff Director, Real Property and Natural Resources**
  A. D. Lewis (Acting)
  Rm. 3D 761, x77227

Director, Construction Operations and Facilities Management

Brig. Gen. Donald M. O'Shei, USA
Rm. 3C 762, x57006

Director, Construction Standards and Design

Mortimer M. Marshall
Rm. 3E 763, x52712

- **DoD Explosives Safety Board**
  Col. Alton W. Powell, USAF
  Hoff. Bldg. #1, 325-0152

Summary - DASD (Installations and Housing)

	Civilian	Military
SES	8	1
Professional	12	6
Clerical	10	-
Total	30	7

DEPUTY ASSISTANT SECRETARY OF DEFENSE
INSTALLATIONS AND HOUSING)

Major Functions

The Office of the Deputy for Installations and Housing is responsible for the development, implementation, and monitorship, of policies, plans, programs and legislative proposals for the acquisition, management, operation and maintenance, and disposition of military real property and facilities worldwide. These responsibilities include:

- Military construction
- Installations and bases
- Family housing and unaccompanied personnel housing
- Operation and maintenance of facilities
- Real property management
- Pollution control
- Explosives safety

Specific roles and missions include:

- Determine requirements for real property and facilities.
  Evaluate military installations for improved utilization, modernization, consolidation or disposal.
- Develop, implement and monitor policies, plans and programs for construction of facilities; construction management; operation and maintenance of real property; operation and maintenance of military housing and debt service.*
- Establish standards and criteria for construction of facilities.
- Establish and enforce explosives safety standards for conventional munitions.

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*In October, 1978, Secretary of Defense assigned this office the responsibility for improving the overall management of the European construction program. As a logical follow-on, in November, 1979, the Secretary issued his "Plan for Construction in Europe" and this office was given the principal role to assure its successful completion. Specifically, I have the responsibility for:

1. Providing Consolidated Guidance for Service POM submission for both Military Construction and NATO Infrastructure funded programs.
2. Improving the procedures for planning, programming and budgeting all European construction programs.

3. Establishing management by priority as the basic technique for optimizing inadequate construction resources.

4. Presenting and defending a consolidated European construction program to the Congress.

PAUL H. RILEY
Deputy Assistant Secretary of Defense
(Supply, Maintenance and Transportation)
Office of Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics)

Paul H. Riley was appointed Deputy Assistant Secretary of Defense on February 13, 1961 by the Secretary of Defense.

Mr. Riley's primary areas of interest cover: Supply Management, Transportation and Distribution, Maintenance, Subsistence Management, Automated Systems, and Logistics Services.

Mr. Riley received a B.S. degree in Business Administration from the University of Indiana in 1942. Immediately upon graduation, he was commissioned a Second Lieutenant in the Army. During World War II, he served with the Sixth Major Port of Embarkation in Casablanca, Naples, Anzio, and Southern France. He was separated from the Army in February 1946.

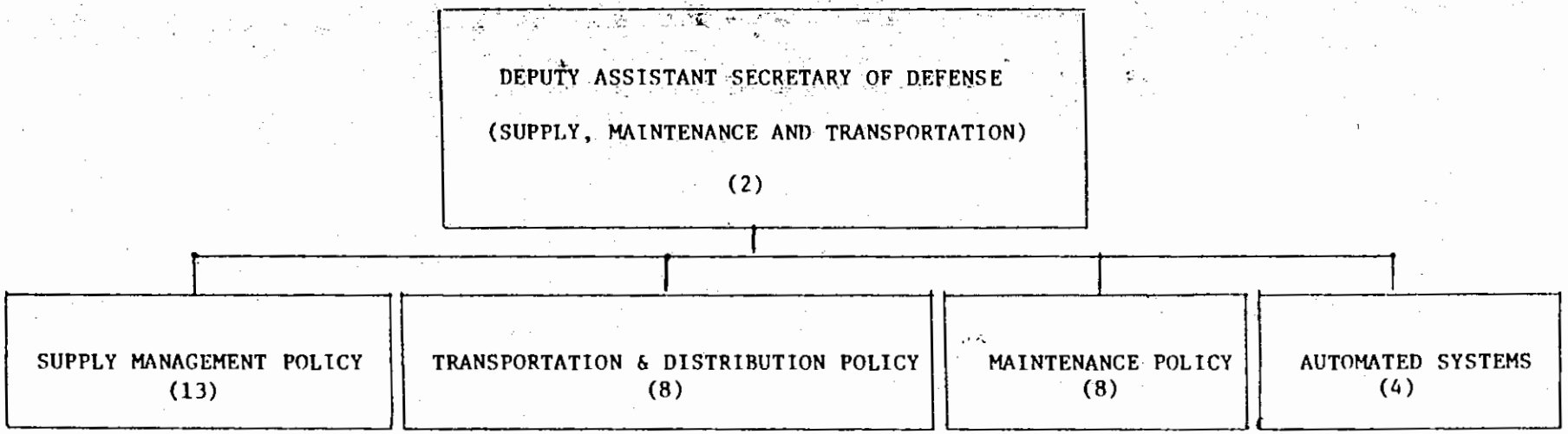
From March 1946 to December 1951, Mr. Riley worked with the Production and Marketing Administration of the U.S. Department of Agriculture, where he directed that Administration's classification and wage administration programs.

Mr. Riley was Chief of the Management and Special Analysis Staff in the Military Division of the Bureau of the Budget from December 1951 until March 1958. During this period, he conducted programs designed primarily to review and study the supply systems of the Army, Navy, Air Force and Marine Corps.

In February 1958, Mr. Riley became Special Assistant to the Assistant Secretary of Defense (Supply and Logistics). He was appointed to the position of Director of Supply Management Policy in August 1958.

Mr. Riley was awarded the Department of Defense Distinguished Service Medal in 1962, the National Civil Service League award in 1966 for being one of the top ten civil servants in the Government, and the Department of Defense Distinguished Civilian Service Medal in 1973.

Mr. Riley is currently appointed as a limited-term re-employed annuitant.


DEPUTY ASSISTANT SECRETARY OF DEFENSE
(SUPPLY, MAINTENANCE AND TRANSPORTATION)
(2)
SUPPLY MANAGEMENT POLICY
(13)
TRANSPORTATION & DISTRIBUTION POLICY
(8)
MAINTENANCE POLICY
(8)
AUTOMATED SYSTEMS
(4)

DIRECTORATE FOR SUPPLY MANAGEMENT POLICY

- Develops, reviews and evaluates implementation of concepts, objectives, policies, programs, guidance, logistics operations management, and organizational arrangements for supply management at all echelons within DoD.

- Provides technical and functional advice and support to higher level DoD officials in the accomplishment of their duties including support for Congressional testimony.

- Develops policies for management, requirements determination and stockage for all commodities of secondary items; secondary item war reserve requirements; provisioning, commercial item support; and the retention, utilization, donation and disposal of all personal property.

- Develop policies, provides guidance and monitors the integrated materiel management of Secondary Items within the DoD.

- Participates in the development of the logistics guidance to be used in program planning and in the review of Service/Agency Program Objective Memorandums; develops and resolves Program Decision Memorandum issues and participates in the review and resolution of Service/Agency budgets for secondary item procurement, stock funds, ADP systems, and Operations and Maintenance.

- Develops policies and reviews implementation of intergovernmental and interservice supply support relationships and act as focal point for logistics systems interface with other Federal Agencies.

- Develop DoD policy and monitor DoD participation in the development and implementation of a Government-wide National Supply type System.

- Develop policy for logistics management systems including ADP Software/Hardware at the wholesale, intermediate retail and user levels.

- Develop policy guidance and monitors logistics programs such as: the ten Military Standard Logistics Systems (MILS), the Federal Catalog Program, Defense Integrated Data System, Physical Inventory Control Program, Defense Inactive Item Program, UNIFORM Materiel Movement and Issue Priority System.

- Develop policy guidance and evaluate performance of the DoD Food Service and Subsistence Management Program.

- Develops policies for specific supply management programs: Medical materiel, Clothing and textiles, Precious Metals Recovery Program, Reparable Item Management, Retail Inventory Management and Stockage Policies, Critical Item Management, Aircraft Engine Computation Methodology, Supply System Inventory Reporting, and the drawdown of U.S. stocks for foreign military sales.

- Develop policy and participate in the NATO Codification Program, including NATO interoperability and consumer logistics.

- Reviews GAO and other investigative and evaluative reports related to supply matters and initiates corrective action as required.

MAJOR RESPONSIBILITIES

Directorate for Transportation and Distribution Policy

1. Develop programs for airlift and Sealift Readiness such as (a) Civil Reserve Air Fleet, (b) Ready Reserve Force, (c) National Defense Features, accomplishing the needed coordination with Industry and Federal agencies such as the Department of Transportation and Maritime Administration.

2. Develops policies, systems and programs for the efficient and economical operation of DoD components' physical distribution activities.

3. Coordinates and evaluates the effectiveness of the three Single Managers for Transportation - MAC, MSC, MTMC.

4. Recommends assignment and monitors exercise of responsibility on behalf of DoD regarding transportation legal and regulatory matters with the Department of Justice, FMC, ICC, CAB, FAA, and other national and state regulatory bodies.

5. Serves as focal point for congressional hearings, legislation, standing committees, and boards on domestic and international transportation matters, to include NATO Planning Boards.

6. Administers DoD program for the development of effective intermodal container-oriented distribution system operations, to include coordination of intermodal systems development among the Defense Components, industry and other Government agencies.

7. Recommends the extent of DoD intervention required in specific regulatory cases and develops positions on new transportation regulatory proposals.

8. Develops and monitors policies, plans and programs for the transportation and storage of personal property belonging to military and civilian personnel of the DoD.

9. Develop policy and program to assure controls in the management and utilization of administrative aircraft and vehicles with special responsibilities for non-DoD use of DoD transportation resources.

10. Promote cooperation between the civil transportation sector and DoD activities to assure optimum mix of civil-military transportation facilities such as passenger terminals and seaports.

11. Analyze DoD worldwide transportation requirements and recommends resources to meet current and proposed transportation/mobility programs.

12. Collaborates with the OASD (Comptroller) in the review of, and makes recommendations on budget estimates, program packages and apportionment of operating and procurement funds of DoD components concerning transportation of persons and things, traffic management and physical distribution functions.

13. Develops policy for the operation of the Military Postal System and negotiates with the USPS.

14. Evaluates requests for the construction, acquisition, establishment, expansion, or closure of transportation, storage and warehousing facilities.

DIRECTORATE FOR MAINTENANCE POLICY

MAJOR ONGOING RESPONSIBILITIES

Develop review and revise as necessary, policies relating to:

- Maintenance of weapon systems and equipment in DoD.
- Contracting for equipment maintenance.
- Use of Engineering Technical Services systems/equipments.
- Operation of Commercial and Industrial-Type Activities.
- Career programs and training requirements for maintenance personnel and for personnel engaged in management of contractor support or or commercial-industrial activities.

Develop or participate in development of systems for:

- Aggregation and display of maintenance programs with identification of requirements to systems or equipment support.
- Reporting of actual performance of depot maintenance against standard performance as to time, quantity, and cost.
- Measuring equipment performance and maintenance workforce performance.
- Identifying cost of maintenance support by weapon system at base level.
- Improving management of the Commercial and Industrial-Type Activities (CITA) program (OMB Circular A-76).

Review and evaluate maintenance programs including proposed R&M modifications of the Military Departments to assure that adequate support is economically provided by a balance application of organic, contract and interservice capability and capacity.

- Draft ASD/DASD position papers on substantive maintenance issues in program and budget reviews.

Review performance of organic and contract maintenance operations and recommend appropriate actions for improving effectiveness of resource application, of efficiency of resource utilization, including consideration of alternate sources among organic, interservice and contract facilities and new procurement versus repair.

Review Logistic Support plans for new weapon systems to assure consistency with ongoing or planned maintenance operating programs.

Review Services' application of OMB Circular A-76 policy to assure compliance.

19 Nov 80

MAJOR ONGOING RESPONSIBILITIES

Directorate for Automated Systems

- Develop policy for Automated Information Systems within the Department of Defense in coordination with OASD(C) and OASD(C^3I).

- Execute the Life Cycle Management (LCM) program for MRA&L systems to assure proper, timely, and cost effective use of automation within the DOD Components.

- Coordinate technical efforts of DASDs and Directors within MRA&L where needed to create and maintain a cohesive automated systems program.

- Prepare, justify, defend, and execute the MRA&L ADP Budget.

- Technically evaluate and acquire ADP and telecommunications resources for OASD(MRA&L) staff support, determining the availability of in house capability, establishing and maintaining projects, and, where outside support is determined to be necessary, obtaining services in concert with GSA, procurement activities and other elements of the DOD staff.

- Represent ASD(MRA&L) on the Executive Committee of the DOD ADP Policy Committee, the DOD ADP Security Council, the Defense Weapons Software Steering Committee and such other policy panels as may be established in the area of automation.

- Conduct technical reviews of selected component ADP systems in coordination with OASD(C), OASD(C^3I) and MRA&L staff offices to enforce integrated defense systems planning.

- Participate in preparation of Consolidated Guidance, Secretary of Defense Report, and other policy documents.

- Prepare replies to Congressional, OMB, GAO and SecDef throughout the program and budget review process in coordination with functional directorates within MRA&L.

- Represent the ASD(MRA&L) in ADP programs which cross functional and agency lines, including joint planning with Selective Service and Health Affairs to provide mutually supportive automation efforts.

- Direct and evaluate Studies and Research of technical and operational systems problems and issues.

OFFICE OF ECONOMIC ADJUSTMENT

ROBERT M. RAUNER

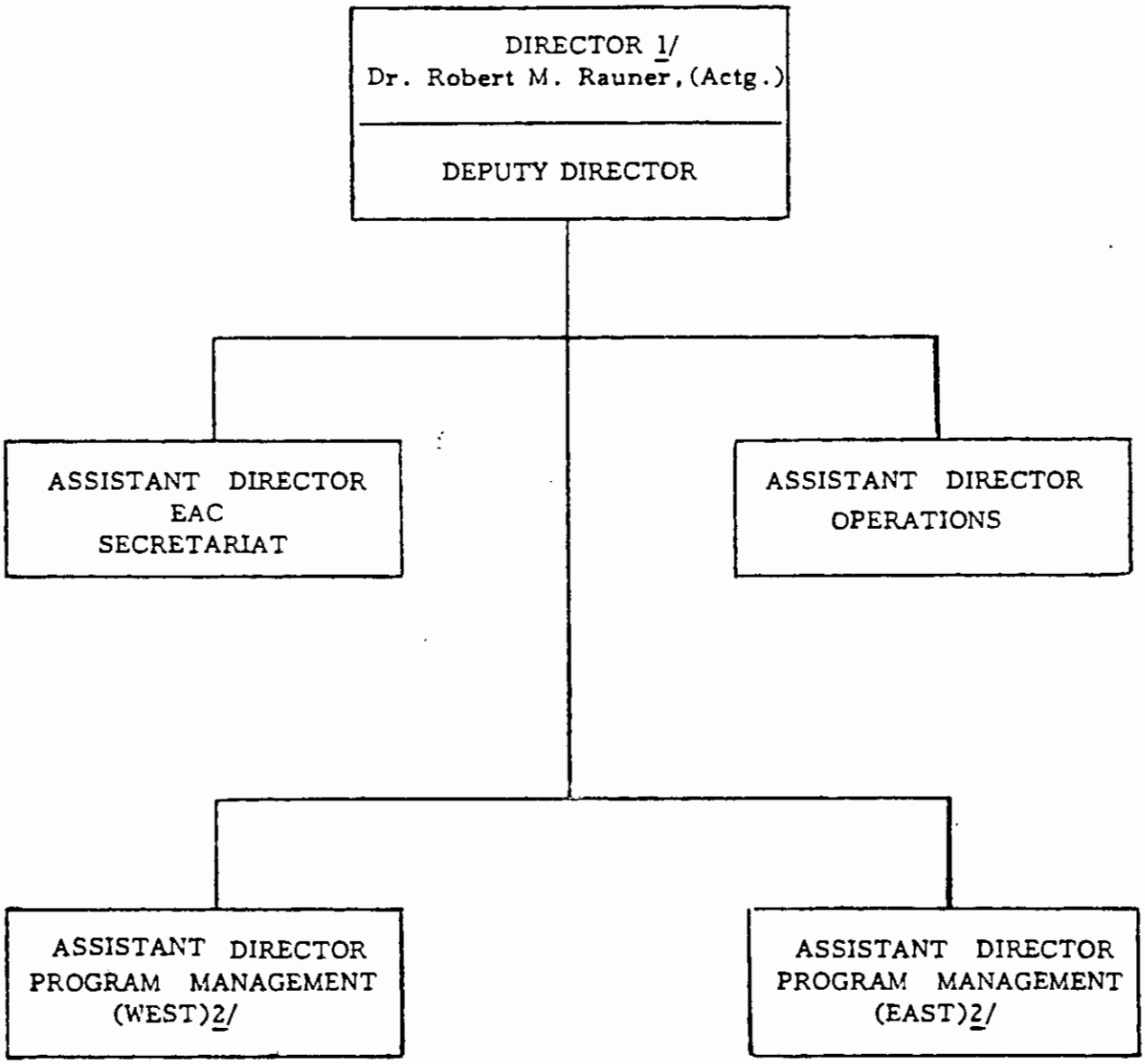
Dr. Robert M. Rauner is presently the Acting Director, Office of Economic Adjustment. In this capacity he also serves as the Executive Director of the President's Economic Adjustment Committee.

Prior to joining the Department of Defense, Dr. Rauner had extensive economic development experience in both the private sector and in the federal government. He was formerly Deputy Director of the Office of Regional Economic Development, Department of Commerce; Vice President of Resource Management Corporation; President of the Regional Economic Development Institute, Inc.; Assistant Administrator for Program Development and Evaluation and Deputy Assistant Secretary for Economic Development Planning in the Department of Commerce; and Research Economist in the RAND Corporation's Logistics Department. He also served with the U.S. Marine Corps in the Pacific during World War II.

Dr. Rauner has an AB from Middlebury College where he majored in Economics and Political Science. He earned his PhD in Economics at the London School of Economics. Dr. Rauner taught Economics at Trinity College, Hartford, Connecticut for a number of years and has authored numerous books, articles, and reports on planning, regional development, economic theory, and logistics.

OFFICE OF ECONOMIC ADJUSTMENT

Pentagon - Rm. 3E772
Phone. 697-9155



1/ Also serves as Executive Director of the President's Economic Adjustment Committee (EAC)

2/ All professional staff serve as project managers. This includes 3 military officers for liaison with the Army, Navy and Air Force, and 5 Regional Directors who coordinate project activities with concerned local, state and federal regional officials.

DECEMBER 1980

OFFICE OF ECONOMIC ADJUSTMENT (OEA)

Major On-going Responsibilities

Community Assistance Projects. Manage 46 projects to coordinate Federal assistance and help alleviate actual or potential impacts resulting from Defense program changes. Most serious impacts result from base closures, reductions in personnel, contract cutbacks or major expansions in activity. Map at Attachment 1.

Economic Adjustment Committee (EAC). Serve as permanent staff for EAC (currently includes heads of 19 Federal departments and agencies chaired by the Secretary of Defense). List in E.O. 12049 at Attachment 2. The present Committee is an outgrowth of informal arrangements in the early 1960's to utilize available Federal resources to alleviate Defense impacts. Each succeeding President has found merit in coordinated Federal assistance for this purpose and has endorsed or strengthened the approach. President Nixon formally established the Committee in 1970. The most recent Presidential direction was the aforementioned Executive Order. We must arrange for transition in membership in order to continue effective assistance for on-going projects. This will be especially critical if the new Administration makes major decisions i.e. base closures, MX siting, etc which have serious local impacts and require assistance of EAC members.

MX. Assist the Air Force and affected areas (Nevada, Utah and possibly other locations) to deal with potentially serious local, economic and social impacts of proposed new MX installations. (See enclosed issue paper.)

Trident. Assist the Navy and affected communities to deal with serious local, social, and economic impacts associated with new Trident installations. Assistance related to the west coast installation at Kitsap County, Washington has been in progress since 1974 and should be substantially completed during FY 82. Assistance on the east coast facility was initiated in FY 78 and is expected to continue at least through FY 90. These projects involve a combination of Defense and Domestic agency funds for alleviating impacts, a subject that is discussed in separate issue papers on MX and Community Impact Assistance Study.

BIOGRAPHY

M. KATHLEEN CARPENTER

DEPUTY ASSISTANT SECRETARY OF DEFENSE

FOR EQUAL OPPORTUNITY

(MANPOWER, RESERVE AFFAIRS AND LOGISTICS)

Ms. M. Kathleen Carpenter was appointed as Deputy Assistant Secretary of Defense for Equal Opportunity, (DASD(EO)) on September 22, 1977.

As DASD(EO), Ms. Carpenter is responsible for policy planning, program guidance and direction of all matters within the Department of Defense relating to equal opportunity and treatment of military personnel and their dependents, equal employment opportunity for all civilian employees of DoD for enforcement of the provisions of Title VI, of the Civil Rights Act of 1964 as pertains to Federally assisted programs administered by DoD and for monitoring and coordinating DoD responsibilities for Contractor Compliance Programs pursuant to Executive Order 11246 of September 1965.

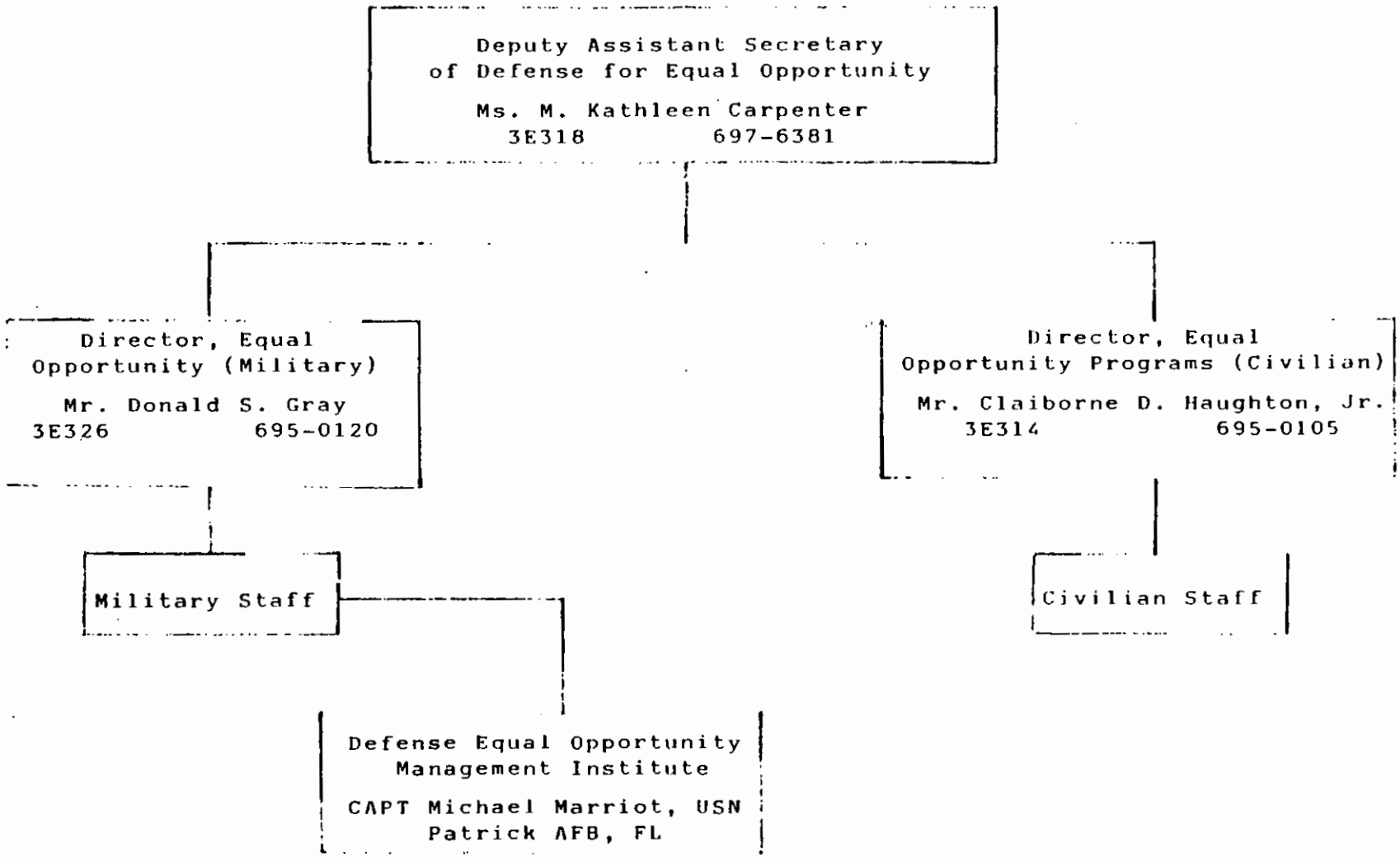
Prior to joining the Department of Defense, Ms. Carpenter served as Norton Simon's $2 billion (diversified consumer company) Corporate Counsel and Special Counsel for Employment Practices, with corporate-wide responsibility for its Equal Employment Opportunity (EEO) program, including Affirmative Actions, Government Contract Compliance Programs, and Title VII and EO 11246 litigation. She also previously was General Counsel of Halston Enterprises, Inc., the designer products subsidiary of Norton Simon, Inc.

Prior to joining Norton Simon. she served as Manager of International Mergers, Acquisitions and Divestitutes of Booz, Allen and Hamilton, a management consultant firm. Earlier she had served as a personnel management consultant for a New York-based consultant firm and as a methods and computer systems analyst for the Prudential Insurance Company.

Ms. Carpenter graduated from Upsala College in 1966 and received her Juris Doctorate from Seton Hall University School of Law in 1972. She has been admitted to the New York State Supreme Court and the United States District Court for the Southern District of New York. Ms. Carpenter received an appointment as a U. S. Supreme Court Fellow which she declined to join Norton Simon, Inc.

Her professional affiliations include the American Bar Association, the New York County Lawyers Association, and Organizational Resource Counselors. She serves as the Defense Department's representative on the White House Task Force on Women Business Owners, has given numerous speeches and taught courses in the area of EO.

Ms. Carpenter was formerly a member of the Board of Trustees, Colorado Women's College.


Deputy Assistant Secretary
of Defense for Equal Opportunity
Ms. M. Kathleen Carpenter
3E318 697-6381
Director, Equal
Opportunity (Military)
Mr. Donald S. Gray
3E326 695-0120
Director, Equal
Opportunity Programs (Civilian)
Mr. Claiborne D. Haughton, Jr.
3E314 695-0105
Military Staff
Civilian Staff
Defense Equal Opportunity
Management Institute
CAPT Michael Marriot, USN
Patrick AFB, FL

Major Ongoing Responsibilities

Office of the Deputy Assistant Secretary of Defense (Equal Opportunity) Assigned Functions:

Equal Opportunity Programs (Military) Directorate:

- Establish all policy related to insuring equal opportunity among military personnel and their "dependents" in such areas as accessions, training and education, promotion selection, assignment and treatment.

- Identify systemic and institutional barriers to equal opportunity for minorities and women in the military.

- Establish and implement policy on the development and enforcement of military equal opportunity programs and affirmative action plans pursuant to DoD Directive 1100.15.

- Establish policy and guidance for efficient operation of the Defense Equal Opportunity Management Institute in coordination with the Race Relations Education Board. Perform ASD(MRA&L) supervisory responsibilities as outlined in DoD Directive 1322.11.

- Establish policy for equal opportunity and human relations training in DoD.

- Provide administrative support and perform executive secretary function for the Race Relations Education Board.

- Establish policy for and monitor the enforcement of the DoD Equal Opportunity in Off-Base Housing Program in accordance with DoD Directive 1100.16.

- Serve as U.S. representative to the Committee on Women in NATO Forces.

- Provide administrative and logistical support to the Chair of the Committee on Women in NATO Forces.

- Serve as one of the military representatives to the Defense Advisory Committee on Women in the Services.

- Serve as coordinator for the internal DoD sex discrimination review conducted in conjunction with the Department of Justice, Task Force on Sex Discrimination.

- Analyze and assess DoD component equal opportunity program performance and effectiveness in implementing appropriate DoD equal opportunity policies and guidance.

- Direct and monitor Service investigations of EO complaints when policy considerations are involved.

Equal Opportunity Programs (Civilian) Directorate:

- Develop all DoD policy directives, and memoranda implementing Titles VI and VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Executive Order 11478, Executive Order 12067; and the equal opportunity provisions of the Civil Service Reform Act of 1978.

- Develop all policies and procedures for the DoD Hispanic Employment Program as required under Office of Personnel Management (OPM) guidance. Direct the DoD Hispanic Employment Program Managers Council and manage the DoD HEP program.

- Develop all policies and procedures for the DoD Federal Women's Program (FWP) based upon OPM guidance. Monitors DoD components implementation of DoD FWP policy directive. Manage the DoD Federal Women's Program.

- Develop all civilian equal opportunity guidance for the DoD CG and PPI.

- Serve as technical advisor to the Defense Acquisition Regulation Committee on contract compliance/EEO matters affecting DoD acquisition policies under Executive Order 11246.

- Prepare EO and EEO issues relating to civilian employment in DoD and DoD federally assisted programs and provide this input for MRA&L issue papers, SecDef annual defense report, and congressional testimony of DoD officials.

- Analyze and assess DoD Components performance and effectiveness in carrying out DoD EO/EEO policies. Include recommendations to correct identified deficiencies and to forecast major program needs.

- Conduct and direct special compliance reviews of DoD Federal financial assistance program recipients when unique national welfare or defense considerations are involved.

- Prepare annual reports to OMB, OPM, DOJ, and EEOC on EO and EEO program activities, effectiveness, and projected activities.

- Function as DoD point of contact with EEOC on all matters under Executive Order 12067 concerning coordination of EEO policy initiatives.

- Develop and implement civil rights training programs for DoD Components.

- Prepare departmental responses to interagency communications, congressional inquiries and public information requests on all matters regarding DoD civilian EEO/EO programs.

- Develop to completion assigned special projects, one time task force reports, and background studies on all matters concerning DoD civilian EEO/EO programs.

- Represent DoD in high-level, subcabinet, inter-departmental, and interagency planning and policy meetings. Act as interagency liaison with six major departments regularly.

- Represent DoD in national and regional conferences of major civil rights groups, i.e., NAACP, NUL, IMAGE, NOW, American GI Forum, LULAC, and FEW.

- Plan, organize, and manage Pentagon special observances of Black History Month, Hispanic Heritage Week, Federal Women's Week, Asian American/Pacific Islander Week, etc.

- Provide policy oversight of DoD Components' EEO complaints investigation systems, direct or conduct special investigations of EEO complaints, and function as final review authority in the appeal of internal discrimination complaints and noncompliance findings.

- Direct or participate in DoD field inspection teams at component sites to evaluate all aspects of equal opportunity concerning DoD civilian employees.

- Prepare DoD EO/EEO budget reports and develop policy guidance concerning implementation of Section 53 of OMB Circular A-11.

- Implement Secretary of Labor debarment orders against DoD contractors for EO violations under EO 11246.

- Function as DoD point contact with the Labor Department on all matters under EO 11246 concerning DoD contractors EO obligations.

OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

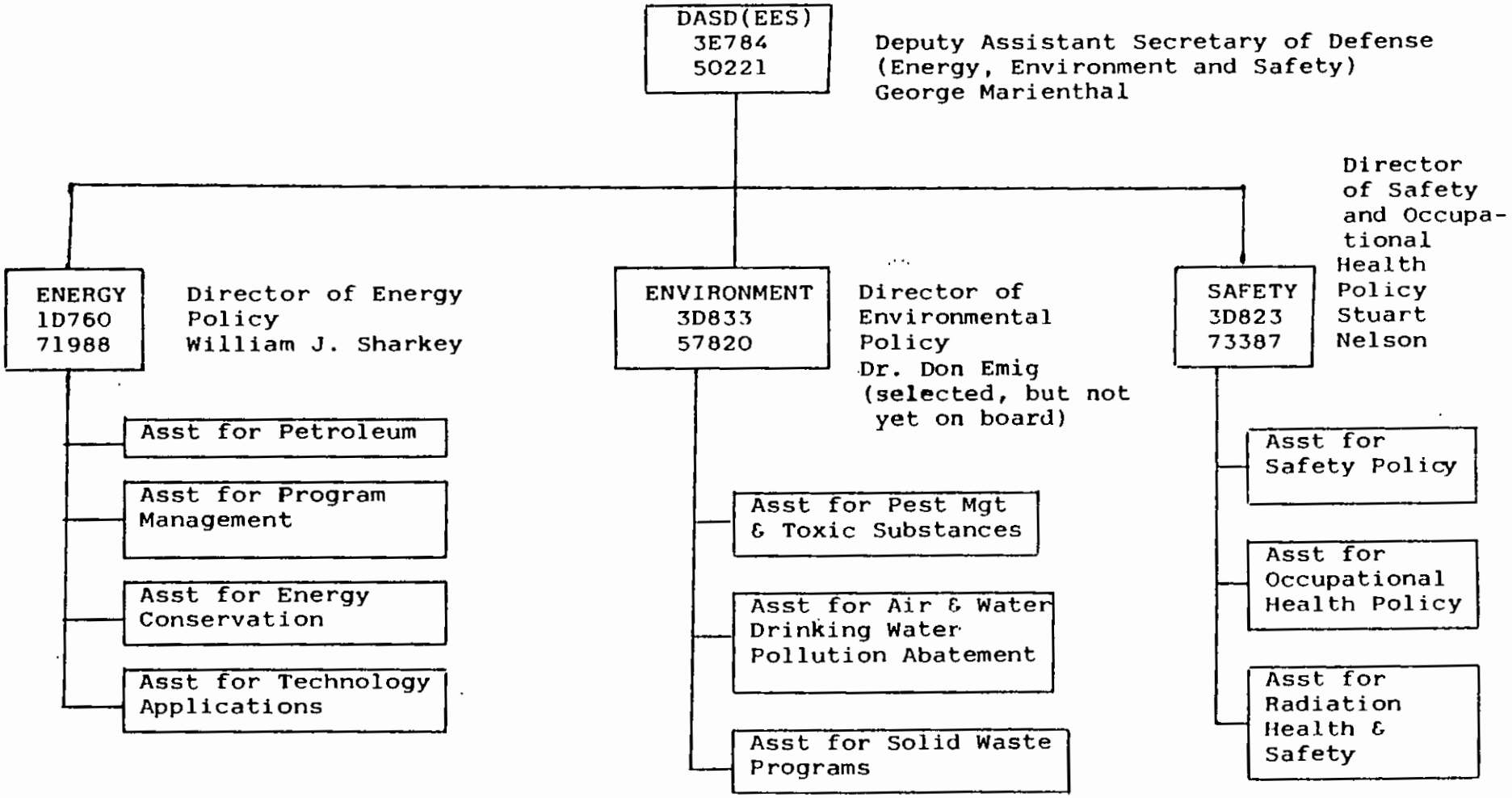
George Marienthal
Deputy Assistant Secretary of Defense
(Energy, Environment & Safety)
The Pentagon, Room 3E784
(202)695-0221

George Marienthal, 42, is the Deputy Assistant Secretary of Defense for Energy, Environment, and Safety. He reports to the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics. His responsibilities include the management of the worldwide energy program for the Department of Defense, which covers both the supply of all fuels and the conservation of energy. He manages Defense's environmental programs which include air and water pollution abatement, solid waste management, toxic substances control, radiation control, safe drinking water, use of pesticides, noise control, and environmental impact statements. He also directs all the safety and occupational health programs, including industrial safety, military operational safety, and traffic safety.

Mr. Marienthal has a wide background in Department of Defense activities and is uniquely suited to work in the Office of the Secretary of Defense. He is the son of a United States Marine. In high school, he joined the Army ROTC program. He graduated from the United States Naval Academy, He was commissioned in the United States Air Force, where he served for five years. He has been a Deputy Assistant Secretary of Defense in the Pentagon since 1975.

Mr. Marienthal has had considerable experience in federal government agencies. As a management consultant to the Office of Secretary of Defense, he worked for four years for the Logistics Management Institute. Also, he served for four years at the Environmental Protection Agency (EPA), where he reported directly to the Administrator. He served for one year as the Director of the Office of Federal Activities. He developed EPA's program to control pollution from all federal facilities and the enforcement program to deal with federal contractors. For three years, he served as the Director of Regional Operations and managed EPA's ten regional offices, nationwide.

Mr. Marienthal has an undergraduate engineering degree from the United States Naval Academy. He has graduate degrees from Stanford University in engineering and from American University in business administration. Mr. Marienthal is married, the father of three children, and resides in Rockville, Maryland.


DASD(EES)
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Deputy Assistant Secretary of Defense
(Energy, Environment and Safety)
George Marienthal
ENERGY
1D760
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Director of Energy
Policy
William J. Sharkey
Asst for Petroleum
Asst for Program
Management
Asst for Energy
Conservation
Asst for Technology
Applications
ENVIRONMENT
3D833
57820
Director of
Environmental
Policy
Dr. Don Emig
(selected, but not
yet on board)
Asst for Pest Mgt
& Toxic Substances
Asst for Air & Water
Drinking Water
Pollution Abatement
Asst for Solid Waste
Programs
SAFETY
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Health
Policy
Stuart
Nelson
Asst for
Safety Policy
Asst for
Occupational
Health Policy
Asst for
Radiation
Health &
Safety

ODASD(ENERGY, ENVIRONMENT AND SAFETY)'S ASSIGNED FUNCTIONS:

Deputy Assistant Secretary of Defense for Energy, Environment and Safety:

- Act as the principal advisor to the Secretary of Defense, Deputy Secretary of Defense, and Department of Defense principals on energy, environment, and safety aspects of DoD policies, programs, and plans;

- Serve as focal point for energy matters for DoD to ensure that appropriate levels of DoD management participate in the formulation of energy policies and procedures;

- Develop policies and guidance to govern DoD planning and programming development for all energy requirements of U.S. forces;

- Prepare DoD positions on national energy matters related to the Secretary of Defense's responsibilities, membership on the Energy Coordinating Committee, and other interdepartmental groups, posture statements, budget submittals, congressional testimony, and proposed legislation;

- Develop policy for DoD's peacetime energy usage and contingency requirements in relation to present and forecasted availability of supply to insure that requirements are met;

- Provide oversight of the planning, programming, budgeting, and funding of energy programs related to the energy objectives of the Secretary of Defense;

- Develop energy goals and objectives for energy supply, energy conservation, and energy technology applications to DoD mobility and facilities operations;

- Develop and coordinate the DoD environmental quality program;

- Act as central source for interpretation and policy guidance for all laws and standards promulgated for pollution abatement to include the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Toxic Substance Control Act, Resource Conservation and Recovery Act, Federal Insecticde, Fungicide, and Rodenticide Act, and Noise Control Act;

- Establish DoD goals and objectives to achieve compliance with environmental standards;

- Coordinate DoD component efforts to achieve environmental objectives and evaluate DoD component compliance status and progress as related to pollution prevention, control, and abatement;

- Review budget submission and monitor the programming, construction, and permitting of pollution abatement projects to comply with the clean air act, clean water act, and other pollution abatement requirements;

- Establish DoD policy for compliance with the National Environmental Policy Act (NEPA) and monitor and evaluate DoD component implementation of NEPA;

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R. DEAN TICE
MAJOR GENERAL, USA

Major General R. Dean Tice was born in Topeka, Kansas, on 4 December 1927. He entered the Army as an enlisted man in April 1946 and was commissioned a second lieutenant of infantry in April 1947 upon completion of Officer Candidate School. In his early carrer as an officer he served in Infantry Divisions in successive positions of command--platoon leader, company commander and staff.

His first tour in Vietnam extended from July 1956 to July 1957 where he served as G3 operations advisor to the ARVN. Subsequently he served on Department of the Army personnel management team and on the Department of the Army staff, serving in the Office of the Deputy Chief of Staff for Personnel. In March 1963 he was selected to serve in the Office of the Under Secretary of the Army as Chief, Personnel Management Division. He then attended the Armed Forces Staff College of Norfolk, Virginia. He joined the United States Southern Command in Panama in February 1965 where he served as Regional Plans Officer for military assistance to Latin America.

In July 1967, he returned to Vietnam and was assigned as Deputy Brigade Commander of the 3d Brigade, 4th Infantry Division. He later commanded the 2d Battalion, 12th Infantry of the 25th Infantry Division in Vietnam. In August 1968 he was assigned to the Office of the Secretary of Defense for Manpower and Reserve Affairs as Executive for Personnel Procurement. He departed that assignment in August 1969 to attend the Industrial College of the Armed Forces.

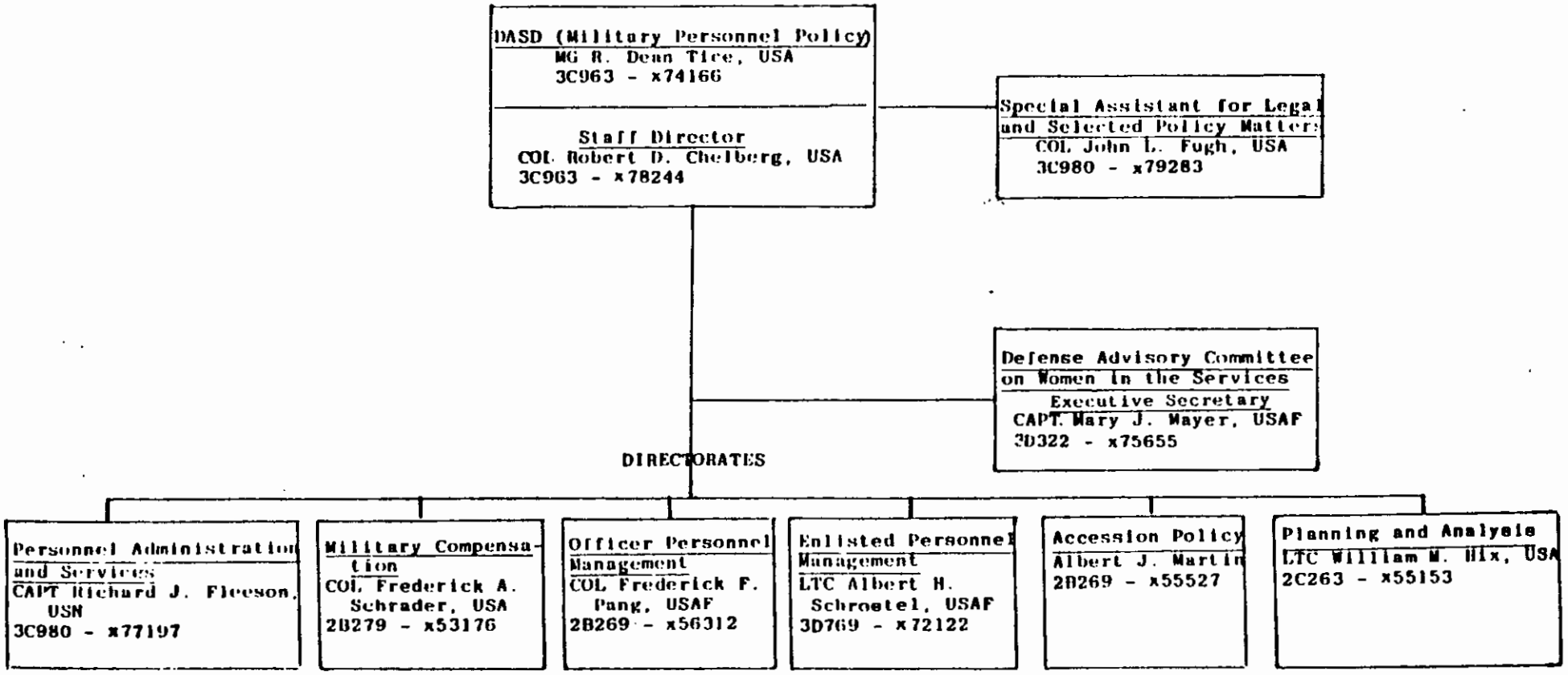
In 1970 he took command of the 1st Brigade, the 1st Infantry Division. He also served as Chief of Staff of the 1st Infantry Division and was subsequently promoted to Brigadier General on 6 September 1972. He then returned to the Pentagon to the Office of the Deputy Chief of Staff for Personnel supervising various personnel management programs.

General Tice assumed command of the Berlin Brigade on 9 September 1974 and remained in that capacity until 16 July 1976 when he assumed the duties of Deputy Chief of Staff, Personnel, Headquarters, United States Army, Europe, and Seventh Army, Heidelberg, Germany. He was promoted to Major General on 1 April 1976. On 7 October 1977, he assumed command of the 3d Infantry Division, Wuerzburg, Germany. Upon completion of his command tour he was appointed Deputy Assistant Secretary of Defense for Military Personnel Policy, the position he currently holds.

General Tice has a Master's Degree in Business Administration and a BS Degree in Military Science. His decorations include the Silver Star, Legion of Merit with two oak leaf clusters, Bronze Star Medal with "V" Device, Air Medal with "V" Device and 6 oak leaf clusters, Joint Service Commendation Medal, Army Commendation Medal, Vietnam Cross of Gallantry with Palm, Combat Infantry Badge, Parachutist Badge, and the Purple Heart.

He and his wife, Eunice, have two children, a son Bill and a daughter Mrs. Karen Claterbos.

Office of the Deputy Assistant Secretary of Defense (Military Personnel Policy)



November 1980

Personnel Administration and Services Directorate

ONGOING RESPONSIBILITIES

- Policy and oversight of the following Morale, Welfare, and Recreational (MWR) activities
  - -- Military exchanges
  - -- Cafeterias, package beverage stores, and other resale activities
  - -- Sports and athletics
  - -- Music, theater and motion pictures
  - -- Overseas professional entertainment program
  - -- Child care
  - -- Youth activities
  - -- Arts and crafts, and other skill development programs
  - -- Armed Forces recreation centers
  - -- Libraries
  - -- Open messes (i.e., officers, enlisted, NCO/CPO, and consolidated clubs)
  - -- Aero, scuba, parachute, sailing, rod and gun and other membership associations
- Nonappropriated fund procurement policy
- Financial management policies for DoD nonappropriated fund instrumentalities (NAFIs)
- DoD Blind Vending Program (implementation of Randolph-Sheppard Act)
- DoD member on State Department Commissary and Exchange Board
- Interface with Department of Agriculture on school/child care center food programs
- Interface with President's Council on Wage and Price Stability regarding military resale pricing
- Interface with Department of Energy regarding allocation and pricing of resale gasoline
- Absenteeism and desertion
- Enlisted administrative separations
- Personnel assignment policy pertaining to length of overseas tours, discharge or assignment of conscientious objectors and sole surviving sons, and unit rotation
- Liaison with the American Red Cross -- the Secretary of Defense and ASD(MRA&L) serve as Presidential appointees to the Red Cross Board of Governors
- Commissaries
- Awards and decorations
- Leave and liberty
- Liaison with the United Service Organizations (USO)
- Uniformed Services identification cards
- DoD Consumer Affairs Program
- Commercial solicitation control on DoD installations
- Dependents overseas
- Evacuation of dependents from overseas
- Legislative program
- Physical fitness

MAJOR ONGOING RESPONSIBILITIES

OF

DIRECTORATE OF COMPENSATION

- Military compensation policy concerning pay, allowances, retirement and survivor benefits, and travel and transportation entitlements.
- Analysis of military pay adequacy and preparation of the annual DoD compensation report for submission to the Congress.
- Review of all legislative proposals pertaining to compensation matters.
- Preparation of reports and information for OSD(MRA&L), the Secretary of Defense and members of Congress.
- Conduct of quadrennial in-depth studies of the principles and concepts underlying military compensation and the development of proposals for change.
- Participation in budget reviews of compensation related programs.
- Preparation of new pay and allowance rates resulting from annual adjustment of military pay.

MAJOR ON-GOING RESPONSIBILITIES
DIRECTORATE OF OFFICER PERSONNEL MANAGEMENT

The Directorate for Officer Personnel Management (OPM) is engaged in major, on-going responsibilities that include the accession, retention and sustainment of officer personnel. These responsibilities specifically include: (1) oversight of the implementation of the recently enacted Defense Officer Personnel Management Act (DOPMA), a comprehensive revision to laws governing the appointment, promotion, and tenure of military officers; (2) development of a legislative proposal governing the distribution of general/flag officers among the services, a requirement established in Senate and House Armed Services Committee reports; and (3) continuing analysis of accession and retention problems in certain officer communities, such as pilots, nuclear qualified officers, and engineers.

At least 60 percent of the effort of OPM will be expended over the next nine months on preparing for the implementation of DOPMA which has an effective date of 15 September 1981. The legislation consolidates practically all previous service secretarial authorities under the Secretary of Defense and outlines specific responsibilities for promulgating directives that would standardize policies and procedures governing all facets of officer personnel management. This greatly expanded role will ultimately require an expanded permanent staff about double the size of the current staff of seven.

The requirement to develop a legislative proposal governing the distribution of general/flag officers among the services is a follow-on to DOPMA. Current ceilings established in law for these grades are outmoded and the distribution is currently controlled administratively. About 20 percent of the effort of OPM will be devoted to this task. The Congress wants to consider a DoD proposal in 1981.

While the services are generally achieving desired officer retention and accession objectives, there is a need to develop a reliable model for estimating the effect of monetary and other incentives on retention and recruitment in certain problem skills. Such a model will improve our capability to evaluate various options on a more comprehensive cost/benefit basis. About 15 percent of the effort of OPM will be devoted toward this task.

The remaining effort in OPM will be applied to maintaining on-going activities, such as the processing of general/flag officer promotion and appointment actions, responding to White House and Congressional inquiries, and fulfilling responsibilities under the DoD Planning, Programming and Budgeting System.

MAJOR ONGOING RESPONSIBILITIES

OF

ENLISTED PERSONNEL MANAGEMENT (EPM)

- Evaluation and analysis of enlisted manning in each of the Services.
- Collection, analysis and publication of enlisted attrition and reenlistment statistics.
- Evaluation and approval of the enlisted force structures the Services would like to achieve in the next 5 to 10 years. Approval of enlisted grade authorizations.
- Direct management of the enlistment and reenlistment bonus programs.
- Direct management of the enlisted proficiency pay programs.
- Establishment and oversight of enlisted promotion policies and programs for all Services.
- Conduct research as to the causes of increases and decreases in retention rates. This is done by assigned EPM personnel and through our management of contracts with Rand and the Center for Naval Analyses.
- Development of new computer techniques for managing the bonus programs, simulating composition of the enlisted force in the future, evaluating the effectiveness of Service personnel management plans, and for computer generation of graphic depictions of personnel data and programs.
- OSD focal point for women in the military.

24 November 1980

Accession Policy Directorate
Major Responsibilities

- Develop policy, review and analyze Service plans, programs and budgets of all programs related to accession of Active and Reserve Force military personnel (under various conditions--voluntary manning, conscription, mobilization).

- Analysis of quantitative and qualitative military manpower supply for the Active and Reserve Forces and the implications of changes in supply and requirements upon personnel procurement policy.

- Evaluation of recruiting policy and capability forecasts.

- Program and budget review and analysis of Service recruiting, advertising and examining resource programs.

- Enlistment standards policy analysis with emphasis on supply implications (aptitude, moral, physical, educational).

- Design and evaluation of multi-Service in-market testing of enlistment incentives, options and recruiting/advertising programs.

- Oversight of joint recruiting advertising and management of the DoD joint market research program.

- Establish policies for managing both volunteers and inductees at mobilization

MAJOR ONGOING RESPONSIBILITIES

PLANNING AND ANALYSIS DIRECTORATE

1. Responsible for the conduct of studies and analysis relating to the accession and retention of military manpower and to the effects of compensation changes on recruitment, retention, and force composition. Responsible for the development and maintenance of computer simulations to assist in such studies and analysis.

2. Supervises and participates in broad scientific approaches undertaken by the OASD(MRA&L) in relating the use of manpower resources to achievement of national security objectives. These techniques involve the use of operations research and systems analysis in developing and reviewing manpower programs and in determining the most effective correlation with other Defense programs.

3. Manages the research and studies program for the DASD(MPP).

4. Maintains coordination with Congressional committee staffs, OMB, CBO, OASD(C), OASD(PA&E), the Military Departments, and other OASD(MRA&L) offices.

5. Manages for the DASD(MPP) the conduct of the annual reviews of the Service programs and budgets. Supervises the conduct of independant analyses and cost estimates of the military manpower programs of the Military Services and the Defense agencies. Supervises the development and evaluation of innovative alternatives and new solutions to military manpower problems. Supervises the preparation of issue papers and decision documents for the use of the Secretary of Defense.

6. Manages for the DASD(MPP) the preparation of the consolidated guidance and the program objective memorandum instructions.

7. Supervises and monitors research performed by private vendors.

Major On-Going Responsibilities of L&SPM

- Supervise the administration and execution of the Joint Service Review Activity, a multi-Service function established by ASD(MRA&L) to monitor the quality of, and act on complaints against, decisional documents prepared by the Discharge Review Boards (DRBs) of the Military Departments.

- Engage in discussions with plaintiffs in Urban Law Institute of Antioch College v. Secretary of Defense (Civ. No. 76-0530, Jan. 31, 1977) with a goal of issuing a revised DoD directive on discharge review incorporating procedures for preparing decisional documents and for correcting defective ones that would meet the Court's concerns, consistent with the administrative needs of the DRBs.

- Revise DoD directives on administrative discharge (an area of intense interest to Congress, GAO, courts, and public interest groups), treatment and rehabilitation of military prisoners, and guidelines for handling dissent and protest in the military.

- Serve as MRA&L representative on the DoD Task Force on homosexual litigation.

- Prepare a report to Congress on legal assistance for military personnel and their dependents.

ROBERT A. STONE

Mr. Stone is Deputy Assistant Secretary of Defense, Program Management, in the Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics. He is responsible for managing:

- planning, programming, and budgeting for manpower and logistics
- the Defense manpower program
- standards for entry into military service
- military training and education
- mobilization and deployment planning
- education of dependents overseas
- Congressional affairs related to manpower and logistics.

He joined the Defense Department in 1969 as an operations research analyst in the Office of the Assistant Secretary of Defense (Systems Analysis). There he led several major Defense studies: requirements for U.S. land forces for NATO, national net assessment of U.S. and Soviet ground forces, and the Guard and Reserve in the Total Force. He joined OASD (Manpower and Reserve Affairs) in 1974.

Prior to joining the Department of Defense, Mr. Stone worked for seven years for Garrett-AiResearch, Los Angeles, as a senior preliminary design engineer. Before that he worked as a research engineer for Atomics International and Cities Service Research and Development Company.

His education includes Bachelor's and Master's degrees in chemical engineering from the Massachusetts Institute of Technology. He was one of nine OSD recipients of the Presidential rank of Meritorious Executive in 1980.

15 November 1980

ORGANIZATIONAL CHART FOR PROGRAM MANAGEMENT

Deputy Assistant Secretary

Robert A. Stone
75371

Staff Director

Douglas Farbrother
79106

Intergovernmental Affairs	Manpower Management	Mob. and Dep. Planning	Training and Education	Dependent Schools
Jeanne B. Fites, Dir. 70617	Douglas Farbrother, Act. Dir., 79106	Paul Donovan, Dir. 50711	Al Tucker, Director 51760	Anthony Cardinale, Dir., 325-0188

MAJOR ONGOING RESPONSIBILITIES

MANPOWER MANAGEMENT

Budget Review

Manages all MRA&L participation in the OSD/OMB budget review.

- receive all Comptroller budget decision papers involving manpower, logistics, base operations, construction, energy conservation, etc. (anything involving MRA&L business; about 250 separate papers).

- quickly get the papers to the right person in MRA&L.

- get them to work faster and harder than they like, to figure out and write down MRA&L's position on whatever the Comptroller proposes to do.

- on important issues, make sure the ASD understands the options and has a clearly written memo to send to the Comptroller, who then informs the Secretary.

- deliver the MRA&L position to the Comptroller (sometimes this all has to be done in less than a day).

- prepare the ASD for Defense Resources Board meetings to decide what should go in the defense budget.

Program Review

Like the budget review, manage all MRA&L participation. Organize all the diverse offices to prepare one clear and sensible Manpower and Logistics Issue Paper for the Secretary.

Both this and the budget review involve a lot of mundane administrative work. But, both can be also influential, substantive jobs, controlling what issues and alternatives are raised for the Secretary.

Manpower Authorization

Civilian manpower is limited by various Defense-wide ceilings set by OMB and by Congress. This office allocates the ceilings among the Services and Agencies, makes sure they comply with the ceilings, and helps them figure out how to get all their work done within the ceilings.

(Military manpower is authorized each year by Congress, specifically to each Service.)

Review Service and Agency requests for manpower (in their programs and budgets) and recommend sensible changes.

Prepare the annual Defense Manpower Requirements Report which goes with the budget to Congress. This is the main document that supports the authorization request.

Help write testimony on the manpower request and, in general, explain and defend it to Congress.

MAJOR ON-GOING RESPONSIBILITIES
MOBILIZATION AND DEPLOYMENT PLANNING DIRECTORATE
(PROGRAM MANAGEMENT)

PLANNING

The Mobilization and Deployment Planning Directorate carries out the on-going responsibilities of the ASD (MRA&L) for both DOD and Federal level planning. Within DOD the ASD (MRA&L) is charged with providing oversight to the mobilization planning and execution process and developing a DOD Master Mobilization Plan. The ASD (MRA&L) is also charged with coordinating and jointly preparing mobilization plans with the Federal Emergency Management Agency and other civil agencies. Both internal and external planning functions have been very active in the past year and are expected to increase following our recent mobilization exercises.

MOBILIZATION EXERCISE FOLLOW-UP

Exercises PETITE SPIRIT, PROUD SPIRIT and REX 80-B, held in October and November 1980, were conducted to test plans, procedures, and organizational relationships during full mobilization and deployment of forces to Europe. Some PETITE SPIRIT follow-up work has already been identified and assigned to agencies for development of action plans. This directorate will be responsible for managing the follow-up activity for all exercises within the OSD staff.

MOBILIZATION MANPOWER

The directorate, with the assistance of other staff elements, prepared material for presentation to the Congress concerning mobilization manpower. Included in these presentations are manpower requirements, current and program outyear projections of manpower supply, and Selective Service System and mobilization training base capabilities. Three documents are or will shortly be in preparation.

- The Joint Conference Report on the Defense Authorization Bill requires the Secretary of Defense in conjunction with the Director of Selective Service to submit reports on manpower mobilization. The subjects concerned include Selective Service System screening and classification, the impact of registration on recruiting, DOD manpower requirements for FY 81-85, military personnel skill requirements at mobilization and proposals for obtaining additional skilled personnel during an emergency. The report is due April 2, 1981.

- This year's Annual Report of the Secretary of Defense to the Congress will contain a mobilization chapter. The chapter, now in draft form, includes, in addition to the current status and program estimates of mobilization manpower, a report on Defense mobilization planning, the Reserve Components, mobilization exercises, the Selective Service System and the mobilization training base.

- The testimony of the ASD (MRA&L) is likely, as in past years, to include a major section on the adequacy of supply of manpower in time of war.

The Directorate for Mobilization and Deployment Planning has overall staff responsibility for issues dealing with the Selective Service System. These issues relate primarily to mobilization planning and the on-going peacetime registration.

MAJOR RESPONSIBILITIES
TRAINING AND EDUCATION DIRECTORATE (T&E)
OFFICE, DEPUTY ASSISTANT SECRETARY OF DEFENSE (PROGRAM MANAGEMENT)

Scope: T&E advises the ASD(MRA&L) on all aspects of training and education for military personnel, including:

1. Training of individuals -- basic training, specialized training in military skills, and flight training.

2. Education of individuals -- Service Academies, ROTC, war colleges, graduate education, etc.

3. Training of military units.

4. Voluntary, off-duty education conducted by civilian colleges on or near military bases.

In FY 1981, an average of 235,000 US military personnel will be in student status during the year. These students will be taught and supported by 125,000 military and 59,000 civilian personnel. The annual cost, including student pay and allowances, is $8.8 billion. Some 400,000 military personnel will also participate in voluntary education programs during the year. It will cost $28 billion in FY 1981 to man, operate and maintain the operational units whose primary activity in peacetime is training.

Responsibilities: Putting T&E responsibilities into organizational context, each Service operates its own training activities, determines how many people should be trained in what skills for how long, and determines the appropriate level of training activity in operational units. T&E is responsible, on behalf of the Secretary of Defense, for reviewing training policies and Service resource requests for training and education and, as appropriate, recommending revisions. Within this framework, the T&E objective is to press for training of the required level of effectiveness at acceptable cost.

T&E advises the ASD(MRA&L) on training research, exploitation of training technology, procurement of training equipment, methodologies for course development, levels of training manpower, funding and facilities, cooperative training projects among the Services and with allied nations, and all other matters that bear on effective and efficient training programs.

Methods: Much of T&E's work is tied to the Planning, Programming and Budgeting System (PPBS) cycle. T&E develops program guidance, analyzes the appropriate sections of Service programs and budgets, and recommends alternatives. T&E then leads the DoD justification of the approved training program to the Congress and prepares two major annual reports -- the Military Manpower Training Report, which supports the request to the Congress for authorization of the required amount of training, and the DoD Report on Flight Simulation. It also prepares testimony for the DASD (Program Management), coordinates Service testimony on training needs, and provides additional information to complete the record.

In addition to PPBS-related activities, T&E undertakes studies and analyses, with recommendations, on a variety of training issues. Last year T&E did major studies and reports on the ROTC program, on the quality of off-campus education on military bases, on the methodology used by the Services to estimate training requirements, and on the relationships between test scores and on-the-job performance of Army enlistees. In FY 1981 T&E plans to study on-the-job training (OJT), graduate education requirements for officers, and ways to improve retention in ROTC units.

Directorate of Intergovernmental Affairs

The Directorate of Intergovernmental Affairs serves the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) in three major areas:

- Congressional activities. The Directorate is responsible for presentation of the Defense manpower and logistics programs before the Congress, to include scheduling of the Assistant Secretary and other witnesses before appropriate subcommittees of the Senate and House Armed Services and Appropriations Committees, preparation of witness statements, editing of transcripts, and responses to questions for the record. The office publishes the calendar of hearings of MRA&L interest, and maintains a computerized topical index of information furnished to the Congress. Following action on Defense authorization or appropriations bills by one house of the Congress, the Director recommends to the Assistant Secretary items to be appealed to the other house and manages the appeal preparation. The Directorate reviews Congressional committee reports to determine actions directed and reports requested which fall within the MRA&L purview, and insures timely responses. The office serves as single point of contact within MRA&L for the Office of the Assistant to the Secretary of Defense (Legislative Affairs), and with the Special Assistant to the Comptroller, the principal OSD liaison with the Appropriations Committees, in responding to Congressional requests for information.

- Interdepartmental liaison. The Directorate serves as DoD point of contact for various federal agencies and programs. The office represents DoD on youth employment and training programs in dealings with the Departments of Health and Human Services, Labor, and Education. The office is responsible for reviewing all requests from other agencies for the use of DoD resources for narcotics interdiction efforts, and provides policy guidance for the Military Customs Inspection Program. All requests for assignment of DoD personnel outside the Department are reviewed by the Directorate. The office serves as point of contact to the Office of Management and Budget (OMB) for DoD input to the Catalog of Federal Domestic Assistance and the Federal Assistance Award Data System (FAADS). In addition to the above, the Directorate is involved in on-going programs with the Departments of Justice, Treasury, and Interior; Federal Emergency Management Agency; and National Security Council.

- Enlistment Standards. The Directorate is responsible for management of standards for entrance into the military services and review of proposed changes to service standards. In this connection, the office is responsible for development of a methodology for relating entrance standards to job performance that is consistent throughout all Services. The overall effort has four phases: a study of the relationship between historical Armed Services Vocational Aptitude Battery (ASVAB) scores and the proficiency of military personnel, using several performance surrogates such as promotion rates; an OSD pilot project to demonstrate the feasibility of setting standards based on one or more performance indicators; a long-term program by the Services to establish and validate standards; and a long-term program to improve DoD's measures of potential ability and job performance.

JOHN R. BRINKERHOFF

John R. Brinkerhoff is the Special Assistant to the Deputy Assistant Secretary of Defense for Reserve Affairs. Mr. Brinkerhoff was appointed to this position in April 1978.

John R. Brinkerhoff was born January 31, 1928. He graduated from the United States Military Academy, West Point New York in 1950 with a BS degree. He has earned three graduate degrees: an MS from the California Institute of Technology in Civil Engineering in 1956; an MA from Columbia University in Geography in 1964; and an MSA from George Washington University in Operations Research and Management Science in 1976. He is a graduate of the Army Command and Staff College and the Army War College (Non-Resident Course).

Mr. Brinkerhoff served for 24 years on active duty as an Army officer. During the period 1950 to 1959, he was a platoon leader, company commander, and operations officer in Engineer troop units in Okinawa, Korea, the United States and Germany. From 1959 to 1963 he was an instructor in astronomy, astronautics, and geography at the United States Military Academy. In 1963 he served as Deputy Chief of the United States Military Mission to the Republic of Mali, West Africa.

In 1965 Mr. Brinkerhoff began the first of a series of assignments relating to strategic planning, force structuring, and resource programming. In 1965 and 1966 he served as a staff officer in the War Plans Division of the Army Staff. From 1966 to 1969 he was an operations research analyst in the Office of the Assistant Secretary of Defense for Systems Analysis. He served as Commander, 4th Engineer Battalion, 4th Infantry Division, in Vietnam in 1969-1970. Subsequent, from 1970 to 1974 he was Chief of the Army's Manpower programming division and Director of the Force Concepts and Design Directorate of the Army's Concept Analysis Agency. In June 1974 he retired from active duty in the rank of colonel.

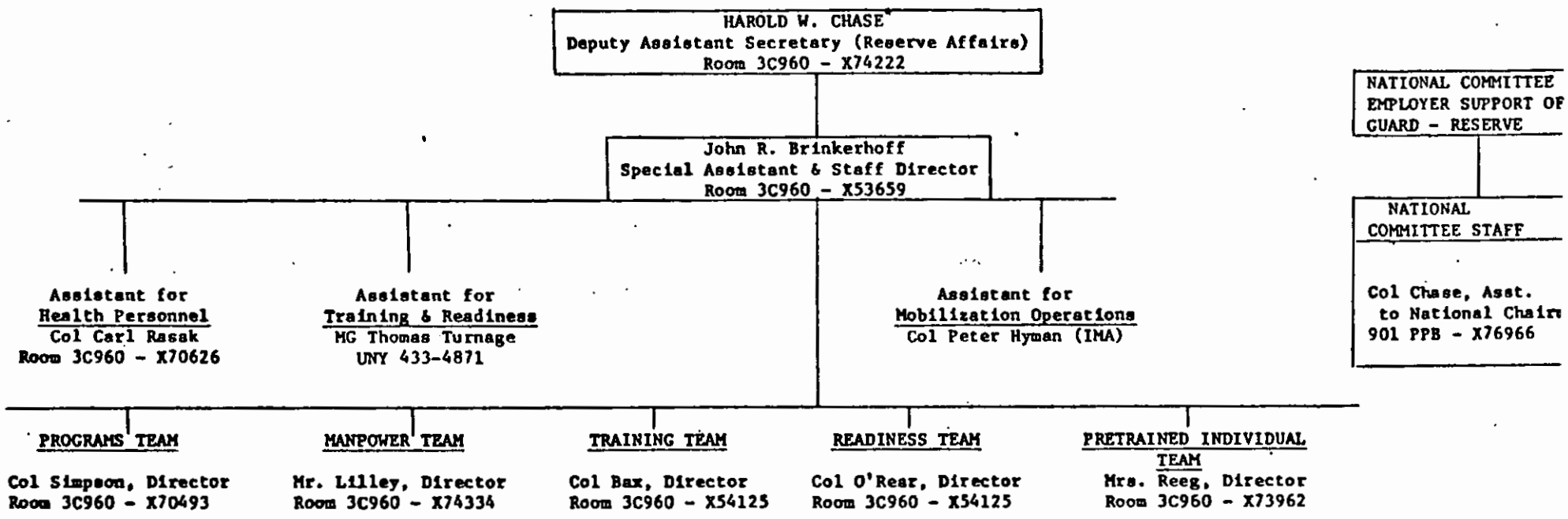
His military decorations include the Legion of Merit (2), Bronze Star Medal (2), Meritorious Service Medal, Air Medal (5), Joint Service Commendation Medal (2), and Army Commandation Medal (2).

Mr. Brinkerhoff was employed by the General Research Corporation as a systems analyst upon his retirement; while at GRC he worked on the DoD Total Force Study.

In 1975 Mr. Brinkerhoff was appointed Chief of the Manpower Programs Team, Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs. In 1976 he was named Director of Manpower Programs and was responsible for managing DoD's Active military, reserve, and civilian personnel authorizations. During the first half of 1977 he participated in the overall review of national military strategy for Presidential Review Memorandum 10 as Chief of the DoD PRM-10 Working Group. In September 1977 he was named Director of Intergovernmental Affairs, responsible for Congressional Relations and inter-agency actions for OASD/MRA&L.

September 1978

ODASD(RA) ORGANIZATION AND FUNCTIONS



*Resigned 1 December 1980

ODASD(RESERVE AFFAIRS) -- ASSIGNED FUNCTIONS:

Programs Team:

- provide analysis and evaluation of budgets and programs:
  - Appropriation hearings and statements;
  - Decision Package Sets (DPS).
- provide policy, planning and programming guidance:
  - coordinate RA activities in DoD Planning, Programming and Budget System (PPBS).
- monitor RA Research Program;
- monitor Congressional actions for RA;
- monitor personnel actions;
- monitor Legal Advisory Program;
- operate the Reserve Management Information System (MIS), to include:
  - policy;
  - personnel profiles, data and strengths, trends to include all categories;
  - manpower utilization;
  - development of improved data base.

Manpower Team:

- analyze, evaluate and monitor:
  - personnel profiles, data and strength;
  - enlistment options;
  - incentives;
  - compensation;
  - retention;
  - recruiting;
  - advertising.

ODASD(RA)
19 Feb 1980

Manpower Team (Continued):

- provide analysis and evaluation of manpower legislation;
- monitor Officer Programs;
- monitor Reserve Component Critical Skills.

Pretrained Individual Manpower Team:

- analyze, evaluate and monitor Wartime Manpower Requirements;
- provide analysis and evaluation of manpower legislation;
- supervise Individual Ready Reserve (IRR) management:
  - IRR strength.
- provide management initiatives:
  - retired personnel;
  - Standby Reserve.

Readiness Team:

- research, evaluate and monitor:
  - force structure and missions;
  - priorities for equipping;
  - mobilization policies;
  - facilities, including training sites;
  - priorities for deployment;
  - logistical support.
- provide readiness policy:
  - force readiness;
  - unit readiness training;
  - priorities for manning;
  - reporting.
- monitor CIOR;
- supervise Guard and Reserve audit and survey reports.

Training Team:

- research, evaluate and monitor:
  - training management;
  - unit training, includes inactive duty training;
  - utilization of full-time support personnel;
  - training support.
- provide policy, authorization, budget and use of Guard and Reserve technicians and TARs.

BIOGRAPHY

MR. CHARLES W. GROOVER
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(REQUIREMENTS, RESOURCES AND ANALYSIS)

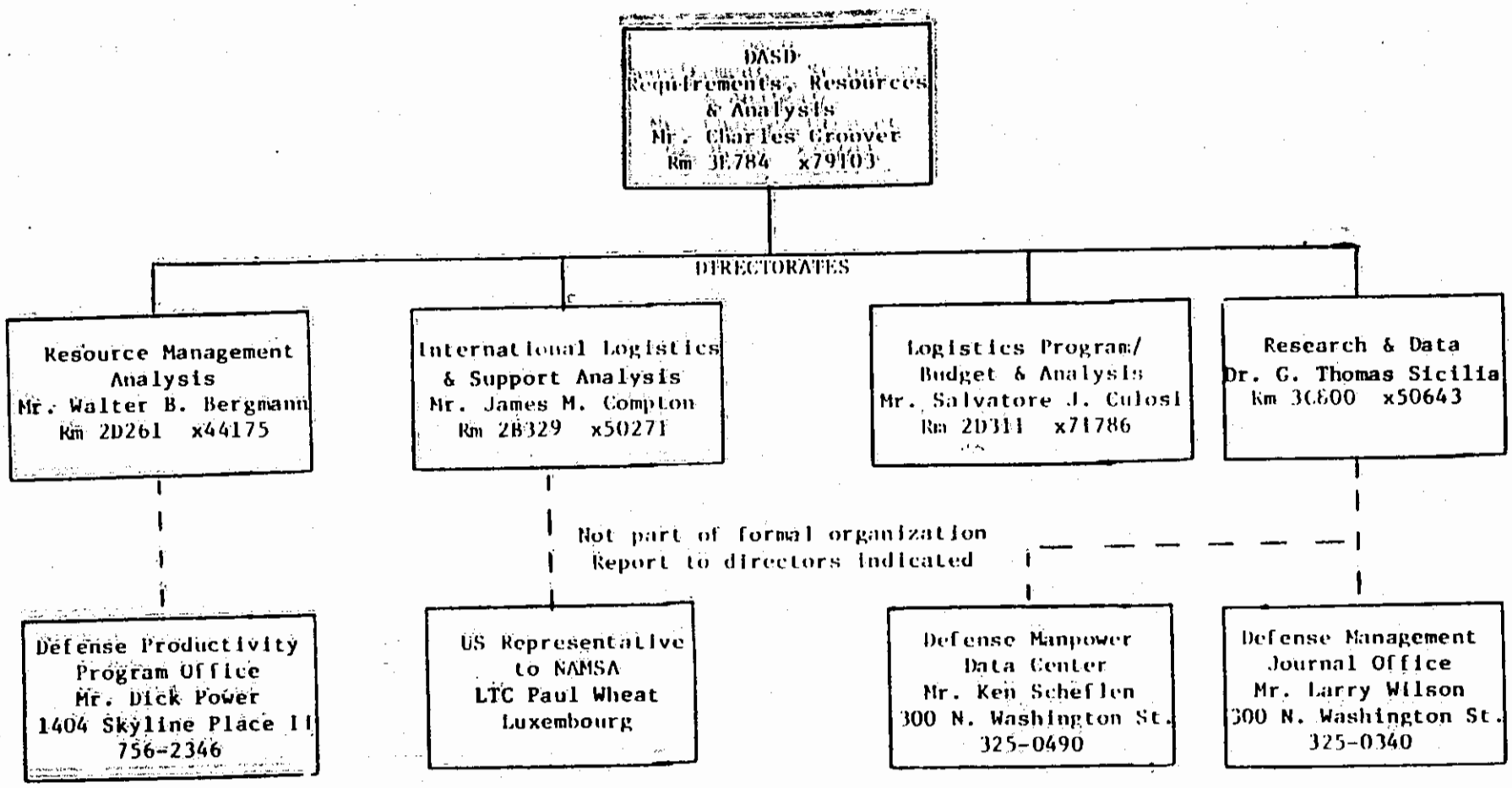
Mr. Charles W. Groover was appointed Deputy Assistant Secretary of Defense (Requirements, Resources and Analysis) effective October 28, 1979. He had served as the Acting DASD(RR&A) since August 1, 1979. He was formerly the Staff Director for the office of the DASD(RR&A) from April 1979, and prior to that the Director, Logistics Program/Budget and Analysis, within the office of the DASD(RR&A).

Mr. Groover was born in LaGrange, Georgia in 1933. He graduated from the Georgia Institute of Technology (1954) with a Bachelors of Industrial Engineering degree; he earned a Masters of Science in Business Administration from George Washington University in 1965, and did additional graduate work in economics in 1967-68 under the Defense Systems Analysis Education Program (DSAEP) operated cooperatively by the Institute for Defense Analyses and the University of Maryland.

Mr. Groover was a career officer in the United States Air Force from 1954 until his retirement as a Colonel in 1974. He served on Strategic Air Command (SAC) aircrews from 1956 through 1964, and as a systems analyst with the Command/Control Directorate of Headquarters SAC from 1965 through 1967. He was a distinguished graduate of the Squadron Officers School (1961) and the Air Command and Staff College (1965). Upon completion of the DSAEP in the summer of 1967, Mr. Groover was assigned to the Office of the Assistant Secretary of Defense (Systems Analysis) and has progressed through increasingly more responsible positions in OSD logistics policy and program analysis from 1968 until his retirement from active duty in 1974, and during his subsequent career as a civil servant.

Mr. Groover, his wife Kathryn, and Rebecca -- the youngest of four children -- live in Alexandria, Virginia. One son, Michael, is an Air Force lieutenant stationed at Norton AFB, California; a daughter Andrea is residing temporarily with the family in Alexandria; another son, David, is a student at Georgia Tech.

October 1979


DASD
Requirements, Resources & Analysis
Mr. Charles Groover
Rm 3E784 x79103
DIRECTORATES
Resource Management Analysis
Mr. Walter B. Bergmann
Rm 2D261 x44175
International Logistics & Support Analysis
Mr. James M. Compton
Rm 2B329 x50271
Logistics Program/ Budget & Analysis
Mr. Salvatore J. Culosi
Rm 2D311 x71786
Research & Data
Dr. G. Thomas Sicilia
Rm 3C600 x50643
Not part of formal organization
Report to directors indicated
Defense Productivity Program Office
Mr. Dick Power
1404 Skyline Place II
756-2346
US Representative to NAMSA
LTC Paul Wheat
Luxembourg
Defense Manpower Data Center
Mr. Ken Scheflen
300 N. Washington St.
325-0490
Defense Management Journal Office
Mr. Larry Wilson
300 N. Washington St.
325-0340

LOGISTICS PROGRAM/BUDGET AND ANALYSIS DIRECTORATE:

- draft all logistics guidance for DPG, CG, PPI (coordinated with ODASD(PM);

- review all Service logistics programs relating to materiel readiness or materiel sustainability, and take the lead in defining and developing program issues in these areas;

- prepare logistics program issues relating to materiel readiness or materiel sustainability, interacting as necessary with PM and DS, and provide those completed program issue papers to PM for integration into the Manpower and Logistics Issue Paper;

- draft PDM/APDM language on all logistics program issues relating to materiel readiness or materiel sustainability and provide substantive staff support to the ASD/PDASD on this subset of issues throughout the program and budget reviews;

- analysis of materiel readiness, development of improved analytical tools to relate resources to readiness;

- MRA&L focal point for readiness management within the DoD, including staff support to the Readiness Management Steering Group;

- analysis of materiel sustainability, trade-offs between war reserves and production base, and the drafting of related policy;

- development of improved war reserve munitions requirements methodologies, and review of the inventory objectives and procurement programs for such items;

- provide (develop, implement, and maintain) logistics resource program/budget management information systems (e.g., the LRA);

- define, explore, and evaluate the cost and readiness implications of possible revisions to existing Defense support (e.g., maintenance, supply) concepts, policies, and practices -- in liaison with ODASD(SM&T) and the Special Assistant for Weapons Support;

- prepare the Logistics chapter of the annual Defense Report; and

- prepare the annual Materiel Readiness Report to the Congress.

RESOURCE MANAGEMENT ANALYSIS DIRECTORATE

-- Major Ongoing Responsibilities --

- Improving DoD's ability to estimate and portray the time-phased wartime manpower demand for military and civilian personnel.
- Improving DoD's ability to model expected wartime ammunition consumption, major equipment losses, and personnel casualties.
- Reviewing Service programs, or conducting ad hoc studies, to ascertain the sustainability implications of manpower/materiel resources; and developing alternative courses of action.
- Assisting OASD (Health Affairs) by assessing the adequacy of the programmed medical support structure vis-a-vis projected casualties and deployment/logistic constraints.
- Improving the credibility of Service/Agency manpower requirements determination procedures.
- Improving DoD's ability during the development and acquisition process to plan for and analyze manpower (numbers and skill levels) and training requirements for new weapons systems.
- Assisting the Special Assistant for Weapons Support by reviewing (when requested) Service analyses of manpower requirements for new weapons systems to insure that the sensitivity of the requirements to hardware design characteristics, support policies, and readiness objectives has been adequately addressed.
- Assisting the Special Assistant for Weapons Support by conducting MRA&L's DSARC-related assessments for strategic and C^3 systems.
- Providing policy guidance and oversight of the DoD Productivity Program.
- Maintaining the capability to provide information on DoD's Cost of Manpower.

INTERNATIONAL LOGISTICS AND SUPPORT ANALYSIS DIRECTORATE:

- develop policy guidance, DoD directives and instructions for DoD International logistics programs and functions;

- review Service implementation of the Cooperative Logistics Supply Support Arrangement (CLSSA) System and other arrangements for support of security assistance materiel provided to other nations under foreign military sales or MAP grant aid;

- manage, direct and administer the DoD NATO Logistics Program to include:

  -- NATO Logistics Master Plan (LOGMAP),

  -- ASD(MRA&L) participation in the Senior NATO Logisticians Conference (SNLC),

  -- DoD focal point for International Civil Emergency Planning, and

  -- Implementation of the U.S. logistics portion of the NATO Long Term Defense Program (LTDP);

- provide DoD representation in the NATO Maintenance and Supply Organization (NAMSO) and exercise policy and program management over all U.S. activities related thereto;

- act as OSD focal point for international logistics training, including provision of the Executive Secretary for the Policy Guidance Council of the Defense Institute for Security Assistance Management (DISAM) (NOTE: ASD(MRA&L) is head of DISAM Policy Guidance Council);

- prepare and recommend for Secretary of Defense approval bilateral and/or multilateral logistics support arrangements with other nations for both peacetime and wartime logistics support;

- establish and monitor a system for allocation of materiel between the U.S. and international security assistance requirements;

- represent the OASD(MRA&L) on the DoD Middle East Task Group and coordinate all manpower and logistics actions generated by that group;

- represent the ASD(MRA&L) in the Security Consultative Meetings (SCM) between the Secretary of Defense and the Minister of Defense of Korea and co-chair the Logistics Committee under the SCM;

- prepare implementing logistics annexes for Memoranda of Understanding (MOU) and Agreements (MOA) signed between the U.S. and other nations for cooperation in research, development, procurement and logistics support; nego iate with other nations and provide guidance to U.S. Services for implementation

- develop SecDef policy and procedures to ensure that the peacetime and wartime capabilities of host nations to support U.S. forces are fully taken account of in DoD program and budget formulation and execution;

- determine planning objectives for achieving maximum reliable and feasible host nation support; establish and direct a program to meet them (NOTE: The Host Nation Support Advisory Group acts as a managerial umbrella for HNS activities);

- conduct and participate in studies and analyses of gross U.S. support structure requirements, capabilities, and suitability for support by host nations;

- participate in all phases of the DoD PPB process to ensure that maximum advantage is taken of host nation support capabilities;

- review and evaluate Service and Defense Agency compliance with policy and guidance for use of host nation support;

- assist ASD(ISA) as required to ensure timely negotiation of potential HNS agreements;

- in coordination with ASD(PA&E), ensure that the Defense program is adjusted to take account of existing and programmed HNS agreements;

- in coordination with OJCS, maintain an inventory of existing and programmed agreements for host nation support from current year through last year of the five-year program; ensure that approved agreements are reviewed and updated periodically; and

- act as OASD(HRA&L) focal point for all host nation support actions, maintaining the necessary liaison with other DoD and federal agencies.

RESEARCH AND DATA DIRECTORATE:

- develop broad manpower and logistics research objectives that reflect the key issues and problems confronting the ASD(MRA&L);

- manage, administer, and defend the MRA&L research program toward the above objectives:

  -- prepare and defend the research program and budget within OSD and, as necessary, before the Congress,

  -- review specific MRA&L research proposals and recommend priorities for funding to the PDASD(MRA&L), through the DASD(RR&A),

  -- administer and monitor the execution of the research program;

- serve as the MRA&L focal point for information and data -- provide policy guidance to, task, supervise, and monitor the Defense Manpower Data Center (DMDC), Defense Management Journal staff, Defense Logistics System Information Exchange (DLSIE), and the Manpower Research Digest; and

- establish and maintain a current, quality-controlled, and responsive AVF data base readily accessible to all those MRA&L offices that require its use.

- serve as MRA&L Point-of-Contact with OUSDR&E for manpower and logistics research; review the Services' manpower research program ($200M) to ensure policy relevance.

BIOGRAPHY
United States Air Force
SECRETARY OF THE AIR FORCE OFFICE OF INFORMATION WASHINGTON, D.C. 20330

MAJOR GENERAL JOSEPH D. ZINK

Major General Joseph D. Zink is military executive, Reserve Forces Policy Board. The board is a statutory body which serves as principal policy adviser to the secretary of defense on matters relating to the reserve components. It is located in the Office of the Secretary of Defense, Washington, D.C.

General Zink was born April 8, 1922, in Newark, N.J. He graduated from Belleville High School, Belleville, N.J., in 1940 and entered Princeton University, Princeton, N.J. He entered the aviation cadet program in 1942. At the end of World War II he returned to Princeton University and in 1946 received his bachelor of arts degree in political science. He received his bachelor of laws degree in 1948 from the Rutgers University School of Law, New Brunswick, N.J. He graduated from the Air War College at Maxwell Air Force Base, Ala., in 1958.

General Zink entered the service through the aviation cadet program, completed flight training and was commissioned a second lieutenant in the Army Air Forces in March 1944. He was assigned to Eighth Air Force as a B-17 bomber pilot in Europe from March 1944 through May 1945. In November 1945 he was released from active duty as a captain. General Zink joined the New Jersey Air National Guard in January 1947 and held positions as wing executive officer; and flight, squadron, group and wing commander. He twice commanded the 108th Tactical Fighter Wing, McGuire Air Force Base, N.J. He served as the wing executive officer from February 1951 to February 1953. In October 1961, during the Berlin airlift, he was again recalled to active duty, commanding the 7108th Fighter Wing, Chaumant Air Base, France, until July 1962. The 7108th Fighter Wing is the overseas element of the 108th Tactical Fighter Wing. He served as base detachment commander at the Air National Guard base, Atlantic City, N.J., from 1958 to 1967, and at McGuire Air Force Base, N.J., from 1967 to 1971. He commanded the 177th Tactical Fighter Group until 1968, and then commanded the 108th Tactical Fighter Wing. During his command of these units, F-100s were assigned to the 177th Tactical Fighter Group and F-105s were assigned to the 108th Tactical Fighter Wing. In April 1971 he was assigned to Headquarters New Jersey Air National Guard and designated assistant chief of staff, air. General Zink returned to active military service in February 1979 to assume his current position.

He is a command pilot with more than 5,500 flying hours. His military decorations and awards include the Legion of Merit, Distinguished Flying Cross and Air Medal with four oak leaf clusters.

General Zink assumed the grade of major general June 16, 1972, with date of rank Dec. 23, 1973.

He is married to the former Marie Rudolph of New York City. They have three children: daughter, Jamie and sons, Jeffrey and Gary. General Zink's hometown is Linwood, N.J.

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(Current as of October 1979)

RESERVE FORCES POLICY BOARD--MISSION AND ASSIGNED FUNCTIONS

By statute, the Reserve Forces Policy Board, acting through the Assistant Secretary of Defense (MRA&L), is the principal policy adviser to the Secretary of Defense on matters relating to the Reserve Components.

Understanding that the Board is by definition and statute "advisory only," then the following functions can be better understood:

Policy Formulation

- by pre-testing the strength and defensibility of conflicting service or other agency views
- by synthesizing divergent views and otherwise resolving differences in as far as possible
- by reflecting the nature and degree of reactions which may be expected from non-government sources
- by providing policy recommendations pertaining to the Reserve Components and the ROTC

Policy Development

- by examining and evaluating significant trends, both long and short range
- to anticipate, study and develop concepts of and practical approaches to new and changing missions which could make the Reserve Components more dynamic and responsive to defense needs
- through recommendations evolved on its own initiative
- through collaboration with other agencies both in and out of the Defense Department while matters are in the formative stage

Policy Support and Understanding

- by attending and participating in meetings of principal departmental reserve policy groups and related activities
- by maintaining active contact with and thereby knowledgeable cognizance of the positions and activities pertaining to reserve matters of principal military, veterans, civic and other outside organizations
- by visits to Reserve Components in the field to obtain first-hand information and views
- by endorsing and justifying policies under inquiry by Congress or other government agencies
- by explaining policy content and purpose to key non-government persons and groups

Reporting

- as required by statute (10 U.S.C., Section 133(c)(3)) the Board will provide for submission by the Secretary of Defense to the President and the Congress a report on the Reserve programs of the DoD including a review of the effectiveness of the Reserve Officer Personnel Act of 1954, as amended

NEIL M. SINGER

3701 Upton Street, N.W.
Washington, D.C. 20016

202-966-7461 (Home)
202-694-5413 (Office)
Room 3E787

PERSONAL: Born November 21, 1939
U.S. Citizen
Married, two children

EDUCATION: A.B. magna cum laude Harvard, 1960 (Economics)
M.A. Stanford, 1961 (Economics)
Ph.D. Stanford, 1965 (Economics)

EXPERIENCE:

1979-present - Director, Special Projects Group, Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics): developed positions and made and implemented policy recommendations on major institutional issues relating to all aspects of the activities of OASD(MRA&L); directed, planned and supervised the work of the Special Projects Group.

1978-1979 - Special Assistant for Economic Planning, Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics): developed positions and made policy recommendations on major issues relating to DoD economic programs; advised ASD(MRA&L) and DASDs on military compensation, civilian personnel and wages; pursued special projects for DASD; participated in policy development with other DoD and other federal agencies.

1966-1978 - Assistant/Associate Professor of Economics, University of Maryland: taught public sector economics and economic theory; published over 30 articles, books and monographs.

1975 - Visiting Associate Professor of Economics, Stanford University: taught microeconomics, public sector program evaluation, and state and local public finance.

1969-1971 - Economist/Systems Analyst, National Bureau of Standards: participated in evaluation of consumer product standards, benefit-cost analysis of building standards, evaluation of technological change, systems analysis of Northeast Corridor transportation, etc.

1969 - Economist, Office of the Secretary, U.S. Department of Commerce: developed proposal for regional investment/employment tax incentives in coordination with U.S. Regional Commissions, Congressional staff offices, other governmental and private-sector personnel.

1967 - Economist, U.S. Bureau of the Budget: analyzed federal agency budgetary submissions and program budgeting systems.

1966 - Consultant, Office of the Secretary of Defense (Systems Analysis): analyzed defense issues such as balance of military payments, defense land use and transfer pricing.

1964-1966 - Systems Analyst, Center for Naval Analyses: analyzed Navy weapons and logistical systems, in particular rapid deployment alternatives including aircraft, naval vessels, etc.

Special Projects Group Assigned Functions

- Policy analysis and evaluation as requested by ASD/PDASD(MRA&L) on issues that are not the assigned responsibilities of other deputates (e.g., Reserve Compensation, MRA&L posture on Chemical Warfare programs).

- Policy analysis and evaluation as requested by ASD/PDASD(MRA&L) to coordinate issues that are the overlapping responsibilities of multiple deputates (e.g., Base Operating Support accounts and programs).

- Analysis and program development in coordination with other deputates, as requested by ASD/PDASD(MRA&L) (e.g., Military Compensation Issues, FWS pay caps/reform).

- Preparation and update of MRA&L Planning Issues memoranda.

- Staff assistance to ASD/PDASD(MRA&L) as requested, including preparation of Congressional testimony, position papers, Congressional inquiries, and legislative liaison, on all manpower, Reserve affairs, and logistics issues.

- Provide MRA&L analysis for assigned issues in CG, PDM/APDM, and budget preparation, including base operating support, military/civilian pay raise, and Reserve compensation issues.

- Develop and manage research program to support other assigned functions.

- Provide MRA&L liaison and focal point with ASD(HA).

- Develop, implement, monitor, and report to Congress on educational assistance programs for accession and retention; develop DoD positions on all educational assistance issues, coordinating with other MRA&L deputates, Service staffs, and OSD offices as appropriate.

BIOGRAPHY

RUSSELL R. SHOREY

Russell R. Shorey is the Special Assistant for Weapons Support in the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics). He is additionally Weapon Support Advisor to the Defense Systems Acquisition Review Council. He also serves as an alternate MRA&L DSARC principal when the Assistant Secretary is unable to attend. His responsibilities include review of all DSARC programs for adequacy of their planning for support; negotiation of specific DCP goals and thresholds related to support; development of acquisition policies related to logistics and manpower, including test and evaluation requirements. He previously was responsible in the Office of the Director of Defense Research and Engineering for program direction of strategic and tactical command and control systems. He had project responsibility for airborne command posts, command and control ADP systems, strategic communication systems developments and for concept development including selective response.

He came to ODDR&E in 1973 after a year of serving as a Consultant in Strategic command and control systems to Alain Enthoven, then in the Office of the Secretary of Defense System Analysis. At that time he was Associate Department Head for Intelligence Data Systems at MITRE Corporation and head of the Advance Defense Concepts Planning Group. Before that he was responsible at Lincoln Laboratory for subsystem design projects, including ECM display processing and Mark XII radar integration, and for initial SAGE air defense system program installation and checkout at the first operating site.

Functional Statement
Special Assistant for Weapons Support

- Review all DSARC weapon programs for adequacy of goals, plans, resources related to support.
- Represent the ASD as an alternate DSARC principal.
- Supervise the activities of the Integrated Logistic Support Analysis Division of PESO.
- Develop analysis methodology to be used for independent tradeoffs and assessments between logistics, manpower and weapon system hardware.
- Negotiate specific DCP goals and thresholds related to support on each weapon program.
- Review all Test and Evaluation plans to evaluate support for adequacy of time, resources, technical approach.
- Review Test and Evaluation data and supporting analyses.
- Develop policies needed to improve acquisition phase planning, analysis, design, test and evaluation related to weapon support.
- Develop a DoD R&D program to improve weapon support.
- Present to the DSARC principals an independent assessment of the support planning and problems on each weapon system.
- Identify weapon support problems resulting from current policies, procedures, and organizations and proposed solutions.
- Assess adequacy of current data for logistic planning and analysis purposes and propose improvements.

Personal and Professional Data

Patricia L. Hanen
4101 Davenport Street, NW
Washington, DC 20016
Home phone: (202) 244-6264

Pentagon Office: Room 3C759
Office Phone: 694-3715

Employment History

August 1979 to present: Executive Assistant, OASD(MRA&L).
Directs a staff of three persons who provide administrative services to the OASD (MRA&L), including: military and civilian personnel management; processing of GAO reports and FOI requests; disbursement and monitoring of operations and maintenance funds throughout the OASD; oversight responsibility for EEO and Information Security Programs; acquisition and distribution of office space and equipment. Provides advice and guidance to MRA&L managers on executive development, personnel recruitment, and Civil Service Reform Act implementation policies and procedures. Develops and recommends personnel program policy alternatives for consideration by senior managers in OSD and the military departments. Drafts, revises, and edits memoranda, speeches, testimony, and directives that reflect the policies and objectives of the ASD(MRA&L), his Principal Deputy, and the Secretary of Defense.

1979 - 1980: Adjunct Professor, George Washington University (Writing and Editing in Technical Fields)
1975 - 1980: Coordinator, Business Communications, Environmental Services Management Program, Hannah Harrison Career School of the YWCA
1978 - 1979: Expert/Consultant, Special Projects Group, ODASD (Program Development)
1978: Consultant, Logistics Management Institute
1972 - 1978: Assistant Professor of English, Georgetown University
1969 - 1972: Coordinator, Short-Term Projects, Cornell United Religious Work, Cornell University
1968 - 1969: Instructor in English and Severance Hall Head Resident, University of Dubuque

Education:
Reed College, Portland, Oregon; B.A., 1967
Cornell University, Ithaca, New York; M.A., 1968; Ph.D., 1974

Administration Office Functional Statements

Our ongoing responsibilities are as follows:

1. Military and civilian personnel management, including Civil Service Reform Act implementation within OASD(MRA&L);

2. Processing of General Accounting Office reports and Freedom of Information Act requests;

3. Preparation, defense, and disbursement of OASD(MRA&L) operations and maintenance budget;

4. Oversight responsibility for Equal Employment Opportunity and Information Security programs; and

5. Acquisition and distribution of office space, furniture, and equipment.

TO BE SUPPLIED LATER

RESEARCH STUDIES AND DATA PROGRAMS

The MRA&L R&S program is funded at a level (from several sources) of about $7-10M per year. Historically, this program has been used by the ASD/PDASD(MRA&L) as the prime tool for bringing in outside expertise on key MRA&L policy issues and problems. Through an annual research requirements review process, proposals from the MRA&L Deputies and offices are evaluated and developed into a recommended program.

The MRA&L program, since it was created in 1977, has had three parts -- a manpower research center at the Rand Corporation, a logistics center at the Logistics Management Institute, and a third unspecified part which funds projects via the competitive process or sole source to whatever contractor is best suited to solve the issue at hand. In general, the program is equally funded between these three parts (Rand, LMI, and other contract efforts).

There are a large number of critical MRA&L-related manpower, logistics and support issues that are not receiving adequate emphasis in the DoD research and studies communities. While there are Service research efforts under way that address some of these issues, many of the key problems are Defense-wide in nature and not Service specific. Thus the Services' efforts generally fall short of addressing the total problem and, understandably, the results do not have DoD-wide applicability. Furthermore, funding for OSD studies which generally do address DoD-wide questions has been decreasing in recent years.

In FY 1980, MRA&L, with OUSDR&E, initiated a joint program to address DoD-wide manpower problems and issues. This $5M program will also have the active involvement of the Services research and policy communities. The research will be performed by Service research personnel and contractors and will focus on those problems and issues that are Defense-wide in nature.

Because of the very broad range of policy issues for which it has ultimate responsibility, MRA&L requires a large amount of data support, including obtaining, maintaining, processing and manipulating data. The Defense Manpower Data Center (DMDC) is the primary manpower data support activity in OASD(MRA&L).

DMDC currently operates as a Management Support Activity of the Defense Logistics Agency (DLA) with major offices in Alexandria, Virginia and Monterey, California. DMDC computer support is obtained largely through the facilities of the Naval Postgraduate School in Monterey. Automated records individually identifiable are maintained on active, reserve, and retired military and DoD civilian employees. Each of these data files is available at periodic intervals dating back to the early 1970's. Associated with the specific files noted above are gain and loss transactions, rejected applicants for enlistment, and other kinds of transaction information. These files, as well as numerous others not listed, are used to support the entire Defense community in conducting research, completing studies and analyses, and formulating or assessing policy alternatives.

MRA&L FY 80

RESEARCH PROJECTS

Analysis of Civilian Sick Leave and Overtime

Analysis of Civilian Personnel Policy Issues

The Increased Cost of Military Construction

Military Construction and Related Programs Management Data System

Depot Maintenance Programming System

Navy Air Intermediate Maintenance

Examination of Policy on Engineering and Technical Services

CITA and Contract Support Services Inventory Improvement

Support of DoD Stockage Policy Analysis

Economic Retention/Disposal Analysis

Study of DoD Organization for Transportation and Traffic Management

Computer Vulnerability Studies

Upward Mobility in DoD

Functional Assessment of Military Equal Opportunity Staffs

Acquisition and Logistics Implications of a Synthetic Fuel Industry

Long-Range Energy Goals, Objectives and Strategies

Energy Conservation in the Weapon System Acquisition Process

Career Force Management-Requirements and Retention

Military Benefits Valuation Study

AVF Supply: Qualified -- Not Enlisted Applicants

Educational Benefits Study

New Approaches to Predict AVF NPS Accession Levels

AVF Prior Service Supply

Supply of NPS Female Accessions

Compensation Policy Under the AVF

Joint Selective Service/DoD Induction Test Plans

Training Base Utilization Upon Mobilization

Civilian Mobilization Policies

Mobilization and Deployment Planning and Procedures

Manpower Projection Methodology

Marginal Pipeline Cost of Enlisted Personnel, Phase III, Resource Analysis of Specialized Skill Training Costs

Sociology of Reserve Community

Evaluation of Ready Reserve Initiatives

Reserve Unit Personnel Survey

Reserve Manpower Supply

Full-Time Support

Pretrained Manpower Management

Wartime Manpower Program System (WARMAPS)

Reserve Forces Management

Modeling the Logistics Alternatives of New Weapon Systems Acquisition

Helicopter Reliability and Maintainability Characteristics

Survey Research

Enhancement of Actuarial Models

Army Electronic Equipment Options

Combat Consumption Modeling Improvement

Post-Fielding Manning of New Systems

Management Information and Automated System Support Requirements for Host Nation Support Maintenance

Quantifying the Effect of Resource Levels on the Readiness of Ground Forces

Quantifying the Effect of Resources on Sortie Generation Capability

A Concept for the Management of DoD Materiel Readiness

Mobilization Requirements for A/C Depot Maintenance

Manpower and Logistics Management Information Systems

First-Term Enlisted Attrition Data Analysis

Modification of PERCS Inventory Model

Time Series Supply Projections of Male NPS Accessions

Structuring Support for Wartime Operations

Cooperative Logistic Supply Support Arrangement Management Data System

Implementation Alternatives for Wage Board Reform

DoD Wage Board Issue Analysis

Incentive Systems in the Military Services

PARTIAL LISTING OF MRA&L CONGRESSIONAL APPEARANCES
1980

Hearing Date	Topic	Witness	Comm.
22 Jan	Proposed Changes in Military Compensation	Pirie	SASC (M&P)
5 Feb	H.R. 5995	Tice	H-PO&CS
8 Feb	Family Housing Program	Fliakas	HASC
19 Feb	Defense Manpower Overview	Pirie	HASC (M&P)
19 Feb	FY 81 MilCon	Fliakas	HASC
20 Feb	Family Housing Program	Fliakas	
22 Feb	Nunn-Warner Amendment	Pirie	HASC (MilComp)
26 Feb	Selective Service Reform	Pirie	HAC (HUD & Ind. Agencies)
26 Feb	FY 81 Guard and Reserve MilCon	Lanoue	HASC
26 Feb	Civil Service Disability Retirements	Clewlow	H-PO&CS
27 Feb	FY 81 Guard and Reserve Programs	Chase	HASC (MilPers)
27 Feb	FY 81 MilCon Program	Fliakas	
28 Feb	Prior Year MilCon	Fliakas	
29 Feb	Defense Civilian Workforce	Stone	HASC (MilPers)
3 Mar	Family Housing Program	Fliakas	SASC/SAC
3 Mar	FY 81 MilCon Program	Fliakas	SASC/SAC
5 Mar	FY 81 DoD Auth: Productivity and Readiness	Groover	SASC
5 Mar	Registration of Women	Pirie/ Rostker	HASC (MilPers)
5 Mar	MilCon Energy, Environment, Safety & Health Programs	Marienthal	HAC
6 Mar	FY 81 DoD Auth: Manpower Overview Force Structure	Komer/Pirie	SASC (M&P)
10 Mar	Defense Manpower Overview	Pirie	SASC (M&P)
11 Mar	Selective Service System	Pirie/White/ Rostker/Meyer	SAC (HUD & Ind. Agencies)

Hearing Date	Topic	Witness	Comm.
12 Mar	Manpower Overview	Pirie	SBC
13 Mar	Ready Reserve	Pirie/Chase/ Reserve Witnesses	HASC
18 Mar	Real Property Maintenance	Fliakas	HAC/SAC
19 Mar	Registration of Women	Danzig/ Wellford/ Rostker	SASC (M&P)
24 Mar	DoD Energy Program	Marlenthal	SASC (MilCon)
24 Mar	FY 81 Defense Agencies MilCon	Rollence	HAC
26 Mar	Economic Adjustment Program in Nevada and Utah	Sheehan	HAC
1 Apr	Manpower Overview	Pirie	HAC
2 Apr	Manpower Overview	Pirie	SAC
2 Apr	Guard and Reserve Programs	Danzig/Chase	SASC (M&P)
2 Apr	Registration	Danzig/White/ Rostker	SASC (M&P)
2 Apr	Implementation of Congressional Actions in OM and MP	Riley/Shycoff Sherrick	HAC
17 Apr	Military Retirement	Tice	HASC (Mil Comp)
17 Apr	FY 80/81 MilCon	Rollence	SAC/SASC
22 Apr	Veterans Benefits	Tice	H-Veterans
29 Apr	Defense Officer Personnel Management Act (DOPMA)	Pirie/Tice	HASC (MilComp)
29 Apr	Civil Service Reform Act of 1978	Green	H-PO&CS
1 May	Converting Civilian Technicians to Military Status	Chase	H-PO&CS
7 May	DoD Transportation Activities	Hyman	HAC (Defense)
15 May	FY 81 Defense Agencies Request	Defense Agencies	SAC
20 May	Service Group Life Insurance	Tice	H-Veterans

MAJOR UPCOMING ASD ACTIONS

- Congressional testimony on manpower and logistics overview - begin in February
- FY 81 Supplemental Budget Amendment
- FY 82 Budget Amendment
- Consolidated Guidance and MRA&L guidance for FY 83-87
- Report of Annual Review of the Adequacy of Military Compensation - 31 March 1981
- Report to Congress on Military Pay Raise Mechanism - 1 April
- Decision on Aviator Bonus - reconcile Service positions and recommend funding level - 1 April
- SASC Hearings on Quality of Military Personnel - probably early Spring
- Report to SASC on SRB Regulations and Changes
- Decision on VHA measurement for FY 82 - by 1 June
- MX siting decision and OEA impact
- Raising civilian ceiling and preventing civilian freeze on DoD
- Manpower Report - February
  Training Report - February
  Materiel Readiness Report - February
  Combat Readiness Report - February
- NATO Senior Logisticians Conference - Brussels - April 1981
- Allocation of DoD SES Positions (by March)
- Continuation of Draft Registration
- Decision on VEAP Reauthorization - February
- Decision on FY 82 Blue Collar Pay Cap - by 1 May

Hearing Date	Topic	Witness	Comm.
28 May	Retirement Benefits for Spouses	Tice	HASC (Mil Comp)
28 May	Defense Agencies	Defense Agencies (DODDS)	SAC (Defense)
28 May	Naval Training Activities at Vieques Island	Stone	HASC
2 Jun	Fair Benefits	Pirie/Tice	SASC (M&P)
4 Jun	Fair Benefits	Pirie	HASC
10 Jun	Implementation of Civil Service Reform Act	Haughton	H-PO&CS
19 Jun	Educational Incentives	Tice/Singer	S-Veterans
25 Jun	Reserve Legislation	Chase	HASC (M&P)
26 Jun	Guam Legislation	Stone	HASC (M&P)
22 Jun	Survivors Benefits	Tice	HASC (MilComp)
24 Jul	Hostage Relief Act	Tice	H-Foreign Affairs
30 Jul	Defense Production Act	Marienthal	H-Banking & Finance
15 Sep	Recruiting and Advertising	Danzig	HASC
18 Sep	H.R. 7682/100,000 Call-Up	Chase/Komer/ CJCS	SASC (M&P)
22 Sep	Field Hearing at Lakehurst Naval Air Engineering Center	Farbrother	HASC (MilPers)
26 Sep	Fair Benefits	Danzig	SASC (M&P)
29 Sep	DOPMA	Pirie/Tice/ Services	HASC (MilComp)
30 Sep	Readiness	Pirie/Quetsch	HBC
14 Oct	Settlement from Getty Oil Co.	Chelburg/ Moelk	H-Interstate & Foreign Commerce
14 Oct	Nonappropriated Fund Employees	Valdes	H-PO&CS

MRA&L OVERVIEW

The intent of this paper is to provide an overview of the major manpower and logistics issues, focusing on underlying directions for defense policy. Within MRA&L, programs to use marginal resources must compete, not only against other manpower and logistics claimants, but against powerful demands for procurement and weapon system development. The difficulty in allocating resources is further complicated because many MRA&L programs do not have unambiguous performance standards or criteria. Moreover, interrelationships and overlaps that are both substantive and jurisdictional prevent individual issues from being organized neatly. This summary of MRA&L concerns is meant to group issues and perhaps to highlight tradeoffs among them.

MANPOWER MANAGEMENT

Manning the All-Volunteer Force

In the seven years since the end of conscription, the AVF has successfully met force manning objectives despite the failure to maintain compensation comparability with the private sector, compounded by a tendency to underemphasize manpower needs compared to modernization and procurement of weapons systems. Recruiting shortfalls in FY 79 and accession quality concerns in FY 80 represented the culmination of these trends. In the last year, we have made substantial progress toward improving the health of the AVF, as evidenced by:

- the enactment of substantial compensation improvements for FY 81;
- increased public attention to, and congressional action and interest in, matters of military manpower policy; and
- the introduction of manpower requirements into the weapons systems development and procurement process.

These accomplishments have been hard won and are not without risk. For example, additional funds for military compensation might reduce, rather than enhance, readiness, if they were to come at the expense of maintenance, spares and training. Most importantly, this year's improvements in compensation will have only transient impacts on force manning unless we are able to prevent future deterioration of compensation as happened from 1973 to 1980.

Accessions

Meeting the active force requirements has required a combination of actions and policies to limit the requirements for scarce male high school graduate recruits, including increasing retention of career personnel, increased recruiting of women and prior service personnel, and reduced first term attrition. Reducing requirements will allow us to keep our share of the male 18-year-old population at about 15%, but we have been able to achieve this level only with the aid of generally poor economic conditions. Maintaining this market share will require improved competitiveness with private sector youth employment alternatives through a mix of adequate first term pay, greater enlistment bonuses, educational incentives, and effective recruiting.

Recruit Quality

After confirming in 1979 the existence of a calibration error in the Armed Services Vocational Aptitude Battery, in 1980 we introduced new tests on October 1. The norming error on the previous ASVAB led to the enlistment of larger-than-intended numbers of low-scoring youth, and in turn has raised a new question about the quality of AVF recruits. The Services have reacted to this issue by raising enlistment standards, and Congress has imposed recruit quality constraints. We anticipate that in the short run, higher Service standards and Congressional restrictions will make recruiting more difficult. But the limited data available suggest that on a range of performance measures - skill training, attrition, reenlistment, promotion - Army recruits who would have been ineligible under a correctly normed ASVAB have performed adequately. The issue that must be faced is the accession quality requirements of the Services, in view of the tradeoff among performance, training, and recruiting costs.

Several current efforts promise better management of these problems:

- Together with the Department of Labor, we are administering ASVAB to a representative sample of American youth to give us a reference point for judging the caliber of our recruits compared to today's youth rather than WWII veterans;

- We are continuing our efforts to develop both better measures and better predictors of individual performance; and

- We are increasing staff attention to the whole area of standards and quality, to ensure that requirements are set at an appropriate level and that the Services make efficient and productive use of their recruits.

Educational Incentives

During FY 81 we will be testing a Congressionally mandated educational incentives program that is more generous than the current Veterans Educational Assistance Program. Like previous tests, this one will focus on attracting high-quality accessions into hard-to-fill jobs. The chances of success in improving recruit quality are probably quite limited: given the multitude of sources of college financing available to needy (and middle class) students (much of it from other federal agencies), even generous educational assistance provides only a minor incentive for military service. In view of the strong Service and Congressional support that exists for a return to the G.I. Bill, we have to evaluate carefully the relative advantages of broad entitlements modeled after the G.I. Bill, in comparison with narrower targeted education incentive programs.

Compensation

Congressional action this session has given us a cornucopia of enhanced compensation -- a substantial 11.7% pay raise, BAS improvements, Variable Housing Allowances, expanded bonus program, physician pay improvements, increased flight pay. Substantial submarine and sea pay increases are pending. In addition, we have won improvements in compensation-related items which are frequently cited as a cause of discontent -- for example, PCS and TDY reimbursement and CHAMPUS benefits. This impressive package of compensation gives the Services the tools to improve force manning, if only we can maintain comparability between military and private sector pay.

There are still some compensation areas in which we need to work, however, in order to improve our ability to achieve the required force structure. At the top of this list is reform of the military pension system. After a brief flurry of interest in July 1979, the legislative initiative has simply been lost. Recent Congressional action to institute "high three" as the basis for retired pay annuity calculations may have reduced long term savings to the point that structural reform has lost its budgetary appeal. But pension reform can be a major factor in improving mid-career retention. Structural change of the military retirement system can help us meet career manpower objectives at reasonable cost. It will be opposed by the Services.

Enlisted Personnel Retention and Career Manning

The compensation improvements enacted this year, plus the enhanced sea pay and sub pay now being considered by Congress, will create positive economic incentives that will serve to improve enlisted retention in all the Services and allow the Navy to manage its sea-shore rotation more effectively. Our analysis suggests that in the near term overall career manning will be satisfactory in the Army, Air Force and Marine Corps. The present undermanning of key supervisory and technical personnel in the Navy should also be alleviated but that will require time. The present high tempo of naval operations necessary to meet a three-ocean requirement, coupled with the nature of the Navy's experience shortfall, creates especially difficult manpower problems and may require further improvements in compensation or other personnel policy initiatives.

Officer Personnel Retention and Management

Losses of pilots, submariners, engineers and nuclear qualified officers to higher-paying and less personally disruptive civilian careers continue to be a very serious problem. Enacted and pending compensation programs will help, but in the long term private sector shortages of pilots and nuclear engineers in particular will continue to create competition which we will have difficulty matching. Our ability to project officer manpower inventories is not precise, and is often very sensitive to elasticities whose behavior we cannot predict well. Present projections of future manning shortfalls among pilots, engineers, submariners and nuclear officers require close attention and continued adjustment of pay and personnel management programs.

Force Representation

"Representativeness" is a criterion which is used by both supporters and critics of the AVF. On the one hand, increasing the numbers of women and blacks in the military is hailed as a positive step toward equal opportunity. On the other, large numbers of non-whites and women are seen as evidence of declining quality. Much of this debate is based upon half-truths and misinformation. Our equal opportunity record is admirable, yet many people believe that we are on the way to creating segregated services. Minorities and women are performing their jobs well in the present force, yet many believe they are not capable of high quality performance.

The facts are that minorities are overrepresented DoD-wide in the Services' combat specialties, but not in Army combat arms; that minorities have higher first term reenlistment and lower attrition rates; but that minority average ASVAB scores

tend to be lower than those of whites. The Congressional constraints on accession test scores will affect minority males more than other groups, as will the increased Service enlistment standards. The Congressional floor on the percentage of recruits who must be high school graduates, however, is likely to favor minority accessions.

It is imperative to realize that the Armed Forces have never been, and probably can never be, a perfect mirror for society's demographics. In a volunteer environment, the force will probably have larger percentages of blacks and low income members than society at large because of the employment and training opportunities we offer. Even a return to the draft, unless volunteers were prohibited, would do little to change these overall representational patterns.

Reserve Manpower

More aggressive management of the Ready Reserve has resulted in an increase of 79,000 in end strength in the 18 months ending June 30, 1980. Full-time professional recruiters, new enlistment options and incentives, and a broader choice of training programs, assisted no doubt by economic conditions, are responsible for the brighter Reserve manning picture.

The major Reserve manning problem is not recruitment but attrition during the first term of Service. The requirements of Reserve participation often clash with the lifestyle of many of our NPS recruits, especially the demands of family and employer. Our studies indicate that compensation has much less retention leverage than for the active forces. We are pursuing an aggressive program to improve training quality and opportunity, revising management policy and philosophy to make it easier to join and harder to leave, and making participation requirements more flexible. Nonetheless, our projections point to continued manning shortfalls, especially in Army Reserve and Army National Guard units.

Better management of departing active duty members has resulted in continued growth in the ING/IRR. New initiatives, especially reenlistment bonuses and direct enlistment programs, will help fill these ranks. But since the ING/IRR and the Selected Reserves rely on prior service members leaving active duty for large parts of their manpower, the incentives to increase active duty retention will have negative impacts on Reserve manning. We probably face several more years of lean Reserve manning levels.

Civilian Manpower

The most pressing civilian manpower issue will continue to be the ceilings on civilian employment. The present ceiling limits military readiness, with tens of thousands of military people stripped from the force structure to do support jobs which could be done by civilians. More civilian workers selectively added to shipyards, aircraft depots and warehouses could substantially improve the condition of our ships, planes and tanks. DoD should be exempt from any new civilian hiring freeze, and strong efforts must be made to allow the civilian workforce to be expanded.

Congressional limits on SES bonuses, OPM regulations, continued pay caps which have made SES essentially a single pay-rate system, and a torrent of paper have demoralized DoD SES members. DoD has held the line on appointment of SES members above SES-IV, and we have applied high standards on performance appraisal and

bonuses. Our toughness, however, has not been matched by other agencies, with a resulting disadvantage to us in hiring and retaining qualified executives.

On the legislative front, enactment of pay reform, especially blue collar reform, is the highest priority. While pay caps in 1979, 1980 and 1981 have reaped some of the potential savings from pay reform and have made it even more difficult to find Congressional supporters, the basic need to broaden and improve the comparability process for federal pay setting continues. Achievement of pay reform through both leguslation and the administrative changes in blue collar pay setting which are underway is especially important if we are to afford the expanded civilian workforce we need.

Improvements in civilian manpower management require not only revision of the compensation system, but reshaping of the job classification system to make it more manageable, and revision of the performance appraisal process to make appraisals more meaningful and accurate.

Hardware-Manpower Planning Issues

The linkages and trade-offs between hardware characteristics, support concepts, spares provisioning and manpower requirements form the nexus of a set of issues that will become more critical in the future. The Services currently face increasing difficulty in recruiting and retaining sufficient numbers of experienced personnel with the technically sophisticated skills needed to operate and maintain the defense hardware arsenal. Concurrently, the Services are fielding systems which are even more complex to operate and maintain. In the 1980's, for instance, we expect our requirements for electronics maintenance personnel to double. A recently completed study of Army air defense maintenance capability indicates that we may face critical manning problems as new weapons systems with more complex maintenance requirements are introduced in the next five years.

To develop a better understanding of the implications of this evolving hardware mix on quantitative and qualitative manpower demands, joint OSD-Service task forces are being established to undertake the following analyses:

- characterize the gap between weapon system maintenance demands and the supply of maintainer personnel;
- improve weapons maintenance in the near term, with priority on new logistics concepts to offset manpower deficiencies;
- develop new training doctrine, particularly in military occupations characterized by high skill and complexity;
- derive innovative measures to insure an adequate supply of experienced maintainers for selected critical skills.

Weapons Acquisition Process

Although this effort addresses only the near-term problem, we must incorporate early and continuing concentration in the weapons acquisition process on manpower and logistics linkages throughout the life cycle of developing weapons systems. Newly issued acquisition directives require much more explicit attention to

training, manpower requirements, support concepts, facility requirements, and readiness objectives from the beginning of the acquisition program. Following up these new policies is a major undertaking, involving development of improved analysis techniques, logistic planning, service organizational changes, test and evaluation, and very importantly -- a good deal of interaction with industry.

In our reviews of DSARC programs we have insured that each has clearly defined reliability and maintenance thresholds, a test program to verify these, and an overall readiness or sortie rate objective against which to evaluate the interrelation between R&M, spares, and support manpower requirements. In several cases over the past year, the DSARC has required that improvements be made and that a retest be carried out to affirm supportability prior to deployment. More attention needs to be given to facility requirements associated with weapon deployment before commitments are made regarding IOC dates.

LOGISTICS MANAGEMENT

Enhancing Maintenance Efficiency

Maintaining the immense stock of DoD equipment consumes a major portion of our resources, both personnel and financial. Peacetime maintenance is key to our ability to perform wartime missions. Ongoing maintenance deficiencies contribute to a less than desirable readiness posture and continue to require sustained program and budgetary support by the Services and the Congress.

Improvements in the maintenance process will come as the result of increasing the resources (both human and materiel) devoted to maintenance and improving our ability to manage these complex systems. Faced with increasing maintenance requirements and constrained by limited resources, our efforts to date have been focused on ways to improve the efficiency of maintenance personnel and processes, with particular emphasis on:

- -- identifying near-term improvements in maintenance practices and concepts offering a high potential to alleviate maintenance backlogs;
- -- working with the Services to identify specific problems and improvements to OJT for maintenance technicians and to recommend alternative training strategies and associated resources;
- -- continuing evaluation and Service implementation of alternative maintenance organization concepts;
- -- continuing efforts to identify and implement methods of increasing maintenance productivity.

Beginning with the FY 82 budget the Congress is requiring us to submit detailed justification for O&M appropriations. This change provides us with an opportunity to make the scarcity of maintenance resources more visible, and to clarify the relationship between maintenance capability and readiness.

The DoD Supply System

The size of the effort involved in maintaining our supply and distribution systems suggests that there must be additional economies of scale which we have not yet

exploited. Duplication of functions, lack of uniform and effective supply management policies, obsolete data processing systems and changing relationships between DoD and the General Services Administration are providing challenges to our ability to capture these economies of scale. Differences in Service policies and procedures complicate matters further, often reaching the point of open resistance to our efforts to standardize and consolidate.

But we are making some progress, notably:

- We have proposed the transfer of 1 million Service-managed consumable items to DLA. Audited cost benefit statements identify potential savings of 4,000 personnel and $100 million annually.

- A recently completed study of stockage policies should allow us soon to achieve substantial efficiencies.

- In the next eight years each of the major DoD logistics systems will replace present data processing systems. In planning for the introduction of these new systems, we must ensure that they are as responsive and standardized as possible to enhance our management capabilities.

As an unfortunate side-effect of recent GSA improprieties, GSA managers have hounded other agencies -- particularly DoD, their largest customer -- to improve and police their own supply management effforts. MRA&L and component personnel thus have spent inordinate efforts recently reacting to GSA initiatives about rather mundane commodities: furniture, typewriters, paper products, carpets, etc. The major impact of this problem is that it diverts staff from much more critical supply management functions.

Economies and Efficiencies in Base Operating Support Programs

Recent management changes have created the potential for future economies and efficiencies in CONUS installation management. We have instituted or expanded several BOS cost saving programs, including interservicing, intraservicing, Commercial and Industrial Type Activities (CITA) contracting under the provision of OMB Circular A-76 and productivity enhancing capital investments. The A-76 program, in particular, offers the prospects of substantial economies but the program has been chronically mired down because of its political and labor sensitivity. On the issue of which bases to maintain and which to close, our efforts to develop more rational and defensible policies and procedures for base closure actions have been hindered by their political sensitivity. There are significant potential savings to be reaped from consolidations of our physical facilities, but the political costs involved in achieving these savings are considerable.

Enhancing Fuel Availability

We now have in place implementing regulations for the allocation of petroleum to satisfy defense requirements, and we are now working with DoE to place defense contractors under similar allocation coverage. These regulations, which implement the Defense Production Act, were tested during the fall Exercise Proud Spirit and will be part of Exercise Fuelex 81 in early CY 1981.

To expand fuel availability to DoD, the Secretary of Defense and the Secretary of Interior have agreed to direct a significant volume of Outer Continental Shelf royalty crude oil to DoD for conversion, through exchange agreements, to various usable military petroleum products. The 1980 Energy Security Act specifically permits DoD use of Naval Petroleum Reserve oil at the discretion of the President. The Act also recognizes national defense applications of synthetic fuel and directs fuel production under the Act to the Department of Defense as the guaranteed purchaser of petroleum products from synthetic sources, with DoE and the Synthetic Fuel Corporation paying the difference between the cost of natural and synthetic fuel products.

PLANNING AND OPERATIONS

Mobilization Planning

We have made substantive progress in developing a mobilization planning system, including publication of the first portions of our DoD master mobilization plan. Based on the responsibilities set out in that master plan the OSD staff and Defense Agencies are preparing supporting plans for mobilization decision-making and management.

Reserve Component mobilization procedures are being systematically improved in conjunction with this work. Special emphasis is being placed on development of (1) appropriate linkages between the military alert system (DEFCONS) by which active units are brought to higher readiness stages and readiness of Reserve forces which support those units; (2) mechanisms by which the readiness and deployability posture of Reserve forces can be improved during periods of rising international tension prior to mobilization, including voluntary active duty by Reserve personnel. This fall's JCS mobilization exercises, PETITE SPIRIT and PROUD SPIRIT, and the complementary civil agency exercise, REX-80B, addressed several key mobilization decisions, and tested plans, procedures and organizational relationships. They will lead to further improvement in mobilization plans and procedures.

We also are deeply involved in the Presidentially mandated Mobilization Planning Study. Directed by an NSC staff-led Steering Group, a Working Group of 20 agencies has developed common guidance for mobilization planning by all Federal agencies. The Mobilization Planning Study also is completing a comparative assessment of mobilization capabilities. Over the next year major efforts will be expanded with the Federal Emergency Management Agency coordinating the involvement of some 20 departments and agencies in the development and evaluation of a Federal Master Mobilization Plan.

Four issues related to draft registration still remain and will require attention over the next several months. First, of course, is the basic issue of whether to continue registration of all males as they reach their 18th birthday. Based on the mobilization requirements SSS will face, there does not appear to be any way to deliver the 100,000 inductees DoD expects to need by M+30 without continuing registration. Second, the Supreme Court may uphold a lower court ruling that it is unconstitutional to register and induct only males. In that case, changes in the Military Selective Service Act will need to be addressed by the Congress. Potential utilization of women by the Services will be a key issue. Third, the Congress has required DoD and Selective Service to submit by April 1981, a

comprehensive report on plans, studies and recommendations concerning mobilization manpower. The topics we must address range from review of exemptions and deferments to the value of inventories of civilians in skills critical to defense wartime missions. Fourth, we must complete the adjustment to our own plans to accommodate the earlier availability of inductees from the already registered pool. We are in the process of doing this and have already tested many elements of the revised system during PROUD SPIRIT.

Transportation and Strategic Mobility

Our central concern here is to achieve an optimum balance between airlift, sealift and prepositioned equipment in the overseas theater. We must be able to transport those reinforcements and supplies required to sustain a major conflict in NATO or move the Rapid Deployment Force to meet a contingency in the Pacific or Indian Ocean areas.

To achieve this balanced deployment capability, a number of enhancements to our transportation capabilities have been proposed. To meet the initial threat in NATO and reduce the burden on the airlift system, we have planned increases in the amount of equipment prepositioned. To improve the productivity of existing airlift, on-going programs for stretching the C-141 airlifter and re-winging the C-5 should continue. In addition, we need to expand the use of Civil Reserve Air Fleet (CRAF) wide-bodied, commercial aircraft to carry oversize military equipment and develop a new outsize cargo aircraft. In the sealift area, we requested funds for additional prepositioned ships and commercial roll-on, roll-off ships for prepositioning equipment for the Rapid Deployment Force (RDF); Congress also wants procurement of 8 additional containerships for standby. To improve the usefulness of existing sealift assets, we are assessing and upgrading the readiness of the National Defense Reserve Fleet, and expanding the National Defense Features Program for merchant ships.

Readiness

Introduction of the readiness reporting system has highlighted readiness deficiencies which were previously hidden. Low manning levels, unacceptable weapon system mission capable rates, shortages of war reserve spares, maintenance backlogs, and high cannibalization rates are all cited as evidence of our lack of readiness. While none of these problems is new, improved information about them has enabled us to better our performance. Readiness improvements in the FY 82-86 program will be evident from increases in NCO manning levels, reduction in maintenance backlogs, increases in war reserves, and continued improvements in flying hours, steaming hours, and training support.

Two particular areas related to readiness involve real property. The backlog of real property maintenance -- especially in the Army which has generally older facilities, and especially in Europe -- continues to grow as funds are lost between program managers' assessments of need and final Congressional appropriations. Construction funds suffer the same fate. Continuing neglect of physical plant impairs readiness both directly, by reducing the performance and capabilities of units, and indirectly, by lowering morale and retention of troops who live and work in these facilities. Reducing real property maintenance and construction backlogs needs to become a central focus if we are to sustain the readiness of our forces.

Our assessment of readiness for the contingencies of the chemical warfare (CW) battlefield has pointed up deficiencies in three critical areas: strategic deployment, because of its overwhelming dependence on fixed sea and air facilities and unprotected host nation civilians; theater supply, transportation and maintenance support, again because of the large dependence on unprotected civilian resources and fixed facilities; and the almost complete lack of transportable collective protection which negates our ability to sustain combat in a toxic environment.

Our Host Nation Support (HNS) negotiations are just starting to address the first two deficiencies by persuading our Allies to program procurement of protection equipment for supporting civilians, despite their extreme sensitivity on CW issues. Solving the third shortfall will entail DSARC emphasis on all developing systems to ensure appropriate CW protection, rapid development of the Collective Protection Shelter System for the rest and relief of troops in a toxic environment, and review of all fielded systems to determine what retrofit possibilities may be necessary and possible. The reorganization of the OSD CW effort will help to keep these issues at a high level of attention.

Host Nation Support

Notable progress to date has been made with the Federal Republic of Germany for providing wartime support of noncombat services. Discussions and negotiations will continue for further refining of U.S. requirements and determination of cost-sharing arrangements. We are also engaged in HNS negotiations with the UK, Belgium, Luxembourg, and the Netherlands which will build on present efforts to insure the availability of support at mobilization. We are continuing to work closely with the Services to articulate their support requirements and to identify those which are suitable for HNS.

Summary: This brief overview paper can only touch on the major issues, directions, and agenda items for MRA&L. The individual issue papers which follow provide more detailed discussions of the individual components of these broader concerns.

LIST OF MAJOR ISSUES

1. Active Force Recruiting Capability Forecast FY 81 and FY 82
2. Aptitude Testing and Enlistment Standards
3. Educational Incentives
4. Pay and Retention in the Active Force
5. Training Quality and Resources
6. Undergraduate Helicopter Pilot Training (UHPT) Consolidation
7. Dependents Overseas
8. Transfer of DoD Dependents Schools System to Department of Education
9. Equal Opportunity and Force Representativeness
10. Mobilization Manning
11. National Service
12. Full-Time Support Program/Military Status of Technicians
13. DoD Civilian Employment Ceilings
14. Civilian Management and Compensation Issues
15. Issues and Directions in Weapon Support Planning and Management
16. Maintenance Efficiency
17. Depot Maintenance System
18. Commercial and Industrial-Type Activities Program
19. Supply Management
20. Airlift and Sealift Capability
21. Facilities Deficiencies
22. NATO MilCon Issues
23. Base Structure and Support
24. DoD Community Impacts

25. Energy Supply and Demand

26. Hazardous Material and Munitions Management

27. DoD Safety Programs

28. Mobilization Exercises and Capability

29. Rapid Deployment Force Support Requirements

30. Materiel Readiness and Sustainability

31. Host Nation Support

Active Force Recruiting Capability Forecast FY 81 and FY 82

Issue: Can the Services achieve their accession goals in FY 81 and FY 82?

Background:

In FY 79 none of the Services achieved their active force recruiting objectives. The Army missed its non-prior service (NPS) male recruiting objective by over 17,000 enlistments (7 percent) while experiencing an 8,500 decline in the number and 10 percentage point decline (from 74 to 64 percent) in the proportion of NPS accessions who are high school graduates.

In FY 80, recruiting improved for the Active Force. All the Services met or exceeded their FY 80 recruiting objectives. Total accessions increased by 51,700 or 15% DoD-wide. The Army experienced the largest increase of the four Services, recruiting 31,100 or 22 percent more enlistees in FY 80 than in FY 79. Each Service recruited more male and more female high school diploma graduates (HSDG) in FY 80 than in FY 79. The number accessed in FY 80 exceeded the non-prior service HSDG total in FY 79 by 13,600 or 6 percent. The Army, however, had the smallest percentage increase in HSDG accessions. As a result its proportion of NPS accessions which were HSDG dropped from 64 to 54 percent. In addition to meeting their overall FY 80 recruiting objectives, the Services increased the numbers of men and women who had signed contracts to enter active duty in the next fiscal year by 35,000 or 50 percent above the number at the end of FY 79. The FY 80 increases can be attributed to the recession, an increase in recruiting resources and the Army's willingness to accept a significant proportion of non-high school graduates.

Army's FY 81 and FY 82 accession needs are significantly below its FY 80 production. The Navy and Marine Corps requirements are about the same as in 1980, while the Air Force plans to increase its accessions by about one-sixth. Overall, the FY 81 DoD total is about 20,000 (4%) below FY 80 actual production. The FY 82 total requirement increases about 12,000 from FY 81 but still remains below the overall 1980 production.

It will be more difficult for the Services to achieve their recruiting objectives in FY 81 and FY 82 than in FY 80 because: (1) new forms of the test used to determine enlistment eligibility were introduced to correct a scoring problem and the Services are attempting to maintain about the same operational enlistment standards as were used in FY 80; (2) Congress imposed quality constraints upon the Services; and (3) improvement in the economy will increase alternative job opportunities.

Problems:

The introduction of the new test forms together with Service decisions to maintain operational entrance qualification criteria means significant numbers of applicants who would have qualified for enlistment in FY 80 will be denied enlistment in FY 81, as shown in Table 1.

Table 1
FY 1980 NPS Enlisted Accessions (000)

	Actual	Qualified Under FY 1981 Operational Criteria
DoD	360	266
Army	158	104
Navy	88	84
Marine Corps	42	31
Air Force	72	47

The Congressional quality constraints (Table 2) are not likely to pose a significant problem in FY 81. However, in FY 82, the more severe Congressional quality constraint, in combination with the lost supply resulting from the defacto increased operating standards, may have serious impact on the Army.

Table 2

Fiscal Year	Maximum Percent Category IVs	Minimum Percent High School Graduates
1981	25% DoD Average	Army -- 65%
1982	25% Each Service	No Restriction
1983+	20% Each Service	No Restriction

Through FY 81 we will monitor the Services' FY 81 recruiting programs to assure compliance with Congressional quality constraints, and to insure that Service entrance standards are not unduly restrictive. In conjunction with the Services, we will develop new recruiting initiatives to improve the Services' competitive position vis a vis civilian alternatives as necessary.

For FY 82, OSD budget initiatives--increased recruiters, new enlistment bonus initiatives -- will improve Army's capability to increase quality accessions.

Programs to increase Air Force's career force will permit reduction in planned Air Force NPS accession increases.

APTITUDE TESTING AND ENLISTMENT STANDARDS

Issue: What should be the mental standards for enlistment into the Armed Forces?

Background:

In January 1976, all Services began using the Armed Services Vocational Aptitude Battery (ASVAB) as the single test for selection to service and for job assignment. An Armed Forces Qualification Test (AFQT) score derived from the ASVAB, supplemented by scores on the aptitude composites used for job placement, determines enlistment eligibility.

Scores on the AFQT are summarized by broad categories and are used solely to report accession statistics, both over time and across Services.

AFQT Category	AFQT Percentile Score
I	93-99
II	65-92
III	31-64
IV	10-30
V	1-9

Statute prohibits drafting persons who score below the 10th percentile on the AFQT in wartime. In addition, DoD policy makes the 10th percentile the minimum score for enlistment eligibility at any time. Historically, the Services have minimized AFQT Category IV enlistments as much as possible within supply constraints.

ASVAB-6/7 Miscalibration:

ASVAB-6/7, in use from January 1976 through September 1980, was miscalibrated and inflated the test scores of some enlistees who entered service during that period. New test conversion tables (converts test raw scores to percentile scores) which corrected the calibration problem were developed in July 1980. Application of those tables has a substantial impact on the AFQT score distributions. The significant changes are the decrease of the percentages in Category III and the increase in Category IV. DoD-wide, the percentage of Category III recruits was overstated by approximately 25 percentage points (67 vs. 42), and the percentage of Category IV accessions was similarly understated (6 vs. 33). Individual Services showed similar patterns.

A new ASVAB (forms 8, 9, 10) implemented on 1 October 1980 is correctly normed, and provides improved measures of literacy and ability, particularly at the lower end of the range of test scores. The discovery of the error in ASVAB-6/7 calibration has raised questions about the ability of those people whose test scores were inflated to complete training and to perform successfully on the job. A special analysis is underway to attempt to answer those questions. Preliminary results suggest that most of the low-scoring people have performed adequately.

ASVAB and Enlistment Standards:

There is no correct mental standard for entry into military service. Entrance standards have varied over time. To take advantage of a favorable recruiting market, the Services currently are attempting to recruit higher quality young people and have set operational enlistment criteria above their minimum standards. The Services want to recruit as many high aptitude people as they can and OSD has supported this desire.

The Services are hotly opposed to any OSD involvement in setting enlistment standards or review/approval of Service-set standards. Unless the Services are able to expand the recruiting market to attract higher scoring applicants, continuing to use the higher enlistment criteria may result in recruiting shortfalls. We are carefully monitoring accession statistics on a monthly basis. Should recruiting difficulties become apparent, it may become necessary to encourage the Services to adjust their operational enlistment criteria.

Meanwhile, at the direction of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), an extensive, long-term research effort has been initiated in each of the Services to relate more accurately entrance test scores to actual performance on the job. This information, together with data on recruiting and training costs, will provide an improved basis for setting enlistment and job entry standards. OSD will review the Services' research plans to assure comparability across Services and to guarantee that the firmest possible conclusions concerning the relationship between test scores and performance can be drawn.

EDUCATIONAL INCENTIVES

Recently there has been a great deal of interest concerning the viability of the AVF, particularly the ability of the Armed Forces to meet high quality enlistment requirements. Foremost on the list of remedies to help the Services attract high quality enlistees is a program of educational incentives. Numerous bills were introduced during the 96th Congress on the subject of military education benefits: changes to the Vietnam-era GI Bill, changes in the Post Vietnam Veterans Educational Assistance Program (VEAP), and new post-Service programs. In the heat of the debate on military readiness and preparedness the Congress authorized the Department of Defense to test three educational incentives programs in FY 81: a non-contributory tuition assistance and subsistence program, a program of loan forgiveness, and a non-contributory VEAP program. The tests are to be offered in specific AFEES areas throughout the country to enlistees who have not been in the military before, are high school diploma graduates, score 50 or better on the AFQT and enter a particular military occupational specialty. Those eligible to receive the retention incentives will also be required to meet certain qualifications not yet specified.

In addition, on 1 October 1980, the Army began a test of shorter terms of enlistment (2 years) combined with the VEAP and high levels of DoD contributions or "kickers", $8-12K. This is a continuation of an earlier Army experiment that tested shorter terms of enlistment with lower levels of DoD kickers, $2-6K. Results show that the educational kicker contribution somewhat increased enlistments among higher quality youth, but the shorter enlistment term was not an attractive enlistment incentive.

This test program is an offshoot of Congressional interest in returning to a GI Bill type of educational assistance for the military. Several related areas of interest will also be addressed during the experiment:

1. Analyze the ability of the military to attract college bound youth in an atmosphere where very extensive educational assistance is already available from the government in the form of non-service-obligated loans and grants totalling billions of dollars. Without a military service obligation for educational benefits, a new GI Bill is likely to be ineffective in increasing enlistment among college-bound youth.

2. Estimate the effects of educational assistance programs upon total personnel man-years during the first and subsequent terms of service.

3. Obtain information about the value enlistees place on specific educational assistance elements such as transferability, cost-of-living escalation, cash-out provisions, and non-contributory benefits.

The Congressional Defense Committees, with the Department's support, have requested that the Veterans Committees refrain from passing any new military education program until the test has been completed and the results analyzed. Results from the test are expected in time for the Congressional hearings on the Defense Authorization Bill in February/March 1982. By then the Department will be able to submit to Congress its proposal on a viable program of educational assistance for the military.

PAY AND RETENTION IN THE ACTIVE FORCE

Discussion:

With the exception of pilots, nuclear qualified officers, and engineers, the military services are achieving their officer manning objectives. Problems in these areas are caused mainly by competition from the public sector for these high cost, high skill resources. Our response to this competition has been to initiate programs such as increases in aviation career incentive pay, discretionary authority for payment of aviation bonuses in exchange for extended tours, extension of nuclear officer bonus authority, a proposal to increase nuclear bonus payments, voluntary recall programs, and other actions aimed at improving the attractiveness of careers in these fields. While results from these initiatives are encouraging thus far, follow-on actions may be required to restore manning in these specialties to a more acceptable level. On the enlisted side, success is mixed. Navy enlisted retention, the most publicized and most severe problem, has been with us for some time. A petty officer shortage of 8-10 percent has existed for a number of years. But the requirement against which that shortage is measured is soft; at least one-fourth of that requirement (shore rather than sea billets) remains unvalidated. The "hemorrhage" of Navy careerists has resulted from at least five factors: (1) an exodus of large cohorts of senior personnel who all reached retirement eligibility at the same time, (2) small cohorts of Vietnam-era enlistees whose first-term reenlistment rates were extraordinarily low, (3) our failure to understand that first termers lured into the career force by first-term reenlistment bonuses require further bonuses at the second and even third reenlistment points, until the pull of 20 year retirement takes over, (4) military pay erosion relative to civilian pay, (5) the spiraling effect of manpower shortages on morale, in that those who remain are subject to even longer sea tours and longer working hours.

The Air Force has also experienced a drop in overall career manning caused primarily by unusually large cohorts reaching retirement eligibility and secondarily by a decline in second term reenlistment rates. Its current career manning problems are limited to selected skills. The Marine Corps experienced a sharp drop in first term reenlistment ratio in FY 79 and currently suffers a shortfall in experienced careerists.

In contrast, the Army career force (those with over four years of service) has grown by 45,000, or 22 percent, since 1974. The current Army career content, 40 percent, is the highest in recent Army history; the Army has expanded its NCO ranks by 27,000 since 1974. The Army's problem lies in recruiting enough high school graduates with high aptitudes (discussed in a separate paper).

Recent Initiatives:

The FY 1981 Authorization Act, which gave all military personnel an 11.7 percent pay raise in October of 1980, combined with enactment of the Warner/Nunn Amendment in September, will provide a substantial boost to our retention efforts. At a FY 81 cost of $4.4 billion, these two initiatives not only raised the basic pay and a number of allowances and reimbursements but also raised flight pay by 25 percent and sea pay by 15 percent, and established a variable housing allowance.

Further, the House has passed and the Senate is considering about $200 million worth of other pay increases, including a dental benefit and minor increases in allowances and special pay.

Finally, in November, in recognition of serious Navy manning problems, the current Administration sent to the Congress a $150 million proposal to raise substantially the rates of sea and submarine duty pay for enlisted personnel. (The maximum enlisted submarine pay would be raised from $105 to $265 a month; the maximum for sea duty from $115 to $310 a month.) That legislation, now in the Senate, is likely to be enacted during the lame duck session.

The Outlook:

The career manning deficiencies in the active force did not occur overnight and they cannot be corrected quickly. The prognosis is good, however. The upturn in career reenlistment in FY 80 is encouraging. The FY 80 force profile shows relatively strong cohorts in 5-8 YOS. The recent improvements in military compensation coupled with the substantial increase in the reenlistment bonus program and the new sea pay/sub pay proposal should insure that these cohorts remain large, although additional increases in compensation may be warranted. It will, however, require 5-6 years before there is an opportunity to reduce the shortage of personnel with 15-20 years of experience. In the meantime we will have to substitute people with less experience. In this regard we must explore the possibilities of increased prior service accessions and increased retention of early career cohorts. Additionally, aggressive retraining programs to alleviate the shortfalls in critical ratings must be evaluated as well as policy changes and incentives to increase the retention of retirement eligible personnel.

Because the remaining manning problems are likely to be concentrated in specific enlisted specialties and pay grade/length of service groups rather than manifested as general across-the-board shortages, future pay initiatives that go beyond comparability adjustments should be concentrated on specifically targeted bonuses and special pays.

While military pay and allowances have lost 13.5 percent of their purchasing power since January 1972, they have dropped only 4.3 percent relative to private sector earnings (as measured by the PATC survey), and somewhat less if the new Variable Housing Allowance and other FY 81 improvements are included in the comparison. A 13.5 percent catch-up raise, for example, would cost $4.1 billion if granted for FY 82. Judicious application of a much smaller sum in selected payline adjustments and bonuses might well solve any remaining manning difficulties and at the same time free considerable resources for other defense needs (including manpower programs), rather than spending the funds on across-the-board raises.

TRAINING QUALITY AND RESOURCES

A recurring criticism which DoD faces is that some personnel can't do their jobs. Training military personnel is a process which combines classroom and on-the-job (OJT) individual and unit training in a system designed to match training content and method to the requirements of individual jobs and unit missions. In FY 81 the training load (average daily number of active and reserve personnel in formal training) will be 235,000, totalling 328,300 trainee and trainer manyears and $8.8 billion dollars.

Over the past few years the Services have evaluated and restructured much of the skill training offered, and produced a balance between classroom and OJT more closely related to job requirements. However, improving training is an ongoing process, and while we are now confident that classroom content is relevant and well taught, we are less confident about the adequacy of OJT. We do not know whether we have provided enough resources and materials to allow effective OJT. To address this problem, we are currently working with the Services to define weaknesses, reforms and resources required in the OJT area. We are also investigating OJT techniques and approaches in relevant private industry.

Performance capability is also a function of unit training. We have identified three major problems which limit the effectiveness of unit training, and major efforts are underway to deal with them.

- The high cost of unit training, especially for fuel and ammunition, has limited the amount of training we can afford. We are actively pursuing simulation and laser technology as ways to increase effectiveness of training dollars.

- High unit turbulence makes unit training and coherence difficult to achieve, especially in the Army. Recent Army initiatives to reduce unit turbulence with buddy systems and unit rotation will undoubtedly lead to improvement in unit efficiency and capability.

- Lack of space for ground forces training will be ameliorated with the opening of the National Training Center, which will provide a high technology infantry training ground which we have been badly lacking.

Training quality and cost is a matter of high Congressional interest and one of the major AVF issues for the 80's.

UNDERGRADUATE HELICOPTER PILOT TRAINING (UHPT) CONSOLIDATION

The Army now trains its own student pilots and Air Force's at Fort Rucker, AL; the Navy trains its own and the Marine Corps' at Whiting Field, near Pensacola, FL. Repeated studies by OSD, GAO and the Defense Audit Service have shown that a single consolidated UHPT program under the Army would give better training for all Services at substantial savings (now estimated at some $200 million cumulative from FY 1982-86). Consolidation was recommended to the Congress four times (FY 1977-80) but, despite strong support from Secretaries Schlesinger, Rumsfeld and Brown, GAO and, in 3 of 4 years, the House, Congress has always refused to accept it. The reason for refusal has been the all-out opposition of the Florida delegation, reinforced by a general fear that loss of a function at one base is a precedent for losses in other members' states. Secretary Brown has proposed consolidation again in the FY 1982 budget.

The situation is further complicated by two developments:

- Congress has appropriated funds (for FY 81) to buy replacement aircraft for a separate Navy UHPT program. DoD will now be required to buy aircraft (at a cost of $34 million) which it will not need if UHPT training is consolidated.

- Increase in approved Army UHPT training load may require additional construction at Fort Rucker if all UHPT is consolidated. The cost of this construction would further reduce the savings, and has substantially dampened Army support for consolidation.

In light of substantial long-standing Congressional opposition, and possible loss of Army support, the new Administration should recognize that a continued attempt to consolidate UHPT will demand a great deal of time of Senior Defense officials (e.g., Secretary, ASD), and is unlikely to be enacted over Navy opposition.

DEPENDENTS OVERSEAS

Issue: The Services are having problems remaining within the Congressionally imposed ceiling of 325,000 dependents overseas. Consequently, they are developing a legislative proposal to be submitted to the 97th Congress to eliminate this restriction.

Background:

This issue arose during the consideration of the FY 79 DoD Appropriation Bill. The Department had requested funds for junior enlisted travel entitlement (JET) which were approved subject to a FY 79 ceiling of 350,000 on the number of military dependents overseas. Although this figure was initially thought to be above the then-current population count, a subsequent error in the counting process was discovered which resulted in a total dependent population figure in excess of the statutory ceiling. The Department subsequently advised the Chairmen of the Appropriations Committees that it was our intention to interpret the 350,000 ceiling as being applicable only to command sponsored dependents since we had no control over the travel or residence overseas of non-command sponsored (individual-sponsored) dependents.

During the consideration of the FY 80 DoD authorization, appropriation, and military construction bills the Congress repeatedly scrutinized the dependents overseas issue. This ultimately resulted in an amendment which established a ceiling effective September 30, 1980, of 325,000 on the number of command sponsored military dependents abroad, to be allocated by the Secretary of Defense among the three Military Departments. In the course of the development of this limitation, DoD advised Congress that we regard the establishment of arbitrary ceilings as ill-advised and likely to result in real impairment of both the morale and readiness of our overseas forces.

In conjunction with establishing the 325,000 ceiling the FY 80 Authorization Conference Committee requested that the Secretary submit and certify as to its effectiveness an evacuation plan for military dependents in Europe. The Joint Staff prepared a report on this subject which was forwarded on April 9, 1980, by Deputy Secretary Claytor to the Committees on Armed Services of the Senate and House of Representatives.

The 325,000 ceiling was allocated among the Military Departments on April 11, 1980, as follows: Army - 168,000; Air Force - 123,000; and Navy/Marine Corps - 34,000. Each of these ceilings was below projected requirements for FY 81.

Problem:

The Army was the first Service to encounter ceiling problems and this summer requested relief so as not to exceed its ceiling on 1 October. An accounting change in the Air Force and lack of an expected increase in Navy dependent strength allowed a temporary reallocation giving the Army 2,000 additional ceiling points until 31 December 1980. With this adjustment DoD should be able to remain under the ceiling during the period October 1980 through January 1981 without imposing any restrictions on dependent travel. After January, all Services are projecting increases in dependent strength and will be required to restrict dependent travel in order to remain under their ceilings.

TRANSFER OF DoD DEPENDENTS SCHOOLS SYSTEM TO DEPARTMENT OF EDUCATION

BACKGROUND - The Department of Defense operates 265 schools on U.S. military bases in 23 countries. Approximately 11,000 teachers and other employees are involved in educating 140,000 school children, nearly all of them dependents of U.S. military personnel stationed overseas.

The law establishing a Department of Education provided that this school system be transferred to the new Department by May 4, 1983. Current plans call for the schools to be transferred on October 1, 1981.

PROS AND CONS OF THE TRANSFER - President Carter decided, against the recommendations of the Director of OMB and the Secretary of Defense, to include transfer of the schools in the legislative request for the new Education Department. The reason advanced in favor of the transfer was that the experience and expertise centered in the new department would serve well the students in the overseas schools and their families. Another reason may have been that the schools would account for about two-thirds of the employment of the new Education Department. (They will account for a much smaller fraction of the budget -- $400 million out of a total of about $8 billion -- because most of the Education budget goes for grants).

The principal arguments against the transfer were that the schools were functioning well under the existing arrangement, and that maintaining them in Defense would maximize the responsiveness of the schools to the needs of the parents because of the ease of communication between the military community and the Office of the Secretary of Defense.

There was no audible opposition to the proposed transfer. The military did not campaign against it.

IMMEDIATE ISSUE - Secretary Hufstedler recently approved a charter for the statutory advisory council on dependents education, and has asked for Secretary Brown's co-signature on the charter. The Education Department would like to schedule an advisory council meeting in January.

CONCLUSION - If there is uncertainty about the transfer, any decision or actions that can be delayed without cost should be left to the new Administration. The criteria for deciding on the transfer should be (1) what is best for the school children, and (2) what is most efficient. Both criteria appear to cut in favor of leaving the schools where they are.

The Defense Department figures to be more responsive and more sympathetic to parents, especially military parents, than the Department of Education. This would probably be the case under any Administration, Democrat or Republican. Since the schools and supporting facilities are on military reservations and will continue to be supported by the military in any case, there appears to be no reason to expect greater efficiency if the transfer takes place. Finally, if there is uncertainty about the survival of an independent Department of Education, leaving the schools in Defense would protect them from the possibility of double disruption: being transferred to Education, then being transferred back to Defense.

EQUAL OPPORTUNITY AND FORCE REPRESENTATIVENESS

Equal opportunity for minorities and women in the Department of Defense is characterized by problems of composition, distribution and treatment.

Since the beginning of the AVF in 1973, the percentage of blacks in the Services has risen. In the Army, black enlistees have increased from 17.5 percent to 32.5 percent in 1980. Blacks made up 26 percent of all recruits in FY 79 and 22 percent in FY 80 (30 percent for Army) but they currently comprise only 4.8 percent of personnel in the officer force. This situation is likely to continue due to high black reenlistment rates and demographic and accession profiles. Coordinated equal opportunity and recruiting programs are needed to address this issue.

Related to the problems of representativeness is the issue of distribution of minorities and women in the occupational skills. Minorities by and large continue to be employed in occupations that require little or no technical training, such as transportation, supply and administration. Further, 39 percent of the minorities in uniform are in combat and combat-related skills, while they represent only about 30 percent of the overall active forces. This situation frustrates opportunities of minorities to obtain transferable occupational skills as well as increases the possibility that minorities would bear a disproportionate casualty burden in the event of hostilities.

The distribution issue for women is different. While the enlisted force of women continues to grow, there are statutory, policy and practice restrictions that bar women from participation in nontraditional skills. Full participation cannot occur without substantial change or repeal of the combat exclusion policies and through continued efforts by the Services to achieve a more balanced distribution of women in occupational skills.

Besides the recent attention to the racial and sexual composition of the Services, Congress and the media have focused on problems of sexual harassment in the military. As a result of this publicized attention, the Army is currently conducting an extensive Inspector General's Investigation into the existence of sexual harassment at Army Installations. EO is developing a DoD policy statement on sexual harassment that will be completed in the near term.

Because these problems are currently in the public eye, they require sensitive and coordinated responses and actions by OSD and the Services.

MOBILIZATION MANNING

Planning for military contingencies assumes reliance on personnel to augment present active duty strength drawn from three sources: the Selected Reserve components, which are trained units ready to move to active duty; pretrained manpower -- members of the Individual Ready Reserve (IRR) and the Individual National Guard (ING), the Standby Reserve, as well as some retirees who would return to active duty as individuals to fill the force structure; and conscripts who would be trained and added to units.

The Selected Reserve components are planned to contribute 890,000 personnel by FY 86. At present all except the Army Reserve and the Army National Guard are at programmed strength; these Army units are now approximately 100,000 below desired levels. The end of conscription in 1973 resulted in an end to the incentive to join reserve units to avoid the draft. In addition, during the initial AVF years DoD management was preoccupied with manning the active force and failed to anticipate the developing reserve personnel shortfalls. As a result, Selected Reserve manning fell from 919,000 in FY 73 to 788,000 in FY 78, but management initiatives since then have resulted in steady growth of 19,000 in FY 79 and 43,000 in FY 80. These gains can be attributed to an increased cohort of stable career personnel plus a series of initiatives designed to increase accession and retention in the Selected Reserve:

- Enlistment and reenlistment bonuses, which have grown from $13 million in FY 79 to $52 million in FY 81.

- Educational incentives for reserve enlistment.

- A broader, more flexible set of NPS enlistment options.

- Improved management and increased resources for recruiting, especially in the Army, where full-time recruiters have been assigned and reserve recruiting has been consolidated into the U.S. Army Recruiting Command.

- A substantial commitment to reduce first-term attrition among NPS enlistees, which is the most serious manpower problem faced by the reserve components.

Pretrained enlisted manpower strength in the IRR and ING was below the FY 80 requirement level for all Services except the Marine Corps. Army was 224,000 short, Air Force 10,000 short, and the Navy fell short by 11,000 and also relied very heavily on retirees. All Services have substantial skill shortages and mismatches. It should be noted that the requirement numbers are unconstrained by the likely ability of the Services to absorb and equip pretrained manpower.

Pretrained individual manpower presents three sets of problems:

- Increasing the strength of the IRR and ING. Administrative changes have already improved management of personnel who leave active duty. The addition in FY 81 of an IRR reenlistment bonus at $18 million annually is expected to add 100,000 to reserve strength by FY 86. In FY 82 the Army will be allowed 4,000 enlistments into the IRR, with possible expansion in later years.

- Improving IRR management of its manpower assets, especially the ability to locate and track members with outstanding commitments.

- Developing preassignment plans for all pretrained personnel including retirees in order to improve our ability to meet mobilization plans. All Services except the Air Force have begun the process of preassigning all IRR members, so they know where to report at mobilization.

We expect that the accession and retention initiatives now underway, plus improvement of the management of these resources, will allow the Army subsequently to reduce its pretrained manpower shortfall and the other Services to eliminate their shortfalls entirely by FY 86.

The third source of mobilization manpower is conscripts provided by the Selective Service System and new volunteers. But, given the short warning time assumed in mobilization plans, neither of these sources can be used to offset pretrained manpower shortfalls.

As a result of Presidential decision in January 1980, during July and August of 1980 the Selective Service System in conjunction with the US Postal Service registered young men born in 1960 and 1961. As of mid-November, over 3.6 million young men had registered. This represented about 95 percent of those eligible to register. Court challenges to this registration, some based upon Congress' decision not to register women, are pending. Selective Service will register all young men born in 1962 during the week of 5-10 January, and thereafter will continuously register young men as they reach their 18th birthday barring a Presidential decision to the contrary.

In November 1980, based primarily on Army mobilization manpower requirements and training base expansion capability, DoD provided the Selective Service System with a new mobilization schedule for inductees. This schedule requests 100,000 inductees by M+30 days instead of M+60. Based on tests conducted in November 1980 during PROUD SPIRIT, the Selective Service System anticipates that it could meet this requirement with ongoing registration; it could not meet the schedule without registration.

National Service

"National service" is an umbrella term encompassing a number of distinct ideas. The 96th Congress considered, but did not enact, several national service proposals, including a bill to establish a commission to study the subject. Similar proposals may be expected in the 97th Congress. While DoD favored a comprehensive study, we opposed the specific versions of national service that were introduced. These stipulated universal registration of youth at age 17 or 18, allocation by preference or lottery of registrants to military or civilian service, and a term of service of one or two years. Critics of these proposals have contended, rightly in our view, that they would violate the Thirteenth Amendment, shift young people from productive to unproductive jobs, and be a bureaucratic nightmare to administer. Moreover, they would hurt rather than help force manning, by imposing shorter tours, reductions in first term pay and elimination of reserve obligations.

While national service has been the subject of two major government studies in the last three years, there is still remarkably little attention paid to details. Few national service advocates have been specific about what national service would entail or cost. In the few instances in which the particulars have been blueprinted, they have animated more questions than answers. Moreover, the term itself is riddled with conceptual confusions. Voluntary and compulsory programs, targeted and universal applications, all bear the same "national service" label, with the result that evaluation is often impeded and some sensible proposals are regularly confused with some truly bad ideas.

The need in the next few years will be for an intellectual precision and commitment to specifics that have been conspicuously lacking in the Congress' recent efforts to come to grips with national service. While DoD should probably not assume the lead in future debates, we can assure that military manpower needs are not neglected in any such discussions.

FULL-TIME SUPPORT PROGRAM/MILITARY STATUS OF TECHNICIANS

Background:

Full-time support (FTS) to the Reserve Components is provided by five categories of personnel. FTS for the Army National Guard, Army Reserve, Air National Guard, and Air Force Reserve is largely provided by dual-status military technicians who are civilian employees of the Federal Government and also military members of the Reserve unit by which they are employed. Other FTS is provided by Active Component personnel, active duty Guard and Reserve personnel (AGR), civil service personnel, and status quo technicians. The latter are civilian employees who occupy military technician positions but who are not military members of the unit they support. FTS for the Navy is provided primarily by active component personnel. The Marines have instructor/inspectors (I/I) who are active component personnel.

The military technician program has been the subject of controversy since 1976, when the Defense Manpower Commission concluded that the same tasks and responsibilities of civilian technicians could be performed by active duty personnel at considerably less cost with no sacrifice in effectiveness or readiness. Based on the DMC report and other concerns such as union activities, the House Appropriations Committee proposed a test program in FY 79 for the Army and Air Reserve Components to determine the desirability and feasibility of replacing military technicians with Reserve Component personnel on active duty military status. The test was concluded on 30 June 1980.

Complete conversion of Guard and Reserve General Schedule positions does not appear feasible without a loss of quality in the highly technical skilled area. Wage Grade personnel appear more difficult to replace with equal quality personnel in an AGR status. Wage Grade personnel generally consist of technically trained individuals who can obtain higher wages in private industry than are available through military pay and allowances. Thus, it does not appear feasible to convert these positions to AGR if we continue to expect the current readiness and safety standards to be maintained.

There are generally no significant differences in cost between the current dual status force and one converted to full-time military. Based on limited numbers and the short duration of the test, no measurable change in unit readiness occured. The union issues appear not to be a significant factor in determining if military technicians should be replaced by AGR personnel. However, many hours are spent on labor relations problems which could be better used to improve overall effectiveness of units.

A further issue affecting FTS is the impact of overall civilian hiring ceilings and/or freezes. Hiring constraints in conjunction with the conversion program will cause turbulence and reduce flexibility and balance in the FTS programs. Moreover, by the end of FY 82, there will be significant differences between programmed strength and projected on-board strength under current civilian hiring constraints. Because losses in individual positions cannot be programmed, the overall shortage of civilians will be distributed unevenly across units, with disparate effect on unit readiness. Since technicians are not readily reassignable among units, the effect of civilian hiring limitations cannot be spread evenly among units.

Tentative Recommendations:

That conversion of technician positions to AGR be limited to currently programmed levels. That DoD be authorized the flexibility to program/budget technician and AGR positions in the type and mix which it believes will achieve the optimum combination of full-time support resources. Also, that achieving the optimum mix of civilian and military technicians not be restricted by civilian hiring constraints.

The Office, Deputy Assistant Secretary of Defense (Reserve Affairs) will propose a variety of legislation initiatives to enhance FTS and will develop long-range policies and procedures for the development and management of an effective FTS force.

DoD CIVILIAN EMPLOYMENT CEILINGS

A ceiling for DoD civilian employment is established each year by OMB, and since 1974 that ceiling has declined by 10 percent, from 1.1 million to 991 thousand. DoD civilians are essential resources in maintaining military capability. They repair ships, planes and tanks; supply food, clothing and equipment to troops; operate military bases, hospitals; and communications systems; recruit and train new troops; gather intelligence; develop new weapons systems; and provide essential technical support for the Reserve Components. Fewer than 0.6 percent of DoD civilians are in OSD or Service headquarters jobs.

Since the mission performed by civilians does not disappear with the reduction in the number of spaces, civilian employment ceilings have forced the Services to provide mission support by diverting military manpower. The result is to exacerbate mismatches between MOS and assignment. More significant is that with increasing requirements for uniformed personnel in the force structure -- especially as additional ships, squadrons and battalions are added -- and increasing difficulty in recruiting to the uniformed forces, DoD can no longer afford to divert 300,000 military people to base operations and logistics jobs, many of which could be done by civilians. Lifting the civilian ceiling would allow military personnel to return to combat units and enhance military readiness.

We should begin a gradual increase in DoD civilian strength by adding 11,000 civilians as substitutes for military personnel. Further substitutes will be proposed for future years, with a goal of converting as many military as possible and desirable to civilian or contract status. In addition, we are examining increases in civilian manning of readiness support activities such as shipyards and maintenance facilities, and additional civilian positions should be added for these improvements.

Related employment ceilingsare those on high-grade (GS-13 and above) civilians and general and flag officers. Senate action in FY 78 led to the requirement that DoD reduce the number of general and flag officers by 46 by the end of FY 81, and also limited the number of high-grade civilians to 55,000 DoD-wide. More recently, Congressional enactment this year of DOPMA was accompanied by a directive that DoD should review its civilian SES requirements in conjunction with review and validation of general and flag officer requirements. The civilian ceiling of 55,000 already has caused problems in the retention of skilled civilian personnel such as engineers. All of these Congressionally-imposed employment limitations conflict with efficient personnel and program management within DoD, and all should be repealed.

This program will have to be reviewed by the incoming Administration. In the event of an affirmative review and favorable Congressional action, MRA&L will be involved in the allocation of new billets to the Services and in monitoring the subsequent increase in force structure.

CIVILIAN MANAGEMENT AND COMPENSATION ISSUES

DoD's annual civilian payroll now exceeds 23.5 billion dollars. The 991,000 DoD civilians represent almost half of all federal civilians; the 325,000 DoD blue collar workers comprise 75% of all federal blue collar employees. This predominance gives DoD special influence in the determination of government-wide compensation and employment policies, and a special stake in the effect of these policies.

The following civilian management issues are of particular importance:

Civil Service Reform Act (CSRA) Implementation - This omnibus bill continues to generate major activity in labor force management. In the next year we need to deal with:

- submission of a Senior Executive Service (SES) authorization request to OPM for FY 82-83. Currently 16% (233) of DoD's 1463 SES positions are vacant.

- Pay compression and bonus levels for SES employees, all of whom are now capped at $50,112. This cap, and the Congressional limits on SES bonuses, are beginning to cause difficulty in recruiting and retaining senior technical and professional staff.

- Merit pay systems for GS 13-15 managers and supervisors are now being implemented, with the first distributions due in October 1981. There is widespread concern among employees about the operation and equity of merit pay and careful attention will be required.

- Development of new Performance Appraisal systems for all employees which meet the new standards in the CSRA. The task will be difficult not only because of its size but because the Federal Labor Relations Authority has issued a decision supporting the right of unions to negotiate most aspects of performance appraisal systems.

Compensation Reform - Pay for most federal civilians is established with reference to salary and wages paid comparable employees in the private sector. The current policies and procedures for setting pay are flawed in a number of ways, and these flaws result in paying federal workers about $2 billion more per year than we would pay if certain provisions of the law were changed. In particular, employee benefits such as pensions, insurance and leave should be included in measuring the total compensation received by both federal and other employees. State and local government employees should be included in wage surveys. Present statutory requirements which impose higher than necessary blue collar wage costs should be repealed.

Labor-Management Relations - Approximately 60% of DoD civilians are presently unionized, organized into 1900 bargaining units that negotiate on local personnel policies and working conditions. The Federal Labor Relations Authority, created by the CSRA, has been active and expanded the scope of mandatory bargaining, with attendant increases in the adversary level of labor-management relations. Balancing this new thrust in labor management dealings with the increased management accountability and flexibility in the CSRA, will be a critical issue in the future.

ISSUES AND DIRECTIONS IN WEAPON SUPPORT PLANNING AND MANAGEMENT

The problem is one of improving weapon support by focusing on hardware characteristics on the one hand and support planning and management processes on the other. Weapon developers attempt primarily to compress schedules, improve performance, and hold down costs, and hence give inadequate weight to improving hardware characteristics which affect support and to planning adequate initial support. The logistic, facilities and manpower establishments must incorporate more realistic hardware expectations in their support planning, examine some different concepts to overcome manpower and other resource limitations, and address tradeoffs among manpower, logistic levels, and support concepts in both the fiscal and technical planning processes.

In the course of making substantial progress toward agreement on identifying and measuring attainment of specific weapon support goals and objectives, a number of major issues have become sharpened that are well worth the attention of a new Administration.

o Technical Logistic Planning Guidelines for New Weapons. A number of the established policies and detailed guidelines for planning initial support of new weapons fail to consider the complexity and problems of the current generations, and are more concerned with limiting risks and exposure than achieving readiness. These groundrules result in constant underfunding of initial support.

o Avoiding the Potential Negative Effects of Acquisition Policies. The major initiative of USDR&E has been to shorten the acquisition cycle. However, they have not addressed how to achieve this objective without increasing already difficult support problems. A number of multibillion dollar programs which received production approval in the past four years have achieved a shorter acquisition phase by simply lopping off the last two or three years of testing and maturation that was to have occurred prior to initiation of production. This dramatically affects R&M and support equipment development. In other cases programs have been approved for initial low rate production with the promise that R&M would grow prior to high rate production. Results are not yet in, but the R&D resources to improve the designs are not being provided.

There is no advocacy for R&M or support improvements on the acquisition side of OSD, which is responsible for their funding, nor is the support side of OSD organized to raise these issues in the budget process. An intensive one time review is needed to identify and correct funding deficiencies both for design improvement and initial logistics for the major systems which reached DSARC III in past four years. In parallel, a fundamental look is needed at how to shorten the acquisition cycle without neglecting support. Additionally, clear responsibilities need to be assigned for OSD management of the R&M programs and their funding.

o DSARC-PPBS Linkage. The linkage between the DSARC process and the budget process is not yet developed on the support side. As a result, there is no formal feedback on how well the newly developed systems meet their promises when fielded nor is there any guarantee of attention to high leverage fixes. There is additionally a major behavioral problem in that during late development and early

production, logistics, facilities, and other support funds are habitually reprogrammed within the weapon programs to make up for acquisition cost growth. Restoral of the support funds in the context of the budget process requires allocation of logistics, facilities, and other resources which come at the expense of support to existing weapons. Procedures to improve this situation include a post-fielding review of the support problems of each new weapon to determine the fixes needed in both hardware and support.

o Outyear Projections. We need better data on outyear manpower support requirements and availability for two purposes: to influence the weapon design and development process, and to evaluate support concepts that offer tradeoffs between skilled manpower requirements and deployment flexibility. We know there are serious shortfalls in attracting and retaining adequately trained Service personnel to maintain even our present systems. We do not have quantitative projections on how bad the mid-1980 situation is likely to get with even more complex equipment fielded -- particularly for the Army. Efforts have been initiated by MRA&L to develop with the Services a comprehensive estimate of manpower and skill level demands for the mid-1980's, but thus far the Army and Air Force have provided little support. The result is that current manpower and personnel policies that affect outyear weapons support are being administered without a firm sense of the seriousness of the outyear problems. The achievement of outyear manpower demand forecasts should be a major objective.

o Weapon Support R&D - There has been no DoD R&D focus for Weapon Support or Logistic R&D. As a result there has been no OSD advocate for technology programs, design efforts, or demonstrations of means to reduce support problems. Because of schedule pressures and funding problems, DSARC weapons are reaching production with the same unanswered questions involving automatic test versus maintenance performance, and training versus job performance aids. Designs for new systems inevitably emphasize application of technology for performance but not support.

Only recently USDR&E and MRA&L jointly requested the Services to establish focal points and to pull together their ideas on the content of a weapon support R&D program. This is an initiative well worth pursuing.

MAINTENANCE EFFICIENCY

Since about 1970 divergent trends have occurred between military equipment maintenance requirements and the capability of maintenance personnel, with serious repercussions on our capability to adequately support weapon systems and equipments. While equipment has become increasingly complex, the availability of skilled technicians to repair this complex equipment has been declining for a variety of reasons such as lower retention rates, reduced formal training, or lack of aptitude. A current joint OSD/Service review to identify major problems in maintenance has pinpointed the key areas where action can be taken to improve performance. Some of these areas are described below.

To improve maintenance efficiency, the DoD adopted a strategy developed by commercial airlines termed Reliability Centered Maintenance. RCM provides a disciplined logic for the development of scheduled maintenance programs based on engineering analysis to determine failure modes, effects of failure, and the effectiveness and costs of proposed preventive maintenance actions. The RCM program has had the continuing interest of the Congress and the GAO because of its potential for savings. Implementation of RCM across the board requires a front-end investment in manpower and dollars for the engineering analysis to develop a scheduled maintenance program, as well as a continuing sustaining engineering capability to monitor the program and make adjustments as required. We will continue to assist and encourage Services' integration of the RCM approach into their maintenance strategies, with special emphasis on the Army.

In the personnel area, as the skill level of our military technicians has decreased our reliance on contractors has increased. First the Logistics Management Institute and then the Defense Audit Service have been tasked to assess the extent and scope of DoD's reliance on contractors for engineering and technical services. Further, because of the manpower implications of this issue, we are focusing on options to ensure that key U.S. and foreign national civilians will continue to carry out their important role of supporting DoD weapon systems in time of hostilities.

DEPOT MAINTENANCE SYSTEM

There have been continuing questions over the past 15 years as to the cost/effectiveness of each Military Service operating its own depot maintenance facilities. DoD depot maintenance activities, which consume over $9 billion in resources each year, are industrial operations that primarily perform overhaul and major repair or modification of DoD weapon systems and equipments. These depots are also the principal source of serviceable components and provide support to field units by acting as a backup capability to absorb unit level maintenance overloads and by providing contact teams for special problems.

Our concern is the efficient utilization and cost of these facilities. In gross terms, these facilities are underutilized in peacetime, and the Services have been unable to articulate their planned depot maintenance wartime requirements which might justify their excess capacity. A depot maintenance cost system has been developed in order to provide cost and production data useful to improve the efficiency of depot maintenance activities and although efforts to implement uniform cost accounting criteria have been going on for several years, progress has been slow. OSD has issued a further instruction that provides guidance and uniform procedures to be used by the Services in depot workload programming. While there is currently no formal requirement for the Services to submit depot maintenance programming data to OSD from this system, the program should provide the basis for the depot maintenance portion of the Services' POM submissions and the Logistics Resource Annex.

As an effective way to accomplish integration and achieve potential cost savings in the depot maintenance system the GAO in 1973 and again in 1978 recommended that a single manager or a single agency be established for aeronautical depot maintenance, a major segment of the DoD depot system. A Joint Logistics Commanders Study initiated in March 1978 has been ineffective to date in addressing this problem.

COMMERCIAL AND INDUSTRIAL-TYPE ACTIVITIES PROGRAM

Additional contracting of DoD Commercial and Industrial-Type Activities (the CITA Program) offers the prospect of substantial budgetary and manpower savings. Administration policy specifies retaining CITA functions in-house to support National Defense requirements or if no satisfactory commercial source is available. In addition, changing from in-house to contract performance requires a detailed comparative cost analysis to demonstrate the availability of budgetary savings.

Despite these restrictions, Congress has repeatedly threatened to impose a moratorium on CITA contracting. Congress must be notified of Service cost comparison studies, and the Administration has delayed even notifying Congress that we would initiate studies. These delays have caused a one-year slippage in the potential manpower and dollar savings that would have resulted through CITA expansion. The Services, having been geared up to proceed with the studies, are understandably reluctant to proceed, anticipating more delays. In addition, our credibility with industry has been damaged.

The CITA program offers the prospect of substantial budgetary and manpower savings. For example, during FY 1979 and FY 1980, a total of 304 cost comparison studies were completed. In 190 (63%) studies, involving 7,700 personnel, the cost comparison showed (over 3 years) contract performance to be less costly by $130 million. These CITAs were subsequently converted to contract. It is noteworthy that in 11 studies conducted by the Air Force which resulted in retaining the CITA in-house, the function will now be performed by 560 (34%) fewer employees yielding a projected annual savings of $8 million or $24 million over the same three-year period. These results testify to the potential for savings in manpower and funds.

To rejuvenate the CITA Program, an early statement of strong support for aggressive implementation of CITA contracting is needed. Since we only convert to contract when it will result in savings that are greater than 10 percent of the in-house personnel related costs, contracting will let DoD save considerable sums of money. More efficient manning of in-house operations, as well as conversions to contract, will free up military billets needed to make up current shortfalls in tactical force manning. Therefore, force readiness will be enhanced.

Government employee unions can be expected to create adverse publicity and roadblocks against any expansion of the CITA program.

The principal benefit of contracting is that it exposes the Defense establishment to the discipline of competition. Unfortunately, the potential beneficiaries of the competition (taxpayers and contractors) are not lobbying as effectively as the Government employees.

SUPPLY MANAGEMENT

DoD maintains an inventory of over 3.9 million supply items, and operates storage and transportation systems to provide life cycle management of these items throughout the world. The central issues of supply management focus on determination of supply requirements and efficient management of supply systems.

Estimations of requirements for supply items, both consumable and non-consumable, for both peacetime operations and wartime scenarios, have historically been based upon service-unique criteria. The requirements so generated have been both inconsistent across the Services and subject to challenge by OSD, OMB and Congress, resulting in loss of budgeted funds. The Services are now moving to standardization of requirements determination for many types of supply items, and have made considerable progress. Two particular areas in which substantial amounts of work still remain are improved methodologies for determining supply requirements for initial support periods of new weapons systems, and for spares and repair parts.

- Requirements determinations during the initial support periods of a new weapons system have been historically imprecise since design modifications to the system are frequent and unpredictable and of course demand histories are nonexistent. Current methods for determining initial spares requirements have tended to provide less than adequate quantities of spare parts, and have contributed to reduced levels of operational availability during initial operations. We plan to use the F-18 introduction over the next two years to evaluate alternative policies and approaches for simultaneously achieving higher operational availability rates for new systems and economically efficient quantities of spares during the early support period.

- For many years, policies, models and systems for the management of spares and repair parts have been independently implemented by each Service and vary widely in their effectiveness. An overall DoD policy is required to provide uniform guidance for the management of reparable items, which have an inventory value of approximately $20 billion. A contractor study to begin development of this policy is being proposed for FY 81. It is estimated that considerable in-house analysis resources, both from OSD and from the Services, will be required to resolve the current deficiencies in reparable item management policy.

- The long-range requirement for Secondary Item War Reserves currently approximates $21 billion. Of this total, the procurement objective is $9.3 billion and the programmed deficiency to the procurement objective is $4.5 billion. Given these discrepancies and the magnitude of this program, an effort was initiated in July 1979 to standardize the methodology used for requirements computation. The Services have developed plans which call for implementation of the new standard policy by the end of calendar year 1982. The Air Force is in the process of converting its automated support systems and will likely be delayed. MRA&L is chairing a technical coordination group to monitor the implementation process.

Efforts to consolidate the supply execution system have resulted in significant savings, but have been resisted by the Services. Here, the point of issue is achieving an appropriate balance between the opportunities for economies of scale available via centralization/consolidation on the one hand and the flexibility and responsiveness of local, special or Service-unique systems on the other; or said in another way, between peacetime dollar savings and Service perceived mission readiness.

DoD and federal supply consolidations have been implemented to varying degrees for numerous groupings of items via the Defense Logistics Agency, General Supply Agency, and the Integrated Materiel Management concept. Studies and initiatives now underway, which will necessitate decisions by the ASD(MRA&L) over the next several years, concern themselves with expanding either the scope of responsibility for consolidations already existing or creating new consolidations. Since GAO has been critical of our failure to expand the Single Manager concept, among others, we anticipate Congressional hearings on this subject in mid-1981.

- DLA manages items at less cost and with greater effectiveness than the Services. A proposal has been made to transfer management responsibility for Service-managed consumables to DLA, with a projected saving of 4000 personnel and $100 million annually after implementation costs have been amortized. The Services believe that such a consolidation would not be cost-effective and that it would adversely affect military readiness. Although we believe that the transfer of all consumables would achieve the greatest degree of supply effectiveness and savings, because of the reluctance of the Services, we recommend at this time a transfer to DLA of all consumables except for the following categories: field level reparable, design unstable; classified; Service manufactured items.

- In 1974 a major project to design and implement single manager assignments for groupings of the more than 400,000 non-consumable stock numbered items in the DoD supply system was initiated. There has been only minor progress in this area primarily because the Services are reluctant to become dependent on joint or out-of-service support for these generally high cost and mission essential items. The Defense Audit Service is now reviewing this program. We plan to use the audit to support an in-house assessment of the program so that goals and guidance can be redefined as necessary.

- To integrate and consolidate conventional ammunition logistics functions of the Services to the maximum extent practicable and to eliminate unwarranted duplication, the Army was assigned Single Management responsibility for conventional ammunition in 1975. This consolidation was to occur in two phases. Phase I, now in effect, is not efficient in itself and cannot be without significant change or continued consolidation via Phase II. Phase II implementation, however, is currently being resisted by the Navy and Air Force because they see it as removing from their control responsibility for configuration, development, requirements determination, etc. It is necessary to review and decide the question of whether DoD should proceed further with the Single Manager concept, modify it, or eliminate it, as prolonged continuation of the current condition is not acceptable.

AIRLIFT AND SEALIFT CAPABILITY

A central concern of the ASD(MRA&L) is assuring the availability of sufficient air and sealift for either a major NATO contingency or a smaller Rapid Deployment Force contingency, including the assessment of requirements and the management of existing transportation assets to maximize their use and efficiency. While not directly involved in design and procurement of vehicles or in the daily operation of planes and ships, the ASD(MRA&L) is ultimately responsible for being able to provide, from active military, reserve units, and mobilizable civilian resources, enough lift capability to meet documented requirements.

We are proposing the establishment of a Unified Traffic Management Command to facilitate the movement of personnel and cargo in peacetime, wartime and emergencies. This will provide the most responsive and efficient organizational alignment for management of DoD sea and land transportation and ocean terminals. An independent study has recommended that the Defense Transportation System could best be managed by a unified command with centralized control and coordinated systems to move personnel and cargo during times of peace and emergency. This recommendation is currently under review.

In addition, we should review the Joint Deployment Agency and Joint Deployment System to make sure they are able to accomplish force deployment coordination and planning. Recent military readiness exercises raise doubts about the ability of JDA and JDS to meet deployment needs of the Department.

Airlift Programs:

We are proposing to expand the Civil Reserve Air Fleet (CRAF) enhancement program to include both new and in-service civil wide-body passenger aircraft and provide additional financial incentives to the airlines to gain participation in the program. This program provides for increased strategic airlift capability for contingency operations without the high peacetime costs of crewing, training, operations, and maintenance associated with an organic airlift force.

We are developing a system of military and civil air passenger terminals which will provide efficient, high-quality service to all DoD travelers while still fulfilling mobilization and wartime requirements. The Air Force has been tasked to determine the optimum mix of civil and military terminals to this end.

Operations Support Airlift (OSA) includes all airlift transportation of passengers or cargo using DoD-owned or -controlled aircraft in support of command, installation or management functions. A Department-wide directive is being developed that would base OSA resources on wartime readiness requirements and assign and manage OSA aircraft in peacetime to insure readiness to satisfy such requirements. This directive will provide for the coordinated planning and development of these highly visible aircraft.

Increased wartime support to all Services is at the heart of the Department's efforts to consolidate airlift under a single manager (MAC). Navy, however, maintains that it needs its own airlift system to respond to specific naval requirements. Although MAC has demonstrated good support of Navy's requirements, we will continue to review this support and Navy's request for an increased independent capability.

Sealift Programs:

As a result of congressional action, the Navy has been authorized to acquire and convert eight SL-7 containerships to enhance high speed contingency sealift capability and 12 specially configured roll-on, roll-off ships to provide for prepositioning of equipment of the Rapid Deployment Force. In addition to these procurements, several additional programs are being developed to increase the readiness of existing sealift assets.

The Secretary of Commerce has recently been authorized to procure and install national defense features on any suitable U. S. flag merchant ship. In light of this change, we want to proceed with a program to expand the National Defense Features Program to enhance the capability of merchant marine ships to provide logistics support during wartime. Other sealift forces available to accommodate national defense requirements include those of the Military Sealift Command, the National Defense Reserve Fleet, NATO Fleet and the Effective U. S. Control Fleet. These must continue to be monitored to insure that the right numbers and types of ships can be activated and deployed in times of emergency.

FACILITIES DEFICIENCIES

The accelerating state of decline of the DoD physical plant is a matter of great concern. Many facilities still in use are of World War II vintage, and have far exceeded their planned economic life. A majority of our facilities and family housing units are over 25 years old. The various components of the physical plant are becoming obsolete faster than they are being replaced. This condition, coupled with inconsistent funding support during and since the Southeast Asia conflict, has produced large deficiencies in both construction and maintenance of facilities, with serious implications for training, morale and reenlistment. Inadequate operational and maintenance facilities reduce worker interest, initiative and productivity and thus compromise equipment readiness and mission accomplishment.

1.a. Military Construction: Despite a concerted recent effort to reduce the DoD facility deficiency to a manageable level, anticipated gains have been offset by several factors: continuing inflation of construction costs, increases in construction cost associated with energy conservation and pollution abatement programs, impact of new weapons system acquisition on budgetary resources, funding constraints imposed by the Office of Management and Budget, and the increasing need to replace or modernize again, obsolete facilities. While the projected MilCon budget is increasing, 38% ($15.4 billion) of FY 82-86 funds are for two projects -- MX and Trident.

As of January 1980, the total estimated facility deficiency for the Military Departments, Guard and Reserve Components, and the Defense Agencies amounted to $34.7 billion. This included $14.0 billion for replacement and modernization of existing obsolete facilities. The family housing new construction deficiency amounted to $1.1 billion.

b. Overseas Construction: In FY 1979, 21 percent of the construction program was located overseas. This grew to 25 percent in FY 1980 and to 31 percent in FY 1981. The commitment to our increasing construction programs outside the United States might be at the expense of our construction needs in the United States. With our current commitments to the Indian Ocean/Persian Gulf and Europe, overseas construction is expected to remain a major segment of the Military Construction Program for FY 1982 and the outyears. An amendment to the FY 1981 Military Construction Program included $315 million in facilities to support rapid deployment forces and expanded operations in the Indian Ocean/Persian Gulf areas. Congress approved a portion of the requests but did not approve the balance because of: the lack of country-to-country agreements; the lack of justification for individual construction requirements; the absence of an overall regional strategy for responding to the threat in this part of the world; and the questionable unilateral actions taken in this area by the United States. A contingency fund of $105 million was provided with unusual Congressional oversight requirements. To date, the Congressionally mandated multi-year plan and program has not yet been completed. Without this multi-year plan, rational logistical plans are not possible and ongoing construction planning may not be effective. We recommend to the Under Secretary of Defense (Policy) that such multi-year regional plans be developed as soon as possible by the Joint Chiefs of Staff, so that follow-on logistics decisions can be adequately phased and justified to the already skeptical Congress.

It should be noted that we have established a policy giving preference to US firms for construction of facilities in the Indian Ocean/Persian Gulf region. Adequate provision of overseas facilities will require the commitment of an additional $600 million annually during FY 82-86.

2. Backlog of Maintenance and Repair/Family Housing Operations and Maintenance: Real Property and Maintenance Activities (RPMA) are a major portion of the base operations support function. Maintenance and repair work remaining unaccomplished at the end of the fiscal year and still required can qualify as backlog of maintenance and repair (BMAR), a statistic used to monitor program progress in the upkeep of DoD's real property investment.

Only about $1.9 billion was spent in FY 80 on maintenance and repair, and the BMAR increased $500 million over the previous year. BMAR now exceeds $3.0 billion, of which one third is for US Army Europe. Accelerated deterioration of the unaccomplished work and continuing price escalation are estimated to increase the cost for repair by a minimum of 10 percent each year. Systematic reduction of the BMAR toward a manageable level would provide a signficant cost avoidance and preclude untimely deterioration of the physical plant.

To reduce or deter growth in the backlogs, increased funding has been programmed in each of the past three years. However, general funding reductions in meeting the approved President's budget levels have precluded reduction of the BMAR. Without proper maintenance, many facilities and systems will continue to deteriorate and inhibit optimum mission readiness. To provide adequate maintenance of existing real property maintenance facilities and to eliminate the excess maintenance backlog, additional funding over the service program of about $500 million in FY 1982 is necessary for a "no growth" BMAR from 1981 with some $450 million needed per year for the period FY 1983 to FY 1986 or a total of $2.3 billion.

3. Planning and Design: DoD does advance planning and begins design prior to a project's inclusion in an annual military construction program. For a number of reasons, however, DoD is currently in an underfunded position in its planning and design account. The funds available to the Navy appear to be insufficient through 1981 and an additional $20 million is required. Further, the Air Force is short approximately $80 million, the Army needs $35 million, and the Defense Agencies require $8 million, for a total of $143 million. If these funds are not provided, design of ongoing projects in the FY 1982 program cannot proceed and FY 1983 and FY 1984 projects will be severely delayed.

NATO MILCON ISSUES

POMCUS Storage:

In May 1978, the Administration made a commitment to NATO to preposition three additional division sets (DS 4, 5, 6) of equipment (POMCUS: Prepositioned Organizational Materiel Configured to Unit Sets) by the end of FY 1982. NATO funds have been authorized and construction is nearing completion in Germany for DS-4. Construction sites for the major part of DS-5 have been identified in Belgium, NATO funds programmed and planning underway. Real estate acquisition problems in the Netherlands have delayed construction for the remaining DS-5 facilities and all storage for DS-6. An essential element in U.S. planning for the rapid reinforcement of Europe is the prepositioning of equipment and war reserve materiel which has also been accorded a high priority by NATO military commanders. However, current Congressional Committee constraints have prevented the Army from making available the equipment (for DS-5 and 6) required to provide two reinforcing divisions with its basic combat equipment. Most recently, efforts have focused on the formation and equipping of the Rapid Deployment Force (RDF). This redirection of emphasis from the NATO theater could command all available resources and thus jeopardize U.S. ability to meet previously stated commitments with respect to long-range planning for facility construction in support of U.S. forces. Explicit decisions are required in the near future to establish the extent and depth of the U.S. commitment to the reinforcement of NATO.

Burden Sharing:

A forthcoming GAO report will call for a more systematic approach in seeking increased cost sharing for U.S. forces in Europe. Recent Congressional actions have consistently stressed their insistence on European allies doing more via infrastructure and national funding to provide support for deployed and reinforcing U.S. forces. There is a built-in assumption that the Allies are not doing their fair share, should do more, and will do so upon U.S. insistence. Consciously or otherwise, perceptions exist that U.S. forces are in Europe primarily to defend our Allies rather than equally to defend U.S. interests. Accordingly, proper facilities support of our forces in Europe is inadequate because the Congress will not approve the necessary funding levels to provide the needed construction. Measures to evaluate and compare Allied efforts with our own are generally flawed and incomplete (examples: contribution to local economies by NATO and U.S. national construction programs may be overlooked or understated; loss of commercial revenues and taxes due to U.S. use of real estate and facilities have not been measured; continued Allied conscription for national forces, at lower pay and benefits than U.S. enables lower defense budgets and also takes personnel out of the civilian force, thereby reducing production more than in U.S.

NATO is currently considering the possibility of an add-on to the current five-year (1980-1984) cost-sharing agreement for the NATO Infrastructure program. The $4.7 billion agreed by Ministers in May 1979 (U.S. share 27.42 percent) was a bit more than half the amount requested by Major NATO Commanders (MNC) to meet urgent needs anticipated for the period. The United States leads a group, including the United Kingdom, Norway, and Turkey which supports the increase of

some $3 billion requested by the MNC. Germany, Belgium, The Netherlands and Italy are foremost among those nationals resisting the add-on. Germany, by far the most visible and vocal, was also the leader of the low-rollers in the basic 1980-1984 negotiation and heavily influenced the Ministerial decision. The strength of her current position could lead to speculation that she is approaching (if not leading) a shift in her role from total integration with the NATO infrastructure (i.e., military) effort to a more independent stance.

The U.S. has only limited control over the long-term evolution of the NATO Alliance. We are also currently perceived as shifting our orientation -- and significant resources -- southeastward to the Persian Gulf/Indian Ocean area. We should continue, nevertheless, to show solidarity with NATO, exercise leadership and specifically support continued growth of the key NATO Infrastructure effort. Concurrently we should make contingency plans (a) for alternatives to the present joint funding of military operational facilities and/or (b) for gradual drawdown of U.S. forces in Europe if facilities requirements continue to be underfunded.

Long-Range Security Program:

The LRSP enhances the security of nuclear weapon storage sites and provides additional protection for U.S. weapons against terrorist groups. While the program is well under way at 48 U.S. prefinanced sites in Europe, work has not yet started at the other 59 NATO funded Army sites. The NATO host nations' failures to get construction under way at the NATO sites is a continuing irritant to Congress and a source of concern to OSD.

Several problems contributing to the delay of the NATO LRSP sites have been identified by the Commander, U.S. Army, Europe, and the U.S. Army European Division Engineer. Corrective action has been taken. U.S. design of 31 of the NATO funded sites is now essentially complete using standard site security control centers, towers, and vehicle shelters. Standards and site designs have been turned over to host countries for site adaptation.

The development of criteria by the NATO nations has been one of the longest delay factors in the implementation of the program. Changes to criteria require the concurrence of NATO nations who do not always view the threat with the same priority as the U.S. sees it. The history of the program has involved considerable shifting of these criteria and it must be realized that any modification of DoD criteria is likely to trigger a concomitant shift on the part of NATO with further resultant delay.

Ammunition Storage in Europe

OMB disagreement with projected DoD ammunition firing rates has led to a hold on construction of additional European ammunition storage facilities. The OMB objection will make it impossible to achieve the objective of 60 days' stockage, which is the basis for NATO programming of U.S. facilities and for U.S. sustainability planning.

DoD military and civilian specialists believe that the OMB firing rates are disastrously low, but we have been unable to resolve the issue in the course of the budget review. ASD-level discussions on this issue are continuing between DoD and OMB.

BASE STRUCTURE AND SUPPORT

Since 1969 when the DoD population in the United States was approximately 3.1 million military and civilian personnel, we have taken over 3500 actions to realign installations and activities. These actions resulted in annual cost reductions exceeding $5 billion and the reduction of DoD properties by 24%. However, the domestic base structure is still considered too large for the current 2.1 million DoD population in the United States (reduced over 30% from 1969).

On March 29, 1979, the Deputy Secretary of Defense announced a number of base realignment actions which when fully implemented will reduce annual Defense costs by more than $264 million and free 9,700 military and 5,600 civilian personnel positions. Also included in this announcement were new base realignment proposals to be studied which, if fully implemented upon completion of the necessary studies, could reduce annual Defense costs by another $47 million and eliminate 1,000 military and 1,000 civilian personnel positions.

Through October 1980, implementation action has been taken for approximately 50% of the base realignments announced in March 1979, which upon completion, will result in the elimination of about 4,700 military and 2,900 civilian positions and reduce annual costs by over $147 million.

A number of base realignment actions included in the announcement are still in the study state. These pending actions include the realignment of Hq, US Army Intelligence and Security Command; Fort Sheridan, IL; Fort Monroe, VA; Fort Hood, TX; Fort Indiantown Gap and New Cumberland Army Depot, PA; Fort Dix, NJ; Goodfellow AFB, TX and Air Force Activities at Duluth, MN and Hancock Field, NY.

While prior to the 1976 DoD base realignment program we could complete our studies internally and announce and implement the decisions, in late 1976 the Congress passed legislation requiring a very public structured process to be followed before a decision can be made. As a result, the time involved in reaching a decision to realign a base has been extended by a year or more. This defers the cost reductions involved which now cannot be realized during the planning horizons for a current budget year. Also, political pressure mounted by affected communities and such groups as the Northeast-Midwest Congressional Coalition, has resulted in powerful disincentives to the Services and the DoD to pursue these measures.

Congressional micro-management of DoD facilities programs has not been limited to scrutiny of base realignments. Growing Congressional staffs have sought an ever-increasing amount of data in minute detail, and exercise increased control over the Military Construction program. MRA&L responses to Congressional demands divert resources from other actions. For example, in FY 80 Congress required 122 reports from DASD(I&H) on facilities issues, in addition to those required of the military departments. If these ever-increasing reporting demands are not to hamstring DoD programs, either staff and travel resources will have to be increased to enable DoD to comply with Congressional requirements, or Congressional Committee chairmen will have to agree to curtail reporting requirements and restore the authority of the Secretary of Defense.

DoD COMMUNITY IMPACTS

The ASD(MRA&L) is responsible for predicting and alleviating the adverse impacts on communities of significant changes/realignments in military facilities. The Office of Economic Adjustment (OEA) manages the community economic adjustment program on his behalf.

Currently, OEA is assisting about 70 impacted communities and, working through the SecDef-chaired Economic Adjustment Committee (EAC), obtains assistance and resources from other Federal agencies and programs.

More recent activities have addressed growth-impact situations. Two major actions in this regard are the Community Impact Assistance Study and the MX Missile Program.

1. Congress has directed the President to conduct a "thorough study of the adverse impact of communities in areas in which major, new military facilities are constructed with a view to determining the most effective and practicable means of promptly mitigating such impacts," to be completed by March 1, 1981. A detailed scope of work has been approved by the Office of Management and Budget for EAC member agencies and made available informally to Utah-Nevada MX representatives.

The deliberations of the interagency task force on the study will highlight the strengths and weaknesses of alternative budgeting and organizational approaches between the domestic agencies and the Department of Defense in the area of community impact assistance. The initial report findings are scheduled to be forwarded to OMB on January 30, 1981, to meet the March 1 statutory requirement.

2. Rapid large scale community growth impacts are one of the most critical factors affecting DoD's ability to deploy the MX missile system. There is great concern and strong political pressure from local and state officials and their Congressional delegations for federal assistance to alleviate these impacts particularly from Nevada and Utah, which contain the preferred deployment areas, but now also New Mexico and Texas where alternative sites are under consideration.

In FY 1980, Congress provided $1 million of DoD MX community impact planning funds for Nevada and Utah, and directed that the funds be administered through the Four Corners Regional Commission (FCRC), a federal-state regional planning organization. Congress has provided $5 million for MX community impact planning assistance in FY 1981. These funds will be provided to potentially affected states and communities and administered by the Air Force. There is controversy regarding the administration of this funding. The states have begun a campaign to reinstate FCRC as administrator of the funds, but Congress has held fast to its position that the Air Force should administer them. Direct Air Force administration of grants to states and communities is of questionable legality and is contrary to longstanding DoD policy which seeks to avoid duplication of federal domestic agency statutory responsibility, experience and expertise. In response to this, OEA and the Air Force have assessed the capacity of several member agencies of the EAC to act as administering agent for this year's funds and have prepared a draft Memorandum of Agreement (MOA) for use when the selection occurs. Use of an EAC agency provides for the early involvement of an agency which is likely to have a direct role in the implementation phase of our efforts and allows us to provide assistance to potentially affected states through a single agency.

Congress has also authorized DoD to fund MX community impact assistance requirements (capital improvements and services) for FY 1982 and subsequent years with the support of other EAC agencies. Funding of MX community impact assistance must also be a shared state governmental responsibility since the MX program will generate local and state revenues as well as increased demands for services and facilities. State and local governments in Nevada and Utah, however, argue that the feeeral government must pay for all MX-related community needs. In April 1980, the White House asked OEA/EAC to assess alternative ways for local and state governments to capture more of the revenue which results from new and expanded defense activities. An EAC task force is currently addressing this issue with the help of the Urban Institute. The Community Impact Assistance Study is also relevant.

ENERGY SUPPLY AND DEMAND

DoD is the largest single user of energy in the U.S., accounting for the equivalent of 250 million barrels annually, at a cost of over $10 billion; 68% of this total is petroleum. Assuring fuel availability for readiness requires obtaining stable domestic sources of crude oil, including outer continental shelf and petroleum reserves, encouraging secure supplies of synthetic fuels and streamlining energy procurement processes. Assuring availability also requires improving petroleum logistics, transportation and storage. We are working with DoE to insure that DoD has ready access to the required quantities of petroleum and other liquid fuels, and with the Services to insure its efficient distribution.

Meeting energy needs is also being addressed on the demand side, where major initiatives include improving the fuel efficiency of both mobile and fixed energy users, substituting non-petroleum sources in fixed facilities, experimenting with renewable sources including solar technologies, and achieving more energy conservation. For mobile uses our goal is to achieve zero energy growth between 1975-1985 without constraining readiness. For fixed-plant users, we are mandated by Executive Order to reduce fuel use 20% per square foot in existing buildups and 45% per square foot in new buildings. Through 1980 we had achieved an 8% reduction in energy consumption, just below the required glide path.

Determining the feasibility of energy conservation and retrofit projects is a complex economic calculation which rests on uncertain assumptions of future energy costs. Using conservation estimates and a payback ceiling of 15 years, we estimate total DoD projects should reach approximately $20 billion by FY 90. With different assumptions, this amount could escalate to $80 billion. Some of these funds may be available from extra-DoD sources. Leading candidates for these funds include conversion of approximately 60 petroleum fired boilers to coal, installation of energy meters, and conventional building retrofitting.

HAZARDOUS MATERIAL AND MUNITIONS MANAGEMENT

DoD possesses large quantities of hazardous materials, both new items and waste products, that must be managed or disposed of in an environmentally acceptable manner. Our primary objective is to provide "cradle-to-grave" management of hazardous waste. The Resources Conservation and Recovery Act of 1976 (RCRA) establishes standards for generators and transporters of hazardous waste. Any installation that owns, operates, or proposes to own or operate a facility that treats, stores, or disposes of hazardous waste must apply for a permit from EPA or the state. We must ensure that permits are applied for and the proper funds are budgeted to manage this program.

The Defense Logistics Agency is the responsible agency within DoD for worldwide disposal of all hazardous materials, except for a few categories of materials, such as chemical munitions, specifically designated for DoD component disposal. Each of the military components has established a prioritized list of installations to be evaluated and a schedule for completion; our goal is to complete assessment of suspected installations by 1985. Significant funds must be budgeted to complete these assessments and abate contamination problems within each of the military components, e.g., the Army has spent $58M to date on this effort. These efforts are being coordinated with EPA and with state and local regulatory agencies.

One issue which may require the early attention of the new Administration is disposition of WETEYE chemical bombs at Rocky Mountain Arsenal (RMA) in Denver. Congress has mandated that all chemical munitions be removed from RMA within one year. Decisions must be reached by early January (subject to Congressional review) on whether to demilitarize the WETEYE at RMA, move to Tooele Army Depot, Utah, and demilitarize, or move them to Tooele for retention in the inventory. As the JCS recently recommended retention, that is currently the most likely option to be chosen.

Another issue pertains to demilitarization of the unserviceable chemical munitions stockpile. Either because of obsolescence, unserviceability or deterioration, a large percentage of the chemical stockpile qualifies now or will qualify over the next few years for demilitarization. The current demilitarization program is meager in nature, having long suffered from insufficient high level emphasis. High visibility of this program now exists and the resultant scrutiny has exposed numerous shortcomings. The total program is now estimated to take approximately 18 years and could cost from $1.5 to $4 billion.

It is imperative that OSD reevaluate the CW demilitarization problem as soon as possible, to generate realistic outyear budget profiles, to assure that all reasonable alternatives have been adequately addressed, and to select the best technological method. However, no funds are currently programmed for demilitarization research and development. R&D funds must be provided to the U.S. chemical industry to support research, development and validation of mass demilitarization techniques. Concurrent with these R&D evaluations leading to a technology selection, a comprehensive plan must be developed to support decisions on site selection and agent transportation, to include detailed schedules and cost estimates. Spending research and development funds now will not only support effective decision making, but should result in considerable time and dollar savings in the

long term. The immediate requirement is to obtain RDTE funding to support this program as follows: $3M FY 81 (via supplemental budget submission), $10M FY 82 (via immediate adjustment of FY 82 budget submission), $7M FY 83 (to be diverted for inclusion in the Army POM via Consolidated Guidance).

DoD SAFETY PROGRAMS

Each year, job related accidents at military bases and workplaces create substantial loss of life, equipment, productivity, and readiness. In FY 1979, we experienced 340 job-related fatalities and over 50 thousand disabling injuries or diseases, resulting in almost 450 thousand lost workdays and personnel costs (including workers' compensation) of over $350 million. Materiel damage amounted to almost one billion dollars, including 180 aircraft worth $800 million. There were an additional 1,131 fatalities and 15 thousand disabling injuries due to off-duty military accidents. Improving our job-safety performance will clearly pay off in lives saved, cost avoidance, productivity enhancements, and readiness increases.

Our efforts to reduce the incidence of accidents and eliminate hazards which reduce effectiveness are multifaceted, but concentrate on continuing to push the Services to be more cognizant of the costs of accidents and the benefits that can be achieved. We are revising investment strategy models to reflect more accurately the return on safety investment, standardizing occupational health standards, and identifying the accident and safety impacts of actions in other areas which have the effect of lowering experience levels or funding for high-risk activities.

The Occupational Safety and Health Administration (OSHA) is an active partner with us and the labor unions in identifying and addressing job safety problems. We have recently reached a decision in our continuing relationship with OSHA and the unions which will allow OSHA inspections of defense facilities, but will restrain labor union involvement. We expect that the unions will not be satisfied with our decision; on the other side, the Services believe we have gone too far. The next year promises to be contentious.

MOBILIZATION EXERCISES AND CAPABILITY

Current national security policy depends on our ability to augment and deploy active duty forces and support. To test our capability to mobilize, we periodically conduct exercises and carefully evaluate mobilization plans, procedures and organizational relationships. Exercise NIFTY NUGGET 78 and an accompanying civil exercise -- REX 78 -- revealed significant difficulties and shortfalls in our ability to execute mobilization plans. In particular, we learned in 1978 that:

- There was no common basis for Federal agency mobilization planning, and as a result, civil agencies were not prepared to respond to DoD requirements.

- Much of DoD planning was obsolete or incomplete.

- Decentralized management and inflexible schedules hampered deployment.

- Planning did not recognize numerous resource problems.

Responding to these problems, we have taken steps to improve mobilization planning, including:

- formation of a senior DoD policy guidance group, of which the ASD(MRA&L) is Vice-Chief.

- organization of an MRA&L directorate to manage mobilization planning for DoD.

- development of major portions of an overall DoD Master Mobilization Plan.

In November 1980, follow-up exercises PETITE SPIRIT and PROUD SPIRIT/REX-80 BRAVO were held to evaluate progress since 1978. Complete evaluations will be available early in CY 81, but it is already clear that we are much better prepared for mobilization than we were two years ago. Problems still remain, especially in the areas of availability of air and sealift, trained manpower, and health professionals. Overall, coordination and planning are much improved, especially with regard to the ability of Selective Service to deliver inductees as required.

RAPID DEPLOYMENT FORCE SUPPORT REQUIREMENTS

MRA&L and PA&E are currently conducting a study of Rapid Deployment Force (RDF) support requirements and the adequacy of DoD programs to meet them. The specific objectives of the study are:

- o to focus on RDF capabilities for the Persian Gulf/Indian Ocean beyond those stated in the Consolidated Guidance;
- o to refine the initial estimates of RDF support requirements for the predetermined force specified in the CG;
- o to resolve aspects of RDF support planning that should be addressed in the updoming CG; and
- o to assess any near-term problems that would limit our ability to deploy and support an RDF in the Persian Gulf/Indian Ocean area.

To meet these objectives, working groups have been organized to examine the following functional areas: casualty replacements and medical support (MRA&L lead); engineer and service support (PA&E lead); munitions spares and prepositioning options (MRA&L lead); C^3I support (C^3I lead); and special equipment (MRA&L lead). New guidance outlining assumptions to be used has altered the original purpose of the study. Instead of refined estimates for a single pre-defined force, PA&E now requests estimates for a wide range of forces, threats, and deployment schedules.

In the casualty prediction/medical support area, a tentative set of planning factors has been computed. These data are in the hands of the Services, OJCS, and OASD(HA) for review. Following coordination and adjustment as necessary, tentative estimates of the hospital structure implied by the medical workload will be developed for selected scenarios. These structures will be compared with the programmed structure to assess risks and shortfalls.

The Services have furnished data relating to projected demands for ammunition and spares for a near-term RDF and for two potential forces (baseline and expanded) in the 1986 time-frame. Current and projected 1986 inventories are being examined to assess the shortfalls between demand and supply. In determining the availability of munitions to support RDF demands, alternative levels of support for NATO and Korea are being examined.

Once a decision is made to narrow the range of threats and forces being considered to a small number of specific options, the following will be needed:

- o refine our tentative estimates of the medical structure;
- o compute personnel replacement requirements;
- o compute the logistical support structure needed to sustain our estimated hospital structure;

- compute the aircraft, kits and crews needed to evacuate projected casualties;
- refine estimates of demand for and availability of munitions and spares;
- develop procurement profiles required for full support of RDF contingencies with ammunition and spares.

This information will be used to evaluate the adequacy of the program to support the RDF, with special emphasis on the risks implied by drawing down NATO assets to support RDF requirements.

MATERIEL READINESS AND SUSTAINABILITY

Combat capability is a combination of four elements -- force levels, modernization, readiness, and sustainability -- and the balancing of resources among these four is a common theme in much of MRA&L's activity. As we have learned that strategic warning times were shorter than the lead time required to improve materiel readiness, it has become necessary to shift resources to readiness to provide an adequate immediate capability. Improved materiel readiness is achieved by increasing procurement of spares, war reserve munitions, POL and consumables, and by increasing depot and unit maintenance levels. In the last few years, we have begun a substantial shift of emphasis in these readiness areas.

The allocation problem is complicated because of uneven quality and lack of consistency in the Services' abilities to project combat sustainability requirements for equipment replacements, munitions and casualty replacements. OSD, and MRA&L in particular, have been heavily involved in working with the Services to improve the quality of their combat requirements analysis and reporting.

The risks involved in this effort are substantial. Under-estimation and under-resourcing of requirements could lead to too few combat and replacement forces, with too little ammunition, too few weapons and vehicles, and insufficient medical support. Over-estimation of requirements could conceivably divert resources into larger-than-necessary stockpiles and storage facilities. Accurate measurement of readiness allows us to identify manning, training, maintenance, and equipment shortfalls, and direct resources where they will produce the best results.

MRA&L has taken the lead in the development of a Logistics Resource Annex (LRA) which we hope to have implemented for the FY 84-88 POM. The LRA will assist in improving our visibility of the resources applied to improve materiel readiness, by displaying logistics resources, by function and by selected weapon system, at all relevant organizational levels.

Host Nation Support

We have initiatives underway that will permit us to deliver more reinforcing U.S. combat units to NATO Europe more rapidly. This more rapid buildup in U.S. combat force structure in NATO Europe translates into an increased early requirement for various types of support capability (e.g., transportation, maintenance, munitions handling, engineers).

In order to limit wartime requirements for U.S. support personnel and facilities, and to concentrate our investment resources in combat structure, modernization and readiness, we are aggressively pursuing agreements with our allies which will place as much as possible of the support burden on these governments. We expect that as many as 200,000 U.S. support space equivalents in a NATO contingency can be provided from Host Nation resources. Of this potential about half has been arranged; the remainder is the subject of ongoing negotiations with Germany, the Benelux countries and the UK. Future negotiations will also include Northern and Southern flank allies.

It is important to realize that most of this Host Nation Support will cover a projected support deficiency -- that is, an early wartime support requirement we could not now satisfy. Thus, the benefits will not be in the form of reduced U.S. support structure, but rather in terms of our actually being able to provide adequate logistics support to the U.S. combat units we plan to deploy to reinforce NATO Europe.

HNS agreements are also in place with Japan and Korea, and we have begun to identify requirements in the Rapid Deployment Force in the Middle East. While HNS agreements do not save funds, they do allow us to concentrate our resources on direct combat assets and allow our allies to assume a greater burden of the support of these forces, thus allowing a substantially better military force balance to deter conflict.

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ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

The attached documents were provided to the Carter-Reagan Transition Team. The information withheld from the documents has been reviewed with the determination that it is currently and properly classified within the meaning of Executive Order 12065. The unauthorized release of this information could create or increase international tensions contrary to the national security of the United States, thereby adversely affecting the national security. Therefore, the information is denied under the provisions of 5 USC 552(b)(1).

The Initial Denial Authority is Mr. Franklin D. Kramer, Acting Assistant Secretary of Defense (International Security Affairs).

[redacted]

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

INTERNATIONAL SECURITY AFFAIRS

13 NOV 1980

In reply refer to:
I-11819

MEMORANDUM FOR USD(P)

THROUGH: ASD(ISA)

SUBJECT: CY 81 Issues

Per your attached memorandum, I have listed the key NATO and European issues and problems that we should continue to focus on in CY 1981.

NATO

Maintain NATO's forward movement on force capbility and readiness, R/S/I, and long-term planning and programs, specifically:

[redacted]

(U) - Continue to press for standardization not only in NATO fora but in multilateral/bilateral contexts. (Attached is a list of major programs.)

BILATERAL

There are a number of important bilateral issues we must actively pursue in CY 81:

(U) - Negotiations with the Spaniards and Greeks concerning base rights.

(U) - Work out an agreed cost-shared program with the Canadians on North American Air Defense.

(U) - Stimulate more forthcoming Allied response to the military needs of Portugal and Turkey.

Although the above list is not all inclusive, those are the more critical issues requiring our attention in CY 81.

James V. Siena
DASD, European
NATO Affairs (ISA)

Attachment
a/s

MAJOR PROGRAMS

(U) -- Encourage NATO adoption of I-TOW while we press on to define 3d generation ATGW Family of Weapons and to develop a MOU.

(U) -- Press for NATO adoption of PAPS procedures. Develop procedures, with DRE, for processing NATO Mission Need Documents (MNDs).

(U) -- Develop new candidates for Family of Weapons concept, e.g., mines, air-to-ground.

(U) -- Monitor CNAD/NC review of Military Agency for standardization (AC/30S).

(4) -- Revise DoDD 2010.6, "NATO Standardization."

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

INTERNATIONAL
SECURITY AFFAIRS

24 November 1980

MEMORANDUM FOR MR. MC GIFFERT

SUBJECT: Transition Planning

The following is submitted in response to your request for Outstanding Issues, Recent Activities and Organization for use in transition planning.

Outstanding Issues

- Near Term

[redacted]

[redacted]

- Longer Term

[redacted]

Frederic L. Chapin

FREDERIC L. CHAPIN
Deputy Assistant Secretary of Defense
International Security Affairs

Attachments
IA Weekly Activity Reports (Nov)
Organization Chart
Bios (DASD and Director, IA Region)

[redacted]

Eff k

BACKGROUND PAPER

SUBJECT: Outstanding Issues in Asia

Strategic Objectives

[redacted]

- Maintain the deterrent balance on the Korean Peninsula.

[redacted]

Immediate Issues:

[redacted]

CY 81 ISSUES - NEASA

POST-WAR RELATIONS WITH GULF STATES

[redacted]

U.S. - SAUDI SECURITY RELATIONSHIP

[redacted]

ARAB - ISRAELI CONFLICT AND SWA STRATEGY

[redacted]

[redacted]

(U) FACILITIES ACCESS

[redacted]

- Develop a realistic CY 81 exercise plan.

- Expedite military construction programs in Egypt, Oman, Kenya, Somalia, and Diego Garcia.

[redacted]

- Work to make routine naval and other peacetime presence easier and more acceptable throughout the Indian Ocean.

[redacted]

ACCESS AND OVERFLIGHT

- Continue to pursue access to European facilities for deployments in a SWA contingency.

- Pursue increased or more regularized access to facilities on the Pacific route.

[redacted]

EGYPT

[redacted]

(U) - Continue plans to develop Ras Banas as a rear staging/transit facility.

[redacted]

[redacted]

SECURITY ASSISTANCE

(U) - Seek increases in FMS credits and IMET programs to support our expanding interests in Southwest Asia.

(U) - Seek removal or amendment of legislative restrictions that hinder actions to support our expanding interests in Southwest Asia.

SECURITY RELATIONSHIPS WITH PAKISTAN AND INDIA

[redacted]

NORTHWEST AFRICA

(U) - Improve relations with Algeria without jeopardizing long-time friendship and military cooperation with Morocco.

[redacted]

(U) - Increase security assistance to Tunisia to help meet growing threat from Libya.

LIBYA

[redacted]

CUBANS IN AFRICA

[redacted]

LIBERIA

(U) - Maintain Liberia's traditional pro-American attitude under the Doe regime.

RESEARCH FUNDS

- Seek to restore funding for ISA/NIAIA external research projects and consultants.

[redacted]

NET ASSESSMENT

The Office of the Director, Net Assessment, provided one document to the Carter-Reagan Transition Team. The releasable segregable portions of the document are attached. The withheld portion of the document has been reviewed with the determination that it is currently and properly classified within the meaning of Executive Order 12065 and denied under 5 USC 552(b)(1). Further, the denied information contains the opinions, recommendations and conclusions of various staff officers and the unauthorized release of their frank comments could inhibit the free flow of ideas between subordinates and superiors and severely inhibit the decision-making process. 5 USC 552(b)(5) is applicable in this case.

The Initial Denial Authority is Mr. Andrew W. Marshall, Director, Net Assessment.

DEPUTY ADVISOR FOR NATO AFFAIRS

The Office of the Advisor for NATO Affairs has reviewed its input to the Carter-Reagan Transition Team and determined that the information is currently and properly classified within the meaning of Executive Order 12065. The unauthorized release of these documents would provide a foreign nation with an insight into the war potential or the defense plans and posture of the United States. Also, their release would weaken or nullify the effectiveness of a defense or military plans which is vital to the national security. These documents also contain recommendations, opinions and conclusions that if released could inhibit the frank discussion and analysis of issues thereby hampering the decision-making process. Therefore, the documents are denied under 5 USC 552(b)(1) and (5).

The documents denied are:

(1) The NATO Infrastructure Program
(2) What to do about Host Nation Support (HNS) Initiatives with the FRG
(3) NATO Long Term Defense Programs (LTDP)

The Initial Denial Authority is LTG Richard H. Groves, Deputy Advisor for NATO Affairs.

File

ASSISTANT SECRETARY OF DEFENSE (PROGRAM ANALYSIS AND EVALUATION)

The Office of the Assistant Secretary of Defense for Program Analysis and Evaluation did not prepare issue papers for the Carter-Reagan Transition team.

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ASSISTANT SECRETARY OF DEFENSE (LEGISLATIVE AFFAIRS)

The attached documents were provided to the Carter-Reagan Transition team. Deletions have been made in the documents as the unauthorized release of the internal advice, would inhibit the frank exchange of information required in the decision-making process. The information is denied under the provisions of 5 USC 552(b)(5).

The Initial Denial Authority is Brigadier General Eugene M. Poe.

OFFICE OF THE ASSISTANT TO THE SECRETARY OF DEFENSE
(LEGISLATIVE AFFAIRS)

This office serves as the principal advisor to the Secretary of Defense and his staff on Legislative Affairs, and is charged with the responsibility of coordinating the efforts of the military departments in this regard. The specific responsibilities, relationships and authorities are spelled out in the attached DoD Directive (TAB A).

The office is staffed at a modest level, utilizing the military departments to handle matters which do not require policy consideration. Each department has its own legislative affairs office with a Director at the two star level. At TAB B is a breakout of the organization of the office and of the military departments.

Formal congressional activities operate under a statutory funding limitation which is now carried at $7.5 million allocated as follows:

Department of the Army	$1,991,187
Department of the Navy	1,980,095
Department of the Air Force	2,022,782
Office of the Secretary of Defense and Defense Agencies	1,505,936
TOTAL	$7,500,000

The size of the Department's budget and responsibilities, in its own right, creates a sizeable congressional work load.

For example, during the first 9 months of 1980, the DoD provided 1,393 witnesses for some 445 hearings involving 1,212 hours of testimony and received over a half million telephone calls. The Secretary of Defense personally appeared some 20 times for an excess of over 50 hours of testimony. Additional work load figures are attached at TAB C.

Early Hearings:

Confirmation Hearings: Senator John Tower, new Chairman of the Senate Armed Services Committee, has informed the members of his committee that confirmation hearings will begin between 6 and 20 January. There are 14 positions within the Office of the Secretary of Defense which require Senate confirmation. In addition, there are 16 positions in the military departments which require confirmation.

Program Justification (Posture Hearings): The hearings on the Authorization Bill normally begins in the Armed Services Committees during the last week of January. However, with the change in Administrations, the anticipated Supplemental and the Amended Budget Request, hearings probably won't begin until the latter part of February. In 1977, the Secretary of Defense did not appear before any committee of Congress in support of the FY 78 Amended Budget until 22 February, when he went before the House Appropriations Committee.

Traditionally, the Secretary of Defense appears with the Chairman of the Joint Chiefs of Staff before the Armed Services Committees, the Appropriations Committees and the Budget Committees. The Secretaries and Chiefs of the Military Departments appear immediately thereafter. Following these appearances, senior civilians and uniformed personnel in the Office of the Secretary of Defense and the Military Departments go before the different subcommittees in support of specific programs and budget requests.

Other: In addition to the Armed Services, Appropriations, and Budget Committees, during FY 81, the Secretary of Defense appeared before other Congressional Committees such as Senate Commerce, Science and Transportation on the space shuttle program; the Senate Foreign Relations Committee on nuclear warfare strategy and SALT and the House Foreign Affairs Committee on security assistance.

KEY COMMITTEES

Senate Armed Services Committee (9R - 8D): Two new Members (Republicans Quayle and Denton) have been assigned to the Senate Armed Services Committee. The Committee has changed its organizational structure from the traditional subcommittee line-up of R&D, Procurement, etc., to a mission concept; i.e., strategic, tactical, seapower and preparedness plus the usual personnel and military construction subcommittees.

Chairman Tower has indicated that the Committee will hold its first formal organizational meeting on 5 January. The Committee is expected to move out smartly holding confirmation hearings 6-20 January, to be followed by the FY 81 Supplemental and 1982 Authorization Bill.

House Armed Services Committee: The Chairman has requested approval from the House leadership to reduce the size of the committee from 45 to 41 members. The committee ratio is expected to reflect a balance of 23 to 18. This will require the assignment of an additional 2 democrats and 4 republicans. The committee structure will also expand from 7 to 8 subcommittees as the Special NATO Subcommittee is elevated to a permanent subcommittee and expanded to include O&M funding.

Senate Appropriations Committee (15R - 14D): The SAC has not yet organized into subcommittees. The new chairman of the Defense Subcommittee is expected to be Senator Stevens. Senator Stennis of course will be ranking minority.

House Appropriations Committee: There will be some new members on the House Appropriations Defense Subcommittee. However, the leadership will remain with Mr. Addabbo as Chairman, and Mr. Edwards as ranking minority.

Senate Budget Committee (12R - 10D): Senator Domenici will chair the Senate Budget Committee with Senator Hollings as ranking minority. Unlike the House Budget Committee, the Senate Budget Committee does not have a Special Task Force for Defense. The full committee acts on all funds for Defense.

House Budget Committee: The new chairman, James R. Jones emerged the victor in a tight race for leadership for the HBC over opponent David Obey The HBC will have its membership increased from 25 to 30 members. Chairmanship of the Defense and International Affairs Task Force will remain with Jim Mattox.

Intelligence Committees: Assignments to the Intelligence Committee in the Senate have not yet been made. However, Senator Goldwater is expected to chair the committee and Senator Moynihan is to move up to ranking minority. In the House Intelligence Committee there will be some changes in membership but the leadership will remain intact. Mr. Boland will remain as Chairman and Mr. Robinson is expected to be ranking minority.

Foreign Relations Committees: The Senate Foreign Relations Committee will have a ratio of 9 republicans to 8 democrats and will be chaired by Senator Percy. Senator Pell will be ranking minority. The House Foreign Affairs Committee will continue to be headed by Rep. Zablocki, with Rep. Broomfield as ranking minority.

Attachments
TAB A - DoD Directive 5142.1
TAB B - Organization Charts
TAB C - Work Load Figures

ORGANIZATIONAL STRUCTURE
AUTHORIZED STRENGTH

ATSD (LA)
DATSD (LA)

	Civ	Mil	Total
Professional	1	1	2
Clerical	3	0	3
Total	4	1	5

-- Principal staff assistant for DoD Legislative Affairs.

LIAISON

	Civ	Mil	Total
Professional	5	7	12
Clerical	8	0	8
Total	13	7	20

Maintain direct liaison with, and provide advice and assistance concerning Congressional aspects of DoD policies, plans, and programs.
Coordinate actions relating to Congressional consideration of DoD legislative program.
Coordinate DoD participation in Congressional hearings and investigations.
Assign responsibility, coordinate responses and respond to Congressional inquiries.
Arrange for the designation and appearance of witnesses and provision of information at Congressional hearings.

RESEARCH & ADMINISTRATION

	Civ	Mil	Total
Professional	0	1	1
Clerical	4	3	7
Total	4	4	8

-- Process and coordinate requests for DoD support of Congressional travel.
-- Provide for DoD processing of personal security clearances for members of Congressional staffs.
-- Conduct research on matters of legislative interest to the DoD and prepare appropriate reports including daily summaries of the Congressional Record.
-- Prepare daily schedule of Congressional hearings.
-- Handle transcripts and maintain file of hearings of DoD witnesses.
-- Provide internal personnel and administrative support.

SUMMARY OF AUTHORIZATIONS: 33

	Civ	Mil	Total
Professional	6	9	15
Clerical	15	3	18
Total	21	12	33

OFFICE, CHIEF OF LEGISLATIVE LIAISON

SEPTEMBER 1980

OFFICE OF THE CHIEF, Room 2C631

		SC
MG Edward C. Peter, Chief	76767	51
BG Charles D. Franklin, Deputy	56368	52
Mr. Carlos Lively, Special Assistant	53918	53
COL Fred A. Gordon, Executive	53526	55
LTC James C. Joiner, Assistant Executive	53526	47
Miss Dorothy Valladro, CLL Secretary	76767	54
Mrs. Debbie Manuel, DCLL Secretary	56368	44

TRAVEL OFFICE, Room 2C630

Mrs. Andi Beal, Travel Officer	73843	31
Mrs. Elinor Malgom, Travel Assistant	77271	32

EXECUTIVE SERVICES DIVISION, Room 2C6[illegible]

		SC
LTC James C. Joiner, Chief	53526	47
SFC Ruth E. Hay	56849	49
Mr. Andre Blog	54492	49
Mrs. Ruth E. Bernhardt	56849	49
Mr. John Dolton	54492	

INVESTIGATIONS & LEGISLATIVE DIVISION, Room 2C634

		SC
Mr. John Maier, Chief Attorney	76856	30
LTC David McNeill, Jr., Deputy	70275	
LTC Howard Figgers, Legal Counsel	70276	
MAJ Pittsburgh Godwin, Legal Counsel	70275	
Mrs. Ruth Whitsman, Secretary	76856	
Mrs. Lorraine Pierard, Legislative Act Rep	77306	
Mrs. Lucy Puller, Legislative Act Rep	70277	
Mrs. Carol Hays, Legislative Act Asst	72606	

PLANS & OPERATIONS DIVISION, Room 2C638

		SC
COL Johnnie Cozens, Chief	54854	23
LTC Samuel Gibbons, Deputy	54828	24
Mrs. Dana Smith, Secretary	54828	

PLANS BRANCH

LTC John Mullett, Chief	79690	25
LTC Mike Peck (Budget)	75258	
LTC Gordon Merritt (Procurement)	78602	
LTC Frank Hennessee (Manpower)	79915	
LTC Michael T. Chase (S&D)	75258	
Mrs. Barbara Freudberg, Secretary	79690	26

OPERATIONS BRANCH

LTC Derek Willis, Chief	70279	28
LTC John Canstory (Engineers)	72413	
LTC Vernon Conner	72413	
Mr. Al Dirmee (Research)	76245	
Ms. Linda Payne, Congressional Act Rep	74617	
Mrs. Barbara Wallingsford, Sc Asst	70279	
Mrs. Vivian Hanson, Contracts	74617	

HOUSE LIAISON DIVISION, Room B-325, Rayburn Bldg.

COL Marshall B. Murray, Chief	37580
LTC Wendell Bloch	37580
LTC James Kanouse	37580
LTC Phillip Kitchings	37580
ESG Robert Miller	37581
Mrs. Virginia Johnson	37582
Miss Kay Durden	37582
Miss Ethel McCann	37582
Mrs. Linda Coleman	37582

SENATE LIAISON DIVISION, Room 132, Russell Bldg.

COL John Campbell, Chief	37446
LTC John Spisak	36360
LTC John Critchfield	37447
SFC Lori Wolf	37446
Mrs. Joan Goodale	37446
Mrs. Margaret Tyler	36360

US ARMY CONGRESSIONAL CORRESPONDENCE AGENCY, Room 2D631

		SC
COL Robert G. Moolwaver, Commander	78361	38

SPECIAL ACTIONS BRANCH

LTC James Gleissner, Chief	78381	40
Mrs. Yvonne Tucker, Congressional Coordinator	71000	41
MAJ Frank Horton, Congressional Coordinator	71000	42
Mrs. Emily Wood, Congressional Act Rep	71000	
Mrs. Dee Sines, Congressional Act Rep	78132	

EAST BRANCH

LTC Charles Moore, Chief	72583	35
Mrs. Janet Fagan, Supervisor	72583	33
CT, DC, KY, NY, OH, PA, PR, RI	59842	
DE, IN, MI, MD, MA, NH, NJ, TN, VA, VI	73394	
IL, KS, NV, WI, VT	73393	

WEST BRANCH

LTC James Haygood, Chief	72504	45
Mrs. Eleanor Locke, Supervisor	72504	46
AL, AR, FL, GA, MC, SC	57713	
CO, KS, LA, MO, NE, NM, OK, TX	79183	
AK, AZ, CA, CN, HI, ID, IA, MN, MI, NV, NM, ND OR, SD, UT, WA, WY	79184	

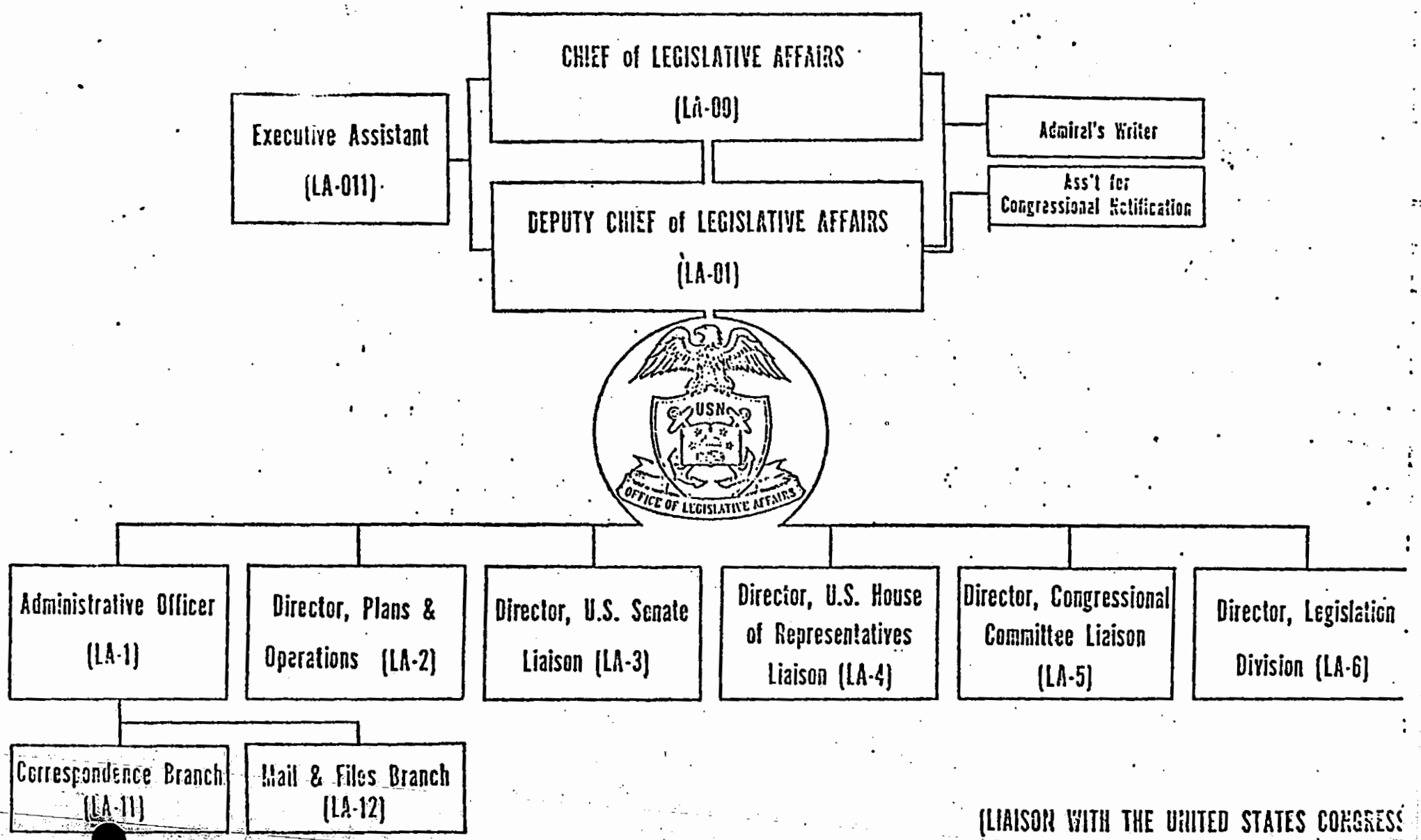
ADMINISTRATIVE SUPPORT BRANCH

LTC Keith B. Wolff, Chief	78361	34
SGM Frank Dalton, Supervisor, Inquiry Control	56028	30
Mrs. Mary Simmons, Supervisor, Word Proc	56028	48

ORGANIZATION CHART OF THE OFFICE OF LEGISLATIVE AFFAIRS

(Office of the Secretary of the Navy)

(As of August 1976)



(LIAISON WITH THE UNITED STATES CONGRESS

EXHIBIT A

SAFLL

OFFICE OF THE DIRECTOR (LL) 4D923

BRIG GEN GUY L. HECKER, JR., Director	78153
BRIG GEN JAMES D. GORMLEY, Deputy	52650
COL M. ARCHIE McSMITH, Actg Assoc Dir	75321
MAJ RICHARD W. FLYNN, Special Asst	76451
VICTOR J. TAMBONE, Executive	74142
CMSgt James P. Miller, Sgt Maj	75665
SMSgt Raymond V. Lukowski, Chief Admin	75665
Mrs. Pauline Alegria	78154
Mrs. Barbara Browne	52650
Ms. Chris Yurkiewicz, Admin Asst	74142

INQUIRY DIVISION (LLI) 5D943

COL FRANK W. HAUSMANN, Chief	73783
Col Gerald J. Smith, Deputy	73783
Mrs. Paula D. Haveron	73783

INQUIRY BRANCH #1, 5D871

LT COL MICHAEL ALBA	57364
Mrs. Rosalie Downs	57364

TEAM #1 - AL, AR, GA, IA, KY, LA, MD, MA, NC, OR, TX, WI

Lt Col Robert L. Marsh	57375
Capt Stevie Henderson	57375
CMSgt Jose Martinez	57375
Sandi Esty	57375
Cheryl Walker	57375

TEAM #2 - FL, ID, IL, IN, MI, NE, NV, OH, OK, PA, PR, WY

Lt Col Joseph L. Bameth	57201
Major Robert Miller	57201
Mrs. Margaret Story	57201
Cathy Hudock	57201
Ruth Thornton	57201

INQUIRY SUPPORT BRANCH

Joyce Earley	77617
Arnnetta Key	77617
Debbie Milburn	77617

INQUIRY BRANCH #2

LT COL THOMAS WOOD	57201
Betty Becker	57204

TEAM #3 - AK, AZ, CA, CZ, CO, CT, DE, DC, GU, HI, KS, ME, MD, MS, MO, MT, NH, NV, NM, NY, ND, RI, SC, SD, TN, UT, VT, VA, VI, WA, WV

Lt Col Jack McTasney	57361
Maj Dave Walters	57394
Mrs. Virginia Foster	57231
Capt Robert L. Smolen	57361
Capt Patricia A. Flannery	57361
Judy White	57361
Ennie Catterton	57394
Monika Krese	57394
Cheryl Cromwell	57361

WHITE HOUSE LIAISON (LLAW) 5D870

Major Robert E. Roberts	73731
Leola Wall	73731

SENATE LIAISON OFFICE (LLS) 152 RSOB

COL MICHAEL C. KERRY	37439
Major Daniel E. Kennedy, Jr.	37439
Mrs. Elizabeth A. Nelson	37439
Mrs. Wanni Spence	37439

LEGISLATION DIVISION (LLL) 5D925

COLONEL LARRY SHREVE	75322
Lt Col Bob Jones	53435
Lt Col Jeff Graham	74480
Lt Col Dick Flowers	71348
Lt Col Phil O'Neill	74738
Maj Dave Wozniak	53435
MSgt Gary Claeser	72854
Mrs. Susie Ezzell	75322
Mrs. Vivian Johnson	71348
Mrs. Joy Perry	74480
Miss Adrienne Earnhardt	53435
Miss Rose Gennella	53391

AIR OPERATIONS OFFICE (LLO) 5D943

LT COL RONALD K. SABLE	53531
Mr. S.L. Ackley	71500
SMSgt Peter M. Steffes	71500
SMSgt Art Sturgill	53531
Ms. Karen Hardgrove	71500

PROGRAM LIAISON DIVISION (LLP) 5D917

COL JOHN G. SCHROEDER	77950
Lt Col Robert E. Bayer	77950
Lt Col Glen M. Thompson	77114
Major Samuel F. Hatfield	72814
Capt Wayne Christein	72814
Mrs. Charlotte Meyer	76790
Mrs. Rosemary Fili	72814

LEGISLATIVE RESEARCH OFFICE (LLR) 5D934

MS. RUTH GALEY	52552
Ms. Irene D. Kikta	72329
Mr. Frederick H. Bumgarner	52329
Ms. Roselie Wildensteiner	52329
Mr. John Komarny	75734
Mrs. Alice Baker	72329

SYSTEMS LIAISON DIVISION (LLW) 5D920

COL RICHARD D. OSBORN	76711
Lt Col John Carter	53346
Lt Col William O'Brien	76041
Lt Col Richard Mayer	56905
Major Douglas Roach	55629
Major Wade Robert	53346
Major Robert J. Belisle	73376
Capt Neal Coyle (ASTRA)	76813
Mrs. Grace McGee	76711
Mrs. Barbara Carr	55629
Mrs. Cordie Green	56905

ADMINISTRATIVE WORK CENTER (LLC) 5D972

CMSGT RASEM M. MALLEY (5D874)	45751
Deputy (Vacant)	
SMSgt Joseph D. McDonald	73422
TSgt William R. Montgomery	71778
TSgt Robert L. Farrell	73020
SSgt Ernest Warrington	71778
SSgt James E. Jordan	57205
SSgt Courtland G. Ballou	71778
Mr. Adam F. Bohunko	73020
Mr. Willie L. Morris	73020
Mrs. Gail L. Patterson	73020
Mrs. Dorothy Hensley	73020
Sgt Rudy Chavis (TDY)	71778

HOUSE LIAISON OFFICE (LLH) B-320 RHOB

COL PAUL McMANUS	[illegible]
Lt Col John R. Cady	[illegible]
Major Lloyd W. Newton	[illegible]
Mrs. Helen Jeffrey	[illegible]
[illegible]	[illegible]

DEPARTMENT OF DEFENSE LEGISLATIVE ACTIVITY

NUMBER OF WITNESSES	PRINCIPAL	SUPPORT	TOTAL
1978	822	607	1429
1979	854	1414	2268
*1980	711	682	1393

HOURS OF TESTIMONY	
1978	1590
1979	1459
*1980	1212

NUMBER OF HEARINGS	
1978	465
1979	556
*1980	445

NUMBER OF COMMITTEES HEARING DOD TESTIMONY	
1978	86
1979	59
*1980	96

NUMBER OF BRIEFINGS	
1978	597
1979	1496
*1980	980

HOURS OF BRIEFINGS	
1978	1093
1979	2125
*1980	1279

WRITTEN QUERIES	
1978	91,815
1979	90,872
*1980	67,467

TELEPHONE QUERIES	
1978	532,818
1979	406,100
*1980	NA

PGS IN CONGRESSIONAL JUSTIFICATION BOOK		
1978	(FY 79)	15,815
1979	(FY 80)	NA
*1980	(FY 81)	17,457

*As of September 30, 1980

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

October 30, 1980

egislative Affairs

MEMORANDUM FOR RECORD

SUBJECT: Secretary of Defense Harold Brown - Appearances before Congressional Committees, CY 1980

DATE	COMMITTEES	SUBJECT	TIME
1-29	House Armed Services	FY 81 Auth: Posture	4:54
1-30	House Armed Services	FY 81 Auth: Posture	3:00
1-31	Senate Armed Services	FY 81 Auth: Posture	2:39
2-1	Senate Armed Services	FY 81 Auth: Posture	2:50
2-4	House Appropriations, SCte on Defense	FY 81 DoD Appns: Posture	2:50
2-5	House Appropriations, SCte on Defense	FY 81 DoD Appns: Posture	2:25
2-7	Senate Commerce, Science & Transportation	FY 81 NASA Auth: Space Shuttle Prog.	2:25
2-19	House Foreign Affairs	FY 81 Security Assistance Prog.	2:30
2-27	Senate Budget	FY 81 DoD Budget	3:40
2-28	House Budget	FY 81 DoD Budget	2:58
3-12	Senate Appropriations, SCte on Defense	FY 81 Proposed BudEstms for Defense	2:30
3-25	House Appropriations, SCte on MilCon	FY 81 DoD MilConAppns: MX Program	2:38
3-27	Senate Armed Services	FY 80-81 Budget	2:30
5-6	Senate Appropriations, SCte on MilCon	FY 81 DoD MilConProg: Alternative Basing Modes - MX	2:00
5-8	Senate Armed Services	Iran Rescue Attempt	4:45
6-5	Senate Armed Services	CX, MX, and Chemical Warfare	2:51
9-4	House Armed Services, SCte on Investigations	Leaks of Classified Information (STEALTH)	3:50e
9-4	Senate Armed Services	Binary Chemical Hearing	1:45
9-16	Senate Foreign Relations	Presidential Directive 59 (Nuclear War Strategy)	2:20

June Legates

June Legates

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

December 21, 1979

LEGISLATIVE AFFAIRS

MEMORANDUM FOR RECORD

SUBJECT: Secretary of Defense Harold Brown - Appearances before Congressional Committees, CY 1979

Date	Committee	Subject	Time
25 Jan	Senate Armed Services	FY 80 Defense Budget: Posture	3:28
29 Jan	House Armed Services	FY 80 Defense Budget: Posture	4:38
31 Jan	Senate Appropriations, SCte on Defense	FY 80 DoD Appns: Posture	2:50
5 Feb	House Foreign Affairs	FY 80 Security Assistance	2:30
5 Feb	Senate Foreign Relations	China/Taiwan	3:15
7 Feb	House Appropriations, SCte on Defense	FY 80 DoD Appns: Posture	5:40
8 Feb	House Appropriations SCte on Defense	FY 80 DoD Appns: Posture	2:10
21 Feb	Senate Budget	FY 80 Defense Budget	2:02
27 Feb	House Budget	FY 80 Defense Budget	3:45
3 Apr	Senate Armed Services	FY 79 DoD Supplemental	2:07
11 Apr	Senate Foreign Relations	Middle-East Peace Package	2:52
8 May	House Foreign Affairs	Middle-East Peace Package	2:53
9 Jul	Senate Foreign Relations	SALT II	4:20
11 Jul	Senate Foreign Relations	SALT II	7:00
17 Jul	Senate Foreign Relations	SALT II	3:23e
18 Jul	Senate Foreign Relations	SALT II	3:05
23 Jul	Senate Armed Services	SALT II	6:46
24 Jul	Senate Armed Services	SALT II	2:44
19 Sep	Senate Foreign Relations	SALT II	2:55
10 Oct	Senate Foreign Relations	SALT II	3:13
23 Oct	Senate Armed Services	SALT II	3:11
24 Oct	Senate Armed Services	SALT II	2:43
6 Nov	Senate Foreign Relations	SALT II	1:18e
13 Dec	Senate Armed Services	FY 81 Budget Preview	3:15
14 Dec	Senate Armed Services	FY 81 Budget Preview	2:18
18 Dec	House Armed Services	FY 81 Budget Preview	1:48
19 Dec	House Appropriations, SCte on Defense	FY 81 Budget Preview	1:35
20 Dec	Senate Foreign Relations	China	1:43e
			69:27

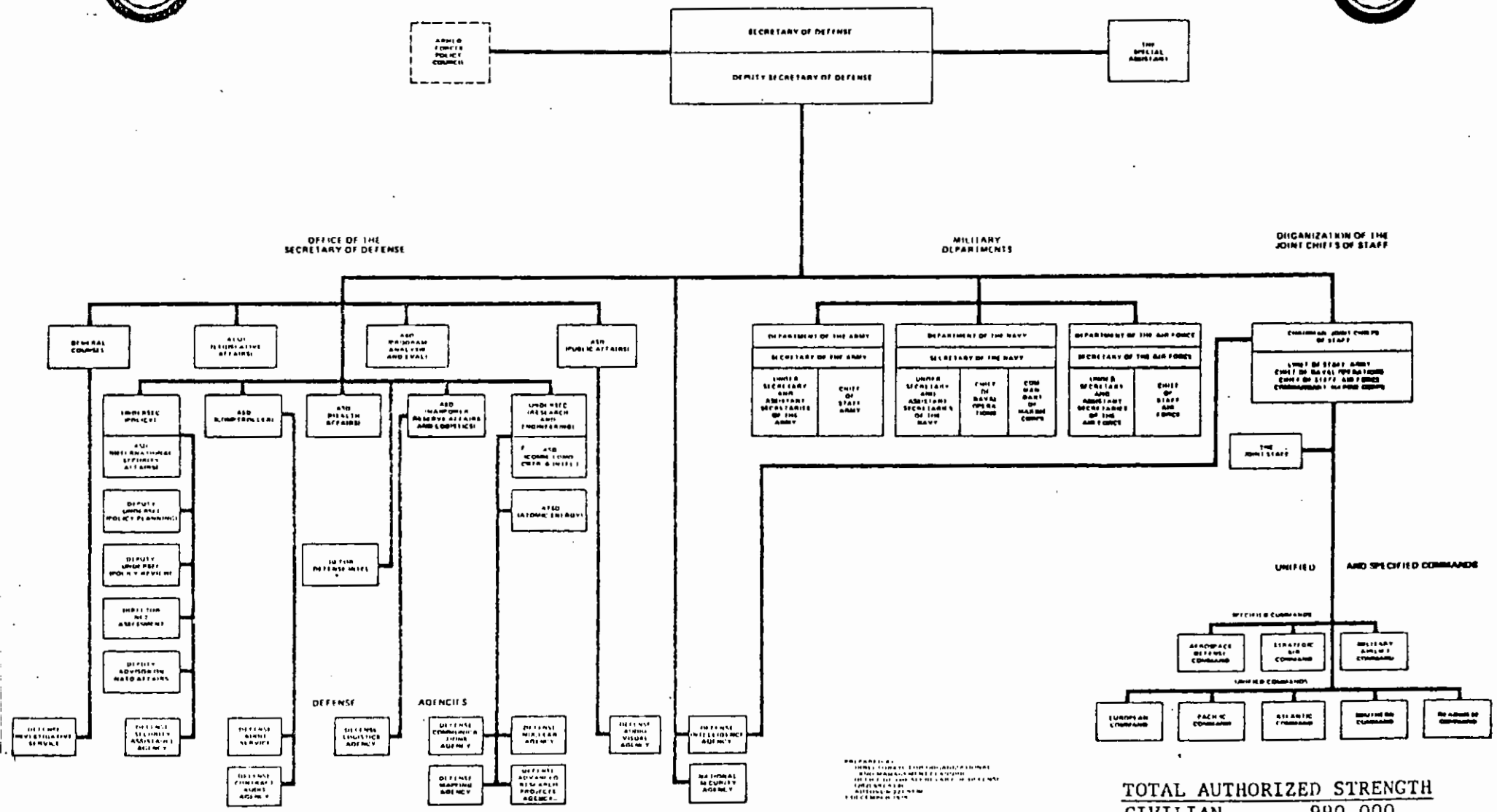
June Legates
OATSD(LA), R&A
x-57800

THE SPECIAL ASSISTANT'S OFFICE

The attached documents were provided to the Carter-Reagan Transition Team. The documents have been reviewed and any information which would constitute a clearly unwarranted invasion of personal privacy of the individual members of the Special Assistant's Office has been deleted under the provisions of 5 U.S.C. 552(b)(6).

The Initial Denial Authority is Colonel Carl N. Beer, Executive Assistant to the Special Assistant.

DEPARTMENT OF DEFENSE



TOTAL AUTHORIZED STRENGTH	
CIVILIAN	990,000
MILITARY	2,059,000
TOTAL	3,049,000

IMMEDIATE OFFICE OF THE SECRETARY OF DEFENSE

THE SECRETARY OF DEFENSE SERVES AS THE PRINCIPAL ASSISTANT TO THE PRESIDENT ON ALL MATTERS RELATING TO THE DEPARTMENT OF DEFENSE. UNDER THE DIRECTION OF THE PRESIDENT AND SUBJECT TO THE PROVISIONS OF THE NATIONAL SECURITY ACT OF 1947, AS AMENDED, THE SECRETARY EXERCISES DIRECTION, AUTHORITY, AND CONTROL OVER THE DEPARTMENT OF DEFENSE.

THE DEPUTY SECRETARY OF DEFENSE ASSISTS IN THE ADMINISTRATION OF THE DEPARTMENT. THE DEPUTY IS DELEGATED FULL POWER AND AUTHORITY TO ACT FOR THE SECRETARY OF DEFENSE AND TO EXERCISE ALL POWERS OF THE SECRETARY AUTHORIZED BY LAW.

THE ARMED FORCES POLICY COUNCIL ADVISES THE SECRETARY OF DEFENSE ON MATTERS OF BROAD POLICY RELATING TO THE ARMED FORCES AS WELL AS SUCH OTHER MATTERS AS THE SECRETARY MAY DIRECT. THE MEMBERS REPORT REGULARLY TO THE COUNCIL ON MATTERS OF INTEREST TO THE DEPARTMENT OF DEFENSE.

THE SPECIAL ASSISTANT TO THE SECRETARY AND DEPUTY SECRETARY OF DEFENSE SERVES AS THE POINT OF CONTACT BETWEEN THE WHITE HOUSE STAFF AND ALL ELEMENTS OF THE DOD, SERVES AS EXECUTIVE SECRETARY TO THE ARMED FORCES POLICY COUNCIL, AND PROVIDES COUNSEL AND ASSISTANCE TO THE SECRETARY AND DEPUTY SECRETARY ON ANY MATTERS THEY DESIRE, BOTH WITHIN AND OUTSIDE OF THE DEPARTMENT.

SECRETARY OF DEFENSE

HAROLD BROWN, EX-I

CIV 7 MIL 2

DEPUTY SECRETARY OF DEFENSE

W. GRAHAM CLAYTOR, EX-II

CIV 5 MIL 2

ARMED FORCES POLICY COUNCIL

HAROLD BROWN	EX-I	SECDEF (CHMN)
W. GRAHAM CLAYTOR	EX-II	DEPSECDEF
CLIFFORD L. ALEXANDER	EX-II	SEC ARMY
EDWARD HIDALGO	EX-II	SEC NAVY
HANS M. MARK	EX-II	SEC AF
ROBERT W. KOMER	EX-III	U/S DEF (POLICY)
WILLIAM J. PERRY	EX-III	U/S DEF (R&E)
GEN DAVID C. JONES, USAF		CHMN, JCS
GEN EDWARD C. MEYER, USA		ARMY CoS
ADM THOMAS B. HAYWARD, USN		CNO
GEN LEW ALLEN, JR., USAF		AF CoS
GEN ROBERT H. BARROW, USMC		MC COMDT

OTHER OFFICIALS ARE INVITED BY THE SECDEF TO ATTEND COUNCIL MEETINGS AS HE DEEMS APPROPRIATE.

SPECIAL ASSISTANT TO THE SECRETARY AND DEPUTY SECRETARY OF DEFENSE

PETER B. HAMILTON, ES-6

CIV 15 MIL 9

TOTAL AUTHORIZED STRENGTH

CIVILIAN	27
MILITARY	13
TOTAL	40

The Special Assistant's Office

Title	Grade Level	Name
The Special Assistant to the Secretary and Deputy Secretary of Defense	Level 06	Peter B. Hamilton
Executive Assistant to The Special Assistant	COL, USAF	Carl N. Beer
Confidential Assistant to The Special Assistant	GS-12	M. Joyce Nesmith
Private Secretary to the Secretary of Defense	GS-09	Betty P. Grim

PETER B. HAMILTON

The Special Assistant

to the

Secretary and Deputy Secretary of Defense

Peter B. Hamilton was appointed The Special Assistant to the Secretary and Deputy Secretary of Defense on December 21, 1979.

Mr. Hamilton was born in Philadelphia, Pennsylvania, on October 22, 1946. He received an A.B. degree, magna cum laude, from Princeton University in 1968, and a J.D. degree from Yale Law School in 1971. While at law school, he was an Editor and Officer of the Yale Law Journal.

During 1979, Mr. Hamilton served first as the Deputy General Counsel of the Department of Health, Education & Welfare, and then as the Executive Assistant to the HEW Secretary. In 1977 and 1978, he was the General Counsel of the Department of the Air Force. Prior to that, he practiced law in the Washington, D.C., firm of Williams & Connolly.

Mr. Hamilton was comissioned as an Ensign in the U.S. Navy upon graduation from college. He served on active duty from 1971 to 1974 in the Office of the Assistant Secretary of Defense (Systems Analysis) and in the Office of the General Counsel of the Department of Defense.

BIOGRAPHY

COLONEL CARL N. BEER

Colonel Carl N. Beer is Executive Assistant to The Special Assistant to the Secretary and Deputy Secretary of Defense. He serves as the DOD point of contact with the White House for meeting various requirements of the President and Vice President. He exercises management responsibility on behalf of The Special Assistant and provides direct support to the Secretary and Deputy Secretary on a wide range of issues affecting DOD programs.

Colonel Beer was born on March 25, 1935 in Buckhannon, West Virginia and graduated from high school in Hagerstown, Maryland. He earned a Bachelor of Science degree in Industrial Engineering, magna cum laude, from the University of Oklahoma in 1962. He received his commission and pilot wings through the Air Force aviation cadet program. Colonel Beer is a distinguished graduate of the Industrial College of the Armed Forces.

His early assignments were with the Air Defense Command, flying fighter-interceptor aircraft. After completing his M.S. in engineering in 1965, under the auspices of the Air Force Institute of Technology, Colonel Beer was assigned to Clark Air Base in the Philippines as an aircraft maintenance officer. His primary efforts were devoted to establishing a base support capability for the early F-4/RF-4 squadrons in Southeast Asia.

In May 1967 Colonel Beer was assigned to Davis-Monthan Air Force Base, Arizona as an F-4 instructor pilot training aircrews for combat duty in Southeast Asia. In April 1968 he was assigned to the 8th Tactical Fighter Wing at Ubon Air Base in Thailand. During the next 12 months Colonel Beer flew 265 combat missions (69 over North Vietnam) and led a maintenance/ munitions analysis team which was credited with improvements in the readiness posture.

In June 1969 Colonel Beer was assigned to the USAF Academy as an instructor in the Department of Mathematical Sciences. Two years later he was selected for PhD sponsorship by the Academy and enrolled as a full-time student at the University of Oklahoma. Completing his Doctorate in Operations Research in 18 months, Colonel Beer returned to the Academy, and was academically promoted to Associate Professor of Mathematics.

Current as of: 12 January 1981

During his assignment at the Air Force Academy, Colonel Beer presented several papers to international symposia, including the results of his work in Stochastic Programming to Oxford University in England. He also served as Deputy Department Head until August 1976 when he entered the Industrial College of the Armed Forces.

In June 1977 Colonel Beer was assigned as Chief of the Fighter Division, Assistant Chief of Staff, Studies and Analyses, Headquarters U. S. Air Force. While in this capacity he led numerous study efforts addressing general purpose and theater nuclear force structure, readiness issues, and employment concepts. In June 1979 Colonel Beer was assigned as Director for Theater Force Analyses, with management responsibility for seventy military and civilian analysts and senior technical advisors (four Divisions). In December 1979 Colonel Beer became Executive Assistant to The Special Assistant in the Immediate Office of the Secretary of Defense.

His military decorations include the Defense Superior Service Medal, the Legion of Merit, the Distinguished Flying Cross with one oak leaf cluster, the Meritorious Service Medal, the Air Medal with fourteen oak leaf clusters, and the Air Force Commendation Medal with one oak leaf cluster.

Colonel Beer is married [redacted]

He was promoted to the grade of Colonel on January 1, 1977 with date of rank September 18, 1975.

BIOGRAPHY

MISS M. JOYCE NESMITH

Joyce Nesmith is the Confidential Assistant to The Special Assistant to the Secretary and Deputy Secretary of Defense.

Miss Nesmith was born on September 3, 1945 in Evansville, Indiana and graduated from high school in Washington, D. C. in 1963. She attended The American University in Washington, D.C. until 1965.

Miss Nesmith began her career in the government with the Air Force Research and Technology Division at Bolling Air Force Base in 1965, where she worked in the Materiel Division and later for the Executive Officer to the Commander. In 1967 she accepted a position with the Office of Space Systems in the Office of the Secretary of the Air Force at the Pentagon. In addition to her secretarial duties she was assigned research and writing responsibilties.

From 1970 to 1973 Miss Nesmith provided administrative and secretarial support to various panels of the President's Science Advisory Committee. In 1973 she joined the staff of the Deputy to the Director of Central Intelligence for the Intelligence Community, where she continued developing her administrative skills.

In 1974 she was invited to join the staff of the President's Foreign Intelligence Advisory Board where she again provided research and administrative support. In late 1974 Miss Nesmith began working for the Assistant Secretary of the Air Force (Research and Development) until she was asked to support the Secretary of the Air Force in 1977.

In June 1979 Miss Nesmith became the Confidential Assistant to the Executive Assistant to the Secretary of Health, Education and Welfare, where she worked until joining the office of The Special Assistant in October 1979.

The Military Assistants' Office

Title	Grade Level	Name
Military Assistant to The Special Assistant	CAPT, USN	Andrew C.A. Jampoler
Military Assistant to The Special Assistant	LTC, USA	Grant S. Green, Jr.
Military Assistant to The Special Assistant	LTC, USAF	Jean E. Klick
White House Fellow/Staff Assistant to the Secretary of Defense	GS-15	Michael K. Korenko
Staff Assistant to the Secretary of Defense	GS-14	Fredric D. Woocher
Staff Assistant to The Special Assistant	GS-11	Susan E. Kaslow
Personnel Security Specialist	CMSgt	Paul B. Leidy
Administrative Services Specialist	GS-09	Carol A. Chaffin
Secretary/Stenographer	GS-08	Diane L. Hawks
Secretary/Stenographer	GS-07	Joyce A. Menefee

Biography
Captain Andrew C.A. Jampoler
United States Navy

Captain Jampoler is presently Military Assistant to The Special Assistant to the Secretary and Deputy Secretary of Defense.

Captain Jampoler was born in January, 1942 in Poland. He was raised in southern Connecticut, where he attended primary and secondary school in Darien. In 1962, Captain Jampoler graduated from Columbia College, in New York City, with an AB degree in American history. Following graduation, he was commissioned an Ensign and began flight training. He was designated a naval aviator in November, 1963.

During eighteen years of naval service, Captain Jampoler's career has included roughly equal periods of shore and sea duty.

Sea assignments have been with three land-based maritime patrol squadrons (44, 5 and 19) and included five and six month deployments throughout the North Atlantic, Mediterranean, Western Pacific and Indian Ocean. During 1974-1975 he was Operations and later Aircraft Maintenance Officer in Patrol Squadron Five, in Jacksonville, Florida. Captain Jampoler's last sea duty (1976-1978) was as Commanding Officer of Patrol Squadron Nineteen, homeported at Naval Air Station Moffett Field, California. He has well over 3,000 flight hours in P3 aircraft, and has been a designated Anti-submarine Warfare Mission Commander, patrol plane commander, instructor, and maintenance evaluation pilot. He is an FAA licensed commercial pilot, with single- and multi-engine and instrument ratings, and a type rating in the Lockheed "Electra" aircraft.

Shore and overseas assignments include a tour of duty as an NROTC instructor at his alma mater (1967-1969), one year on the Headquarters Military Assistance Command staff in Saigon (1969-1970) as a psychological operations officer, and two tours of Washington duty.

The first Washington tour (1970-1973) included two years of service in the Strategic Plans and Policy Division (OP-60) of the Navy staff as a plans officer, and a year and one-half on the personal staff of the Chief of Naval Operations as his Assistant Secretary for Joint Chiefs of Staff matters. The present tour began in mid-1978.

Captain Jampoler completed two years of graduate study at the School of International Affairs of Columbia University; award of the school's MIA degree is anticipated during 1980,

following completion of the School's foreign language requirement. He is the author of three articles in the Proceedings, the monthly journal of the U.S. Naval Institute.

Captain Jampoler was selected three years in advance of his contemporaries for promotion to the grade of Commander, and one year early for advancement to his present grade. (His date of rank as Captain is August 1, 1980.) He holds the Meritorious Service Medal, and a number of other awards and decorations.

He is married [redacted]

Biography
Lieutenant Colonel Grant S. Green, Jr.
United States Army

Lieutenant Colonel Grant S. Green, Jr., is Military Assistant to the Special Assistant to the Secretary and Deputy Secretary of Defense.

LTC Green was born June 16, 1938 in Seattle, Washington. The son of a career Army officer he attended numerous schools, graduating from high school in Fort Smith, Arkansas. He earned a Bachelor of Arts degree in Political Science from the University of Arkansas in 1961. As a Distinguished ROTC graduate, he was at the same time commissioned in the Infantry as a Second Lieutenant. LTC Green later earned a Masters Degree in Personnel Management from George Washington University. LTC Green is a distinguished graduate of the Army Command and General Staff College as well as a graduate of the Air War College.

His early assignments were to Infantry and aviation units in the 82nd Airborne Division, Fort Bragg, N.C., and the 25th Infantry Division, Schofield Barracks, Hawaii, where he served as a company commander in an Infantry Battalion. After further career schooling in 1965, LTC Green served a year in Vietnam with the 1st Air Cavalry Division where he was the air operations officer for the 1st Brigade.

In 1967, LTC Green was assigned as Commanding Officer of the 2nd Warrant Officer Candidate Company, Fort Wolters, Texas, where, for over a two-year period, he was responsibile for the military development of more than 2000 future Warrant Officer aviators. In 1969, LTC Green returned to Vietnam for a second tour where he commanded an assault helicopter company in the 101st Airborne Division (Airmobile). Following this, he was assigned to Headquarters, 1st Army at Fort Meade, Maryland where he had staff responsibility for all unit training in the First Army area. After attendance at the Army Command and General Staff College in 1971, he was assigned, first to the Army Military Personnel Center and then to the Office of the Deputy Chief of Staff for Personnel in the Pentagon. In these assignments, from 1972 to 1976, he was responsible for allocation of training spaces and determination of training requirements and programs for more than 90% of all Army personnel receiving training in Service schools and training centers.

From August 1976 until September 1977, LTC Green commanded the 2nd Aviation Battalion (Combat), 2nd Infantry Division, Republic of Korea. This assignment was followed by service as a member of the Army Chief of Staff directed Army Training Study after which LTC Green attended the Air War College at Maxwell AFB, Alabama.

His military awards and decorations include the Distinguished Flying Cross, Bronze Star Medal with oak leaf cluster, the Meritorious Service Medal with oak leaf cluster, the Air Medal with twelve oak leaf clusters, the Army Commendation Medal, the Combat Infantry Badge, Senior Army Aviator Wings and the Army parachute badge.

LTC Green is not married.

He was promoted to the grade of LTC on May 6, 1975. He is on the current list for promotion to full Colonel.

Biography
Lieutenant Colonel Jean E. Klick
United States Air Force

Lieutenant Colonel Jean E. Klick is presently Military Assistant to The Special Assistant to the Secretary and Deputy Secretary of Defense.

Lieutenant Colonel Klick was born January 15, 1943 in Chicago, Illinois. She was graduated from Willowbrook Community High School, Villa Park, Illinois, in 1960 and attended Purdue University where she received a Bachelor of Arts degree in 1964. In 1970 she earned a Master's degree in business administration from Stanford University. During the 1977-78 academic year, Lieutenant Colonel Klick was Research Associate in Military Sociology at the University of Chicago. She also graduated from Squadron Officer School in 1971 and from Air Command and Staff College in 1975.

During sixteen years of military service, Lieutenant Colonel Klick's career has included primary duties in Administration, personnel, politico-military affairs, and plans and programming.

Lieutenant Colonel Klick was commissioned in December 1964 after completing Officer Training School and designation as a distinguished graduate. Her first assignment was as Assistant Director, Base Administration, England AFB, Louisiana. In August 1966 she was reassigned to Headquarters, Ninth Air Force, Shaw AFB, South Carolina, as Chief of the Publishing Division in the Directorate of Administration. In August 1967 she became the second female Air Force officer assigned to Thailand where she served as Executive Officer of the 432nd Tactical Reconnaissance Wing at Udorn Royal Thai Air Force Base. After completion of her Air Force Institute of Technology tour at Stanford University in June 1970, Lieutenant Colonel Klick served as Chief of the Career Control Section, Consolidated Base Personnel Office, Homestead AFB, Florida, until July 1972 when she became Chief, Personnel Division, 2nd Weather Wing, Wiesbaden Air Base, Germany. She then became Chief, Assignment Control Division, Deputy Chief of Staff, Personnel, Headquarters, United States Air Forces in Europe, in June 1973. Upon graduation from Air Command and Staff College in June 1975, she was assigned to Deputy Chief of Staff, Personnel, Headquarters Strategic Air Command, as Staff Director, Women in the Air Force, and later as Chief, Personnel Plans Branch. Following her year as a University of Chicago Research Associate in 1978, Lieutenant Colonel Klick served as Deputy Military Assistant to the Assistant Secretary of the Air Force for Manpower, Reserve Affairs, and Installations. She assumed her current duties in July 1979.

Her decorations and awards include the Meritorious Service Medal with two oak leaf clusters and the Air Force Commendation Medal with one oak leaf cluster.

Lieutenant Colonel Klick assumed her present grade on November 1, 1979.

Biography
Michael K. Korenko
White House Fellow

Michael K. Korenko, 35, was Materials Research Manager at the Westinghouse-Hanford Engineering Development Laboratory in Richland, Washington working with the Department of Energy prior to his selection as a White House Fellow. In that capacity he contributed to the development of advanced containment materials for breeder and fusion reactors. His current professional interests are focused on encouraging long term strategic planning and enhancing productivity in the government and private sectors.

A native of Garfield Heights, Ohio, he received a B.S. and an M.S. degree in Materials Sciences from Case-Western Reserve University and an Sc.D. from Massachusetts Institute of Technology. He then completed a NATO Postdoctoral Fellowship at Oxford University where he worked both on nuclear materials and on bio-medical research. Since 1974, Dr. Korenko has chaired three different national task groups which coordinated the fundamental research and alloy design activities of several laboratories across the country that were engaged in materials research for energy application. He has been awarded several patents and has recently received the Westinghouse-Hanford Invention of the Year Award.

His extracurricular activities have included teaching at the Joint Center for Graduate Study. He is married.

Michael K. Korenko

White House Fellow

Primary Duties

The White House Fellow's responsibilities and activities at the Department of Defense are divided into three broad categories: (1) direct staff assistance to the Secretary or The Special Assistant, (2) special projects, and (3) educational activities. Officially, the White House Fellow is Staff Assistant to the Secretary, however, the extent of direct utilization of the Fellow is at the discretion of the Secretary. The special projects of the current Fellow include re-industrialization of the defense commercial sector, demilitarization of useless or unstable chemical weapons, and an assessment of the potential of rapid solidification technology to extend the operational ranges of current defense hardware. The Fellow's educational activities involve attending speaker sessions or trips as scheduled by the Commission for White House Fellowships in the Office of Personnel Management. In addition, the program also includes briefing sessions by the executive officers within OSD and the Services and attendance of key meetings with the Secretary and the Deputy Secretary.

His current assignments have required interfacing with the Offices of the Comptroller, Manpower, Reserve Affairs and Logistics, and Research and Engineering, of OSD. The primary contacts external to OSD have been with the Office of Management and Budget, House Appropriations Committee, and the Joint Armed Services Committee.

FREDRIC D. WOOCHER

HOME ADDRESS: [redacted]

EDUCATION

STANFORD LAW SCHOOL
J.D., June 1978

Honors: Order of the Coif
Hilmer Oehlman, Jr., Award for Excellence in Legal Writing

Activities: President, Stanford Law Review (Vol. 30)
Note, Did Your Eyes Deceive You? Expert Psychological Testimony on the Unreliability of Eyewitness Identification, 29 Stan. L. Rev. 969 (May 1977)
Judicial Clerkship Committee
Law Students Civil Rights Research Council
National Lawyers Guild

STANFORD UNIVERSITY
Ph.D. in Psychology, June 1977 (Human Memory and Learning)

Honors: National Science Foundation Graduate Fellowship
Activities: Graduate Student Council

YALE UNIVERSITY
A.B. in Psychology, June 1972 (Minor in Statistics)

Honors: Phi Beta Kappa
Magna Cum Laude
Departmental Honors with Highest Distinction
Angier Prize for Outstanding Undergraduate Research Project
NSF Undergraduate Fellowship

Activities: Varsity Hockey (Mgr.)

EMPLOYMENT EXPERIENCE

1980-Present Department of Defense
Washington, D.C.

Staff Assistant to Secretary of Defense Harold Brown

1979-80 United States Supreme Court
Washington, D.C.

Law Clerk for Justice William J. Brennan, Jr.

1978-79	United States Court of Appeals for the D.C. Circuit Washington, D.C.

Law Clerk for Judge David L. Bazelon

Summer 1977	Wilmer, Cutler & Pickering Washington, D.C.

Summer Associate

Summer 1977	Manatt, Phelps, Rothenberg, Manley & Tunney Los Angeles, California

Summer Associate

1973-77	Department of Psychology Stanford University

Teaching Assistant and Lecturer: Taught an average of two undergraduate and graduate courses per year.

1976-77	San Mateo County Private Defender Program Redwood City, California

Legal Aid Intern: Client interviews, LPS motions, court appearances for Mental Health Unit, and preparation of briefs and motions for criminal cases.

1975-77	Santa Clara County Public Defender's Office San Jose, California

Consultant: Expert witness and advisor on topic of eyewitness identification; gave invited presentation at California State Public Defenders Convention, San Francisco, California, April 1976.

PERSONAL DATA

Born: January 13, 1951 in New York, New York
Health:
Major Interests:

Biography
Susan E. Kaslow

Susan E. Kaslow presently is Staff Assistant to The Special Assistant. In this capacity, she serves as the DoD liaison to the White House on all personnel appointments to non-career positions and to special boards and study groups. Advises and makes recommendations to The Special Assistant on the disposition of these personnel requests. Meets with prospective candidates for positions in DoD to determine their qualifications and expectations and arranges interviews with the appropriate officials. Handles all requests for outside DoD support.

Miss Kaslow was born March 9, 1945 in New York, New York. She attended Harcum Jr. College in Bryn Mawr, Pennsylvania and the University of Maryland.

Miss Kaslow has been in her present position since October 1979. Prior government service includes: Confidential Assistant to the General Counsel of the Army from March 1977 to October 1979; Confidential Assistant to the General Counsel of the Privacy Protection Study Commission; Administrative Assistant in the Office of the Watergate Special Prosecution Force from June 1973 to October 1975; various positions in the Department of Justice from January 1972 to June 1973; Administrative Assistant in the Military Personnel Office, Defense Intelligence Agency from May 1967 to January 1972; and assistant in the Plans & Policy Directorate, Joint Chiefs of Staff.

During her career in the government, Miss Kaslow has received numerous awards.

Posture Statement/Speeches Office

Title	Grade Level	Name
Assistant to the Secretary of Defense	SES-01	Albert C. Pierce
Military Assistant	LTC, USA	Howard W. Randall
Military Assistant	MAJ, USAF	Robert J. Boots
Secretary	GS-08	Karen J. Kealey
Secretary	GS-07	Ann H. Cornett

BIOGRAPHY

ALBERT C. PIERCE

Since February 1980, Dr. Albert C. Pierce has served as Assistant to the Secretary of Defense. His principal responsibilities include preparation of speeches, policy statements, and Congressional testimony on the full range of national security issues for the Secretary of Defense and for the Deputy Secretary. He is the principal drafter of the Secretary's Annual Report to the Congress.

Dr. Pierce spent two years with the U.S. Arms Control and Disarmament Agency, where his area of special expertise was strategic arms limitation, in particular the SALT II Treaty. During his time at ACDA, he served as Assistant to the Counselor and later as Special Assistant in the Office of the Director.

Before entering federal service, Dr. Pierce was a Research Associate and Assistant to the President of the University of Massachusetts. From 1973 to 1975, he was a consultant to Cambridge Survey Research, Inc. and to the John F. Kennedy Library, Inc. He was also affiliated with the Institute of Politics at Harvard University, where he conducted several study groups.

A cum laude graduate of the Catholic University of America in Washington, D.C., Pierce holds a doctorate in political science from Tufts University. While a graduate student there, he was a Research Fellow, a National Science Foundation Fellow, and a Teaching Fellow in international relations.

Born in Philadelphia, [redacted]

BIOGRAPHY

LIEUTENANT COLONEL HOWARD W. RANDALL

Lieutenant Colonel Howard W. Randall, recently selected for promotion to Colonel, is currently assigned as a Military Assistant in the Office of The Special Assistant to the Secretary and Deputy Secretary of Defense. Prior to his assignment as a Military Assistant, he was assigned as a Program Analyst in the Program Analysis and Evaluation Directorate, Office of the Army Chief of Staff.

Following graduation from West Point in 1961, he attended infantry, ranger and airborne training at Fort Benning, Georgia. His first assignment was in the 25th Infantry Division in Hawaii. In 1963, he attended the Special Warfare School at Fort Bragg, North Carolina, and learned Vietnamese at the Defense Language Institute. While serving as an Advisor to the Vietnamese Rangers in 1964, he was wounded and evacuated back to the United States.

Lieutenant Colonel Randall then served as a Company Commander and later as Aide-De-Camp to the Commanding General at Fort Ord, California. In 1967, he returned to South Vietnam where he initially served in the 1st Infantry Division and subsequently in the II Field Force Long Range Patrol Company.

From 1970 to 1973 he was assigned to the Army Staff at the Pentagon in the Office of the Assistant Chief of Staff for Force Development. His next assignment was to Germany in the 8th Mechanized Infantry Division where from 1974 to 1978 he was a Battalion Executive Officer, Brigade Executive Officer, Battalion Commander, and the Division G-3.

Lieutenant Colonel Randall holds a B.S. degree from West Point and an MBA (ORSA) from Tulane University. He has graduated from the Armor Officers Career Course, the Armed Forces Staff College, and the Army War College. His military decorations include three bronze star medals, three meritorious service medals, nine air medals, two Army commendation medals, the purple heart medal, and the Combat Infantryman Badge.

Lieutenant Colonel Randall is married [redacted]

BIOGRAPHY

MAJOR ROBERT J. BOOTS

Major Robert J. Boots, recently selected for promotion to Lieutenant Colonel, is currently assigned as a Military Assistant in the Office of the Special Assistant to the Secretary and Deputy Secretary of Defense. As a Military Assistant, Major Boots provides assistance on Service related issues, preparation of speeches and testimony, and drafting of the Secretary's Annual Report to Congress.

Prior to his assignment as a Military Assistant, Major Boots was assigned as a Strategy and Planning Officer in the Directorate of Plans, Headquarters US Air Force from July 1979 to July 1980.

Major Boots was appointed to the USAF Academy in 1964 and graduated with the Class of 1968. He attended Pilot Training at Vance AFB, Oklahoma and was awarded his wings in August, 1969. He was subsequently assigned to Southeast Asia in the 460th Tactical Reconnaissance Wing where he flew 212 combat missions between 1969 and 1970.

In 1970 he was assigned to the 20th Military Airlift Squadron at Dover AFB, Delaware flying the C-141 as an instructor pilot and flight examiner. In 1972 Major Boots was selected as Aide and Executive Officer to the Commander of 21st Air Force at McGuire AFB, New Jersey.

In 1975 Major Boots was assigned to Headquarters Military Airlift Command as an Aircrew Standardization and Evaluation Flight Examiner. He also served as pilot for the Commander-in-Chief of the Military Airlift Command at Scott AFB, Illinois.

In 1978 Major Boots entered the Air Command and Staff College at Maxwell AFB, Alabama and graduated as a Distinguished Graduate in June 1979.

Major Boots holds a B.S. degree in Mathematics from the USAF Academy and an MBA from Webster College. He is a Senior Pilot with over 4000 hours flying time. He is also a qualified parachuist. His military decorations include: the Distinguished Flying Cross, the Air Medal, and the Meritorious Service Medal.

Major Boots is married [redacted]

Protocol Office

Title	Grade Level	Name
Protocol Officer for the Secretary of Defense	LTC, USAF	Richard J. Tiplady
Officer in Charge/Secretary of Defense Mess	CWO3, USA	William P. Raines
Administrative Assistant	GS-08	Eugenie M. Daugherty
Secretary/Stenographer	GS-07	Greta A. Lomas

BIOGRAPHY

LIEUTENANT COLONEL RICHARD J. TIPLADY

Lieutenant Colonel Richard J. Tiplady is Protocol Officer to the Secretary of Defense.

Lieutenant Colonel Richard J. Tiplady was born on September 8, 1940, in Ann Arbor, Michigan. In June of 1964, he graduated from the United States Military Academy and was commissioned as a Second Lieutenant in the United States Air Force. He is a graduate of Squadron Officers School, Maxwell Air Force Base, Alabama, 1969; Armed Forces Staff College, Norfolk, Virginia, 1972; Industrial College of the Armed Forces, 1979; and Central Michigan University (MBA), 1980.

Lieutenant Colonel Tiplady was initially assigned as a Management Engineering Officer at Lowery Air Force Base, Colorado (1964). From December 1965 through June 1967, he served as a Management Engineer, DCS/Plans, Hq Military Airlift Command, Scott Air Force Base, Illinois. From July 1967 to January 1970, Lieutenant Colonel Tiplady served as Administrative Assistant, Office of the Chief of Staff, Hq MAC. In January 1970, he was selected as Deputy Director of the Secretariat, Hq MAC.

From January to December 1971, Lieutenant Colonel Tiplady served as Chief of the Administrative Division and later as Executive Officer, Office of the Inspector General, Hq 7th Air Force. Following six months at Armed Forces Staff College, he was assigned to the Pentagon as Executive Officer to the Director, Doctrine, Concepts and Objectives, DCS/Plans and Operations, Hq USAF.

In 1974, Lieutenant Colonel Tiplady was selected as Deputy Executive Assistant to the Under Secretary of the Air Force. He served as Executive Military Assistant to the Under Secretary during the 1977 transition period and entered the Industrial College of the Armed Forces (ICAF), in 1978. Lieutenant Colonel Tiplady assumed his current position upon graduation from ICAF in 1979.

His military decorations include the award of the Bronze Star and the Meritorious Service Medal with Oakleaf Cluster.

Lieutenant Colonel Tiplady is married.

(Current as of 13 Nov 1980)

BIOGRAPHY

CHIEF WARRANT OFFICER 3 WILLIAM P. RAINES
UNITED STATES ARMY

Mr. Raines is Officer in Charge of the Secretary of Defense Mess.

Mr. Raines was born on July 2, 1945, in Paw Paw, Kentucky. He attended public schools in Hurley, Virginia. Mr. Raines is a graduate of the Lewis Hotel and Restaurant Management School and the Army Club Management School. In 1975, Mr. Raines graduated from Upper Iowa University in Fayette, Iowa, with a BA in Public Administration. Mr. Raines is currently working towards completion of an MBA in Business Management from Central Michigan University. Award of the degree is expected in July 1981.

Mr. Raines has eighteen years of Service, with three overseas tours.

Overseas assignments have been with the 7th Infantry Division in Korea (1962-63); the 24th Corps Headquarters in Vietnam as Food Advisor (1969-70); and with USAEUR and 7th Army at Garmisch, Germany, as the Director, Hotel Operations and Training, for the largest non-appropriated fund in the Department of Defense (1975-78).

Mr. Raines' first Washington tour was at Ft. Myer, Virginia, as a Food Service Shift Leader (1963-64), and later to the Secretary of the Army Mess in the Pentagon (1964-68). From 1972-1975, Mr. Raines was assigned once again to the Office, Secretary of the Army as the Officer in Charge of the Secretary of the Army Mess. After completion of his latest overseas tour in 1978, Mr. Raines was assigned as the Officer in Charge of the Secretary of Defense Mess.

Mr. Raines was selected two years in advance of his contemporaries for promotion to Chief Warrant Officer W-4. He holds the Bronze Star Medal, three Meritorious Service Medals, and the Army Commendation Medal. He also has a number of other awards and decorations.

Mr. Raines is married

Security Office

Title	Grade Level	Name
Assistant for Personal Security	GS-15	Joseph E. Zaice
Assistant for Personal Security	GS-11	William R. Brown

BIOGRAPHY

JOSEPH E. ZAICE

Joseph E. Zaice became Assistant (Personal Security) to the Secretary of Defense in July 1969. He has served in this capacity for the last six (6) Secretaries of Defense.

Born in Elmsford, New York on 25 June 1928. He received a B.S. degree in 1952 from Seton Hall University and an M.S. degree in 1962 from Washington State University. He was graduated from the U.S. Army Command and General Staff School, Ft Leavenworth, Kansas in 1965.

Mr Zaice has served over 24 years in the United States Army with assignments in the Military Police Corps which included Commanding Officer of Military Police Detachments; Instructor at Military Police Schools and Commanding Officer of Criminal Investigations Branches.

Mr Zaice began his association with the Office of the Secretary of Defense in May 1968 while still on active duty on the Department of Army Staff. During that same summer he supervised U.S. Army CID Agents in support of the U.S. Secret Service at both the Republican and Democratic Presidential Conventions.

In 1969, Mr Zaice was assigned on active duty to the personal staff of the incumbent Secretary of Defense until retirement from the U.S. Army in 1970. Thereupon he was employed in a civilian capacity and administratively assigned to the Office of The Special Assistant to the Secretary of Defense.

As Assistant (Personal Security) to the Secretary of Defense he has travelled throughout the United States and around the world with the current and former U.S. Secretaries of Defense for the past 11 years. Employed initially in a Personal Security role, duties were amended to include complete travel arrangements for the Secretary of Defense and his party, protocol activities, newsmedia relationships and liaison with governmental (U.S. and Foreign) leaders and ranking leaders of the military industrial complex. He has established liaison with Municipal, State and Federal Police Agencies during the Secretary's personal appearances throughout the world.

Married

BIOGRAPHY

WILLIAM R. BROWN

William R. Brown is the Staff Assistant to the Assistant (Personal Security) to the Secretary of Defense.

Mr Brown was born in Uniontown, Kentucky on 23 November 1935 and graduated from Mater Dei High School in Evansville, Indiana in June 1954.

Mr Brown enlisted in the United States Air Force in September 1954. After basic training he was assigned to the Air Defense Command with duty station in Duluth, Minnesota; Goose Bay, Labrador; Steward AFB, New York; Duluth, Minnesota and The Pentagon, Washington, D.C.

Duties from 1954 thru 1963 were of administrative nature. In 1963 became the Acting Base Sergeant Major of the 343rd Fighter Group in Duluth, Minnesota. These duties involved supervising the overall administrative functions of the base which included Classified Control; mail deliveries; records management; publications; and the duplicating facilities.

From January 1967 thru August 1969 was assigned to the State-Defense Study Group in the Pentagon, Washington, D.C. Duties involved research and administration for approximately 40 professionals which included both civilians & military assigned to the Study Group to conduct long range studies in conjuction with the National Security Council.

In September 1969 Mr Brown was assigned to the Office of the Secretary of Defense Security Division.

Upon retiring from the United States Air Force in September 1974, Mr Brown became the Staff Assistant to the Assistant (Per Sec) to the Secretary of Defense.

DEPARTMENT OF DEFENSE
DIRECTIVES SYSTEM TRANSMITTAL

NUMBER	DATE	DISTRIBUTION
1315.13 -Ch 3(REPRINT) (Supersedes Ch 2, 9/3/74)	December 30, 1975	1300 series

ATTACHMENTS

REPRINT of DoD Directive 1315.13, 2/4/70

INSTRUCTIONS FOR RECIPIENTS

REPRINT

The attached REPRINT of DoD Directive 1315.13, "Assignment of Military Personnel to the Office of the Secretary of Defense, Organization of the Joint Chiefs of Staff, and the Defense Agencies," dated February 4, 1970, incorporates authorized changes to pages 2, 3, 5 and 6, which are indicated by marginal asterisks.

The REPRINTED Directive should be substituted for copies of DoD Directive 1315.13 previously distributed.

EFFECTIVE DATE AND IMPLEMENTATION

This Change is effective immediately. Two copies of revised implementing regulations shall be forwarded to the Assistant Secretary of Defense (Comptroller) within 60 days.

Maurice W. Roche

MAURICE W. ROCHE, Director
Correspondence and Directives
OASD(Comptroller)

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

SD FORM 1 MAR 62 106-1 PREVIOUS EDITIONS ARE OBSOLETE

(REPRINT WITH CHANGES
THROUGH 12/30/75 INCORPORATED)

February 4, 1970#
NUMBER 1315.13

ASD(C)

Department of Defense Directive

SUBJECT Assignment of Military Personnel to the Office of the Secretary of Defense, Organization of the Joint Chiefs of Staff and the Defense Agencies

References: (a) DoD Directive 1100.8, "Assignment of Military and Civilian Personnel to the Office of the Secretary of Defense," April 28, 1961 (hereby cancelled)

(b) DoD Instruction 1320.4, "Military Officer Actions Requiring Presidential, Congressional, or Secretary of Defense Approval," May 29, 1968

(c) DoD Directive 1100.9, "Military-Civilian Staffing of Management Positions in the Support Activities," September 8, 1971

(d) DoD Directive 5158.1, "Organization of the Joint Chiefs of Staff and Relationships with the Office of the Secretary of Defense," December 31, 1958

I. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to update policies governing the assignment of military personnel to the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, and the Defense Agencies, and provides all DoD components with uniform procedures to be followed in filling military billets established under DoD Directive 1100.9 (reference (c)). Reference (a) is hereby superseded and cancelled.

II. APPLICABILITY

The provisions of this Directive apply to all components of the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, the Defense Agencies ~~(excluding the National Security Agency)~~, and the Military Departments.

#Second amendment (Ch 2 (Reprint), 9/3/74)

3

III. POLICY

A. All positions in the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, and the Defense Agencies will be evaluated under the provisions of DoD Directive 1100.9 (reference (c)) and a determination made of positions to be filled by military personnel.

B. Positions designated as military will be filled so as to represent the Military Services equitably, providing such distribution is in accord with the resources of the Services and/or in accordance with approved manning documents. When appropriate, the occupancy of positions will be rotated among the Military Services.

C. The normal tour of duty for military personnel assigned in accordance with this Directive will be three years, unless otherwise specified or arranged with the Military Services. Extensions should be approved when they are consistent with Military Service requirements and/or career progression of the military personnel concerned, and are not in conflict with statutory limitations.

D. Military personnel may be released prior to completion of a normal or extended tour of duty provided the concurrence of the Chairman of the Joint Chiefs of Staff, a principal staff assistant to the Secretary of Defense (Director, Defense Research and Engineering, Assistant Secretaries of Defense, and Assistants to the Secretary of Defense), or the Director of the Defense Agency concerned has been obtained. Requests from the Military Services for reasons of operational necessity should be approved provided a timely replacement action is taken.

* E. When a general/flag officer is assigned duties as a Deputy Assistant Secretary of Defense, his authority is limited in that he will not act for or perform the functions of the Assistant Secretary. *

IV. DELEGATION OF AUTHORITY

When appropriate, each official may delegate the functions outlined in subsections VI.A. and B. of this Directive, to the extent necessary, to appropriate officials within the organization for which they are responsible.

#First amendment (Ch 3 (Reprint), 12/30/75)

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RESPONSIBILITIES

A. The Chairman of the Joint Chiefs of Staff, the Deputy Assistant Secretary of Defense (Administration) for the Office of the Secretary of Defense, and the Directors of Defense Agencies utilizing military personnel are responsible for implementing the policies and procedures outlined in this Directive.

B. The Deputy Assistant Secretary of Defense (Administration) is responsible for accomplishing all matters affecting the assignment, reassignment, and release of military personnel to and from the Office of the Secretary of Defense.

C. The Secretaries of the Military Departments are responsible for nominating and/or assigning military personnel within the prescribed suspense dates and assuring that special qualifications (i.e., security, education, and experience requirements) reflected on personnel requisitions are met.

VI. PROCEDURES

A. Functional Charts, Organizational Charts, Staffing Plans and Positions Descriptions

1. Principal Staff assistants to the Secretary of Defense will prepare and approve information required for organization charts, function charts, and staffing plans, based on approved authorizations for their respective organizations.

a. Each position will be identified as military or civilian.

b. Completed military position descriptions (SD Form 37) will be submitted to the Deputy Assistant Secretary of Defense (Administration), Attn: Military Personnel Division, in support of staffing plans when the title or content of a position is revised.

c. Military personnel requirements will be submitted to the Deputy Assistant Secretary of Defense (Administration), Attn: Military Personnel Division, on SD Form 37, "Request for Nominations of Military Personnel." Except in unusual circumstances, nominations will be requested from only one Military Service for each requirement. The SD Form 37 for positions of Deputy Assistant Secretary of Defense must contain the comment that the incumbent will not act for or perform the functions of the Assistant Secretary.

#Second amendment (Ch 3 (Reprint), 12/30/75)

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d. Organization charts, function charts, staffing plans, and position descriptions will be subjected to continuing review and updated as changes occur.

e. Changes in organization charts, function charts, staffing plans, and position descriptions will be provided the Deputy Assistant Secretary of Defense (Administration) as they occur or upon his request.

2. The Chairman of the Joint Chiefs of Staff and Directors of Defense Agencies (with the exception of NSA/CSS) will:

a. Prepare and approve information required for organization charts, function charts, and staffing plans, based on approved authorizations for their respective organizations.

b. Identify each position as military or civilian.

c. Support the staffing plan with appropriate position descriptions or definitive statements of military personnel requirements.

d. Conduct a continuing review of organization charts, function charts, staffing plans, and position descriptions, updating them as changes occur.

e. Provide organization charts, function charts, and staffing plans to the Deputy Assistant Secretary of Defense (Administration) as changes occur and upon his request.

3. The Director of the National Security Agency/Central Security Service (NSA/CSS) will, through close working relationships with the Military Departments, provide for manpower documentation and review, to include the following:

a. Provide organizational manual, chart, organization titles and designators to Services on a limited distribution basis and make available complete NSA/CSS Table of Distribution for review as required, through Service Cryptologic Agencies (SCA) liaison offices and the office of NSA/CSS Representative in the Pentagon.

b. Provide detailed military requirements to SCAs/Services by Service, grade, skill and organizational assignment, and provide additional supportive descriptions of all officer and top three enlisted manpower requirements.

c. Provide organizational charts to office-level identifying key billets as to civilian/military and grade.

d. Provide periodic feedback of billet incumbency information to facilitate manning procedures and conduct annual review of key billet assignments in coordination with Senior Service Representatives and SCA Chiefs.

e. Conduct periodic review and coordination, at appropriate level, of manpower resource program adjustments and resultant impacts on personnel manning plans, referring any unresolved issues growing out of these reviews to OSD for decision.

4. The Chairman of the Joint Chiefs of Staff, Directors of Defense Agencies, and the Deputy Assistant Secretary of Defense (Administration) for the Office of the Secretary of Defense will provide each of the Military Services their current organization charts, function charts, staffing plans, and military position descriptions.

#First amendment (Ch 2(Reprint), 9/3/74)

5. The Secretaries of the Military Departments will incorporate positions designated "Military" under provisions of this Directive into their manpower and personnel systems.

B. Filling of Positions

1. The Chairman of the Joint Chiefs of Staff, Deputy Assistant Secretary of Defense (Administration) for the Office of the Secretary of Defense, and the Directors of Defense Agencies (with the exception of NSA/CSS and those positions addressed in paragraph VI.B.4.) will submit personnel requisitions and a copy of the applicable military position description to the appropriate Military Service, through personnel channels, approximately nine (9) months in advance of the scheduled rotation date. The personnel requisition will indicate all special qualifications, including level of security clearance or special access requirements for the billet. New or additional personnel requirements will be forwarded to the Military Service when approved. Requisitions for positions addressed in paragraph VI.B.4. will be submitted ~~after clearance is obtained from The Special Assistant to the Secretary and Deputy Secretary of Defense~~

2. When filling positions designated as "Nominative," by the Chairman of the Joint Chiefs of Staff, Deputy Assistant Secretary of Defense (Administration) for the Office of the Secretary of Defense, and the Directors of Defense Agencies (with the exception of NSA/CSS), the Secretaries of the Military Departments will provide qualification records or brief digest of the military history and performance of the nominee to the requisitioning personnel office for acceptability determination at least one hundred twenty (120) days prior to the proposed reporting date. Qualification records of individuals being assigned without prior nomination will be provided at the time the assignment is made.

3. The Chairman of the Joint Chiefs of Staff, Principal Staff Assistants to the Secretary of Defense and the Directors of Defense Agencies (with the exception of NSA/CSS and those positions addressed in paragraph VI.B.4.), as appropriate, will determine the acceptability of military personnel and advise the nominating Military Service through prescribed personnel channels within fifteen (15) days of receipt of the qualification records.

4. ~~The Secretary and Deputy Secretary of Defense and The Special Assistant thereto must be kept informed of projected vacancies, which by their nature have a policy making impact on the Department of Defense.~~ This broad definition includes as a minimum positions that are the equivalent of a Deputy Assistant Secretary of Defense. ~~The following procedures apply:~~

#Second amendment (Ch 3 (Reprint), 12/30/75)

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a. ~~The Special Assistant to the Secretary and Deputy Secretary of Defense will be advised of all projected vacancies prior to any actions formal or informal to fill the position.~~ Where the anticipated loss is on a programmed basis this notice should be in sufficient time so that the Military Departments can nominate and reassign in an orderly manner and avoid personnel turbulence.

b. ~~Recommendations~~ from the appropriate official regarding his suggested candidate/candidates to fill the position ~~should be provided to The Special Assistant to the Secretary and Deputy Secretary of Defense.~~ The Special Assistant will subsequently advise as to any interviewing of the candidate the Secretary and Deputy Secretary of Defense may desire to conduct.

c. ~~No commitment accepting any candidate will be made without prior clearance of The Special Assistant to the Secretary and Deputy Secretary of Defense who obtains the concurrence of the Secretary or Deputy Secretary of Defense.~~

5. The Military Services will conduct any security checks and investigations required to satisfy security requirements of each billet and will publish orders to effect the assignment of military personnel to the gaining organization.

C. Rotation and Release of Military Personnel. The Secretaries of the Military Departments will reassign military personnel for duty (or release from duty) upon receipt of appropriate notification from the Chairman of the Joint Chiefs of Staff, the Deputy Assistant Secretary of Defense (Administration), or the Director of the Defense Agency concerned.

D. General and Flag Officer Positions

1. Assignment actions involving general and flag officers which require the advice of the Joint Chiefs of Staff, specific approval of the Secretary of Defense and/or the President of the United States, with the concurrence by the United States Senate, will be processed in accordance with the provisions of DoD Instruction 1320.4 (reference (b)).

2. The Chairman of the Joint Chiefs of Staff, Principal Staff Assistants to the Secretary of Defense, and Directors of Defense Agencies, as appropriate, will:

   a. Evaluate the qualifications of the general or flag officers nominated by the Military Services. When feasible based upon availability an interview may be conducted with the nominees.

   b. Transmit actions recommended for approval, by memoranda, to the Secretary of Defense when Secretary of Defense approval is required.

3. Except where otherwise required by law, the assignment of officers to general and flag rank positions below the rank of lieutenant general and vice admiral will be made with the approval of the Chairman of the Joint Chiefs of Staff, a principal staff assistant to the Secretary of Defense, or the Director of the Defense Agency concerned, with the following provisions:

   a. Assignments to the positions of Director and

#Second amendment (Ch 3 (Reprint), 12/30/75)

Principal Deputy of Defense Agencies will be subject to the concurrence of the Deputy Secretary of Defense. All other assignments to general and flag rank positions within Defense Agencies will be subject to the concurrence of the Deputy Assistant Secretary of Defense (Administration). *

b. Assignments to the Office of the Secretary of Defense will be subject to the concurrence of the Deputy Assistant Secretary of Defense (Administration) or higher authority. *

c. Assignments to the Organization of the Joint Chiefs of Staff will be approved by the Chairman of the Joint Chiefs of Staff in accordance with DoD Directive 5158.1 (reference (d)).

VII. EXCEPTIONS

The Chairman of the Joint Chiefs of Staff, the Deputy Assistant Secretary of Defense (Administration) for the Office of the Secretary of Defense, and the Director of the Defense Agency concerned, as appropriate, may approve exceptions to the staffing plan in instances when qualified individuals of the designated category or rank are not available to fill authorized positions. *

VIII. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Two (2) copies of implementing instructions will be forwarded to the Deputy Assistant Secretary of Defense (Administration) no later than 120 days from the date of this Directive. *

Deputy Secretary of Defense

#First amendment (Ch 2 (Reprint), 9/3/74)

9/10L

DEPARTMENT OF DEFENSE
DIRECTIVES SYSTEM TRANSMITTAL

NUMBER	DATE	DISTRIBUTION
1442.4 - Ch 1 (Reprint)	July 2, 1969	1400 series

ATTACHMENTS

Reprint of DoD Directive 1442.4, January 11, 1965

INSTRUCTIONS FOR RECIPIENTS

The attached reprint of DoD Directive 1442.4, "Procurement of Temporary and Intermittent Services of Experts and Consultants," dated January 11, 1965, incorporates authorized changes to reference (b) and IV. C. 2., which are indicated by marginal asterisks. The reprint should be substituted for copies of the directive originally distributed.

The title "Assistant Secretary of Defense (Manpower)" appearing in V. (page 4) has been changed to read "Assistant Secretary of Defense (Manpower and Reserve Affairs)".

EFFECTIVE DATE AND IMPLEMENTATION

The above changes are effective immediately. Two (2) copies of implementing instructions shall be forwarded to Assistant Secretary of Defense (Manpower and Reserve Affairs) within sixty (60) days.

Maurice W. Roche

MAURICE W. ROCHE
Director, Correspondence and Directives Division
OASD(Administration)

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

(REPRINT with changes through 7/2/69 incorporated)

January 11, 1965 #
NUMBER 1442.4

ASD(M)

Department of Defense Directive

SUBJECT ~~Procurement of Temporary and Intermittent Services of Experts and Consultants~~

Refs.: (a) DoD Directive 1442.4, subject as above, July 17, 1962 (hereby cancelled)
(b) DoD Directive 5500.7, "Standards of Conduct," August 8, 1967 *

I. PURPOSE

This Directive prescribes general regulations governing the employment of individual experts, consultants, and part-time advisory personnel in the Department of Defense, including the procurement of individual services by contract.

II. CANCELLATION

Reference (a) is hereby superseded and cancelled.

III. APPLICABILITY

This Directive is applicable to all components of the Department of Defense (military departments, Defense Agencies and the Office of the Secretary of Defense), hereinafter referred to as "DoD Components."

IV. GENERAL REGULATIONS

A. The clear purpose of the statutory authorities to employ consultants or experts and to procure the services of part-time advisers is to make available highly specialized services which normally could not be obtained through the employment of individuals in regular Classification Act positions. The employment of individuals under these authorities will therefore be limited to those instances in which the desired services cannot be performed by present employees and cannot be obtained through use of normal civil service procedures. Nor will these authorities

#First amendment (Ch 1, July 2, 1969)

be used to effect an appointment when the job requires employment of an individual on a fulltime, continuing basis.

B. Authority to procure services under these statutory authorities may be exercised by the respective heads of DoD Components under this Directive and under any agreement entered into between the Department of Defense and the Civil Service Commission and may, except as otherwise provided herein, be redelegated subject to appropriate internal controls. Where authority has previously been delegated to subordinate officials and such delegation is not in conflict with these regulations, no redelegation will be required by reason of this Directive.

C. 1. Proposed appointments of candidates selected as consultants or experts in the Departmental service, and proposed renewals of appointments for a subsequent year, will be coordinated with the Secretary or Deputy Secretary of Defense prior to appointment or renewal, with the exception of physicians, dentists, and allied medical specialists performing care and service to patients; veterinarians providing veterinary service to animals; lecturers participating in educational activities; auxiliary chaplains; and other experts and consultants who are appointed for periods of less than 30 days during any one fiscal year. The requirement for coordination is without regard to the specific number of days worked and includes appointments to committees or advisory panels such as the Air Force Scientific Advisory Board, the Army Scientific Advisory Panel, the Defense Science Board, and the Defense Advisory Committee on Education in the Armed Forces.

2. ~~Submission for the purpose of such coordination will be forwarded to the Office of The Special Assistant to the Secretary and Deputy Secretary of Defense in advance of the proposed appointment or renewal, and will contain:~~

a. A brief resume of the nominee's background and experience;

b. A short statement of the matters on which the nominee's advice or service is needed, or if the nominee is to be a member of an Advisory Group established by law or by Department of Defense Directive or Instruction, a citation to the law or Defense issuance;

c. If the nominee is not to be a member of an Advisory Group established by law or by Defense issuance,

#First amendment (Ch 1, 7/2/69)

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(1) A statement as to the need for establishing the function, if new, or for additional personnel support of the function, if already being performed, and of the reasons why the required services cannot be obtained through use of normal civil service procedures;

(2) An explanation as to why the function proposed for the nominee cannot be performed by present employees or consultants of the DoD component making the request;

(3) A statement of the number of military and civilian personnel in the organizational entity to which the nominee will be assigned who, as full-time or part-time employees or as consultants, are now performing a function which is the same or similar to that proposed for the nominee.

d. Where applicable, an opinion from the appropriate legal officer that, under DoD Directive 5500.7 (reference (b)), no conflict of interest is involved.

D. Appointments and renewals of appointments under this Directive will not be made until the coordination required by subsection C above has been effected, all required security clearances have been obtained, and funds and personnel ceiling are available within the Fiscal Year authorizations.

E. As a general rule, 5 U.S.C. 55a as implemented by the current Department of Defense Appropriation Act will be used as the authority for employment of individual experts, consultants and advisory personnel, including employment of such personnel without compensation. However, when there exists some other authority which is specifically applicable to a particular appointment, that authority may be used without special justification.

F. Authority contained in 10 U.S.C. 173 to establish advisory committees and employ part-time advisers may not be used except by specific written delegation by the Secretary of Defense. Any request for such delegation will be made by the head of the DoD Component concerned and will state fully the reasons therefor.

G. The daily rates of pay specified in the various statutory authorities are to be recognized as maximum rates, and lesser rates will be fixed wherever appropriate. Determination regarding the specific rate to be paid, including decision to pay no compensation, will be made on an individual case basis. In fixing each

individual rate within the prescribed maximum, consideration will be given to the value and importance of the services to be performed, as well as to the experience and attainments of the appointee.

V. IMPLEMENTATION

Existing regulations governing appointments or contracts for the personal services of individual experts, consultants, or part-time advisory personnel will be revised as necessary to insure that they are in compliance with this Directive. Two copies of such regulations will be furnished to the Assistant Secretary of Defense (Manpower and Reserve Affairs).

Cyrus Vance

Deputy Secretary of Defense

August 10, 1978
NUMBER 3025.13

The Special Assistant
to S/D and DS/D

Department of Defense Directive

SUBJECT ~~Employment of Department of Defense Resources in Support of the United States Secret Service~~

References: (a) DoD Directive, 3025.13, subject as above, April 16, 1976 (hereby canceled)
(b) Interdepartmental Agreement Between the Department of Defense and the Department of the Treasury Concerning Secret Service Protective Responsibilities, June 10-11, 1968 (revision June 27, 1968 (enclosure 2))
(c) Title 18, United States Code, Section 3056, "Secret Service Powers," and Public Law 90-331, "Joint Resolution - To Authorize the United States Secret Service to Furnish Protection to Major Presidential Candidates," as amended
(d) through (k), see enclosure 1

A. REISSUANCE AND PURPOSE

This Directive:

1. Reissues reference (a) to reflect changes in policy concerning the costing of, and reimbursement for, support provided to the United States Secret Service;

2. Implements reference (b) by establishing Department of Defense policy governing the employment of DoD resources in support of the U.S. Secret Service, Department of the Treasury, in the performance of its protective duties under references (c) and (d); and

3. Assigns responsibilities to staff officials for carrying out the provisions of this Directive (see section B.).

B. APPLICABILITY

The provisions of this Directive apply to the Office of the Secretary of Defense, the Military Departments, the

Organization of the Joint Chiefs of Staff, the Defense Agencies, and the Unified and Specified Commands (hereafter referred to collectively as "DoD Components"). The term "Military Services," as used herein refers to the Army, the Navy, the Air Force and the Marine Corps.

C. POLICY

1. Logistics and other support, as defined in enclosure 2, will be provided only upon request of the Director, U.S. Secret Service, or an authorized representative. Such support is an express exception to the Posse Comitatus Act (reference (e)) and is authorized by 18 U.S.C. 3056 and P.L. 94-524 (references (c) and (d)). When requested by the Director of the U.S. Secret Service, Federal Departments and Agencies are directed to assist the Secret Service in the performance of its statutory protective duties (DoD Instruction 5030.34, reference (f)).

2. Public Law 94-524 (reference (d)) provides that the support provided to the Secret Service shall be made on a reimbursable basis, except when the Department of Defense provides temporary assistance directly related to the protection of the President, Vice President, or other officer immediately in order of succession to the Office of the President.

a. Permanent support may only be provided upon advance written request of the Director or Deputy Director of the Secret Service.

b. Moreover, every department and agency making expenditures (i.e., incurring costs) in support of the Secret Service protective duties shall transmit a detailed report of such expenditures to the Washington Headquarters Services in accordance with the provisions of enclosure 3.

c. These procedures shall give force to the principle that fiscal accountability for public expenditures should reside in the agency having the authority to obligate those expenditures.

3. All DoD personnel assigned to assist the Secret Service shall be subject to overall supervision of the Director, U.S. Secret Service, or a designee, during the duration of the assignment, in accordance with the provisions of the agreement (enclosure 2).

4. All requests by the Secret Service for DoD support (except Explosive Ordnance Disposal (EOD) and Protective Services Support Personnel) for the President and Vice President shall be submitted to the Office of the Director, White House Military Office, for approval.

a. With the exception of aircraft support, the White House Military Office will route such requests to the Office of The Special Assistant to the Secretary and Deputy Secretary of Defense.

b. Requests for aircraft approved by the White House Military Office will be scheduled through the Office of the Vice Chief of Staff of the Air Force.

5. All requests by the Secret Service for support other than in subsection C.4., must be approved by The Special Assistant, or a designee, before such support is provided, except that:

a. Military commanders may approve and respond to urgent requests as circumstances justify; however, all such cases will be reported after the fact to The Special Assistant.

b. DoD communications support for the Secret Service will be provided by the Director, Defense Communications Agency (DCA), in direct coordination with the Secret Service. The Director, DCA, need not inform The Special Assistant of such support, unless (1) Secret Service communications requirements cannot be met within DCA resources, or (2) support is provided pursuant to the Secret Service's responsibilities for protection of major Presidential candidates.

6. Within the Continental United States (CONUS), including Alaska, DoD support will be provided by the Military Departments. The commanders of the Unified Commands will provide support in those areas under their geographical jurisdiction. In other areas of the world, support requirements will be tasked to a Military Department or a Unified Command, based on proximity of available resources.

D. RESPONSIBILITIES

1. ~~The Special Assistant,~~ or an authorized representative (see exception under subsection C.4.):

a. Shall approve/disapprove Secret Service requests for DoD support, in accordance with the Department of Defense - Department of Treasury interdepartmental agreement (enclosure 2);

b. Shall forward approved requests to the Deputy Director for Operations, National Military Command Center (NMCC) (see exception under paragraph C.5.a.);

c. Shall act as the point of contact for the Department of Defense in all matters pertaining to DoD support of the Secret Service; and

d. May designate a person(s) recommended by the Secretary of the Military Department concerned, in consultation with the Joint Chiefs of Staff, with authority for approving Secret Service requests for support by the Military Department, subject to specific terms of reference. A person so designated will (1) direct his Department to provide the support, and (2) notify The Special Assistant of the action he has taken.

2. The Assistant Secretary of Defense (Public Affairs), in response to specific inquiries, may acknowledge that the Department of Defense is providing support to the Secret Service but will defer to the Secret Service for any discussion of specifics. News queries directed to DoD subordinate elements will be referred to the Office of the Assistant Secretary of Defense (Public Affairs).

3. The Secretaries of the Military Departments and Directors of Defense Agencies shall:

a. Provide Military Service resources in accordance with approved instructions (see paragraph D.4.a.).

b. Coordinate the use of resources under the operational control of the Unified Commands with cognizant commanders in instances when DoD support to the Secret Service is of such magnitude as to limit the mission capability of the Unified Commands.

c. Accumulate and report the full costs of resources used in providing support services in accordance with the guidance provided in enclosure 3.

d. Submit claims for reimbursement for assistance provided in accordance with Sections 6 and 8 of P.L. 94-524 (reference (d)) to the Director, U.S. Secret Service, U.S. Treasury Department, 1800 G Street, N.W., Washington, D.C. 20223.

e. Submit reports of all costs incurred in support of the U.S. Secret Service covering semiannual periods ending September 30 and March 31 to the Directorate for Information Operations and Reports, Washington Headquarters Services, Room 4B938, Pentagon. These reports will be due on the 45th calendar day or next business day after the last day of the reporting period. These reports are assigned Report Control Symbol DD-Comp(SA)1466. Supporting schedules to the report will identify the person or officer receiving the support, the dates the support was provided, and a description of the services provided (see enclosure 3, section D.).

4. The National Military Command Center (NMCC), under the direction and supervision of the Joint Chiefs of Staff, shall:

a. Designate the appropriate Military Department/Unified Command(s) to provide the DoD support and dispatch directives for compliance by the Department/Command concerned, unless the Department has already been designated under the provisions of paragraph D.1.d..

b. Assure that Secret Service requests for DoD support received outside of normal duty hours are promptly given to The Special Assistant or a designee, and that the Department/Command(s) concerned are alerted of the impending request(s).

c. Provide The Special Assistant with information of the action taken on each Secret Service request for DoD support.

5. The Commanders of Unified Commands, under the direction and supervision of the Joint Chiefs of Staff, shall provide DoD support for the Secret Service in accordance with approved requests and instructions (see paragraph D.4.a.).

E. PROCEDURES

1. For requests in support of the President and Vice President, see subsection C.4.

2. Other requests will normally be addressed through channels to The Special Assistant.

3. Outside of normal duty hours, requests may be received by the NMCC for action and forwarding to The Special Assistant.

F. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward two copies of the implementing instructions to The Special Assistant to the Secretary and Deputy Secretary of Defense within 120 days.

C. W. DUNCAN, JR.
Deputy Secretary of Defense

Enclosures - 3
1. References
2. Interdepartmental Agreement
3. Accounting and Reporting Guidance

References

(d) Public Law 94-524 (18 U.S.C. 3056), "Presidential Protection Act of 1976"
(e) Title 18, United States Code, Section 1385, "Posse Comitatus Act"
(f) DoD Instruction 5030.34, "Agreement Between the United States Secret Service and the Department of Defense Concerning Protection of the President and other Officials," July 11, 1977
(g) DoD Handbook 7220.9-H, "DoD Accounting Guidance Handbook," February 1, 1978
(h) DoD Manual 1338.10-M, "Manual for the Department of Defense Food Service Program," June 19, 1972
(i) Joint Travel Regulations, Volumes 1 and 2
(j) DoD Instruction 7230.7, "User Charges," June 9, 1976
(k) DoD Instruction 4500.39, "Motor Vehicle Management," August 31, 1976

Interdepartmental Agreement Between the Department of Defense and the Department of the Treasury Concerning Secret Service Protective Responsibilities.

I. Purpose of Agreement

For many years the Department of Defense has rendered valuable support to the Secret Service, Department of the Treasury, to aid in discharging that Agency's statutory protective responsibilities. The purpose of this agreement is to provide procedures for and delineate in more specific terms the logistical assistance and other support the Department of Defense will provide to the Secret Service.

II. Support to be Provided by the Department of Defense to the United States Secret Service

A. The Department of Defense shall, upon request, provide the Secret Service with medical service, motor vehicles, communications, and such other support as may be necessary to assist the Secret Service in the performance of its protective functions.

B. The Department of Defense shall, upon request, make available appropriate aircraft to transport Secret Service agents to destinations where persons entitled to Secret Service protection intend to travel or do travel either within or outside the United States, in the event commercial transportation is not available, readily obtainable, or satisfactorily capable of meeting the requirement.

C. The Department of Defense shall, upon request, make available when appropriate aircraft to transport Secret Service automobiles required by persons entitled to Secret Service protection when such persons travel either within or outside the United States.

D. The Department of Defense shall, upon request, make available when appropriate helicopters and other aircraft and crews to provide transportation to persons entitled to Secret Service protection when such persons travel either within or outside the United States and the Secret Service personnel accompanying such persons.

E. The Department of Defense shall, upon request, make available when appropriate a sufficient number of helicopters and crews to accompany motorcades when persons entitled to Secret Service protection travel within or outside the United States to aid in the security of the motorcades by overhead surveillance and to assist in the event motor vehicles containing protected persons should become immobilized.

III. Procedure for Requesting Assistance and Supervision of Department of Defense Personnel Furnishing Support to the Secret Service

A. The Secretary of Defense will designate an official within the Office of the Secretary of Defense who shall have the responsibility for providing the support required by the Secret Service in accordance with the provisions of this agreement. Logistic and other support will be provided only upon request by the Director of the Secret Service or his authorized representative.

B. Requests for logistical support and other assistance shall be communicated to the official designated by the Secretary of Defense as soon as possible after the need for such assistance is ascertained.

C. All Department of Defense personnel assigned to assist the Secret Service in accordance with the provisions of this agreement shall, during the duration of their assignment, be subject to overall supervision and direction of the Director, U.S. Secret Service or his authorized representative.

Secretary
Department of Defense

Date: June 10, 1968

Secretary
Department of the Treasury

Date: JUN 11 1968

Guidance on Accounting, Reporting and Determining Reimbursements for Protective Assistance Support

A. GENERAL

This guidance specifies the criteria for accounting and reporting the use of resources by the Department of Defense in support of the Secret Service's protective functions and for determining and billing the reimbursable portion of such support. Each DoD Component providing support to the Secret Service will provide for implementation of the accounting, reporting and billing requirements. Questions and recommended solutions or changes to the guidance herein shall be referred to the Assistant Secretary of Defense (Comptroller), or a designee, for consideration.

B. ACCOUNTING

1. General. When resources (e.g., services, equipment, facilities) are used in support of the Secret Service's protective functions, the full cost incurred by DoD will be accumulated and recorded in the accounting books and records. Each request for support by the Secret Service should be treated as a separate task and will be separately costed. The cost of the support rendered or made available pursuant to a Secret Service request is to be determined and accumulated without regard to whether the support is on a permanent, temporary, reimbursable or nonreimbursable basis.

2. Documentation. As a part of the normal administrative control procedures, a copy of the Secret Service request or a statement of the requested support and the official approval thereof, should be retained by the organization providing the support. In addition, the task request, approval document or file shall be annotated to identify the protectee(s) (i.e., person(s) designated by the Secret Service for protection) as well as the date(s), location(s) of the support and the DoD resources employed in providing such support.

3. Accounting System. The system used to account for the cost of support to the Secret Service need be no different than the system management officials have deemed adequate and sufficient for normal administration and control of resources. When the accounting system used by management has the capability to accumulate and distribute the indirect costs incurred in providing the support including the indirect costs for the overall management of the activity (e.g., an industrial fund activity), that system should be used to accumulate the indirect costs.

a. Where the existing accounting system can be modified efficiently and in a timely manner to provide for a systematic and

rational indirect costing process which would be otherwise beneficial in the day-to-day operations of the activity, that action should be taken.

b. If management has no other recurring or significant use for an accounting system which separately can identify direct and indirect costs, the Comptroller of the DoD Component concerned will establish a memorandum costing or cost finding system for activities providing support to the Secret Service.

c. The system will include, as a minimum, adequate internal controls and criteria by which to distinguish direct from indirect costs; specific guidance for (1) classifying by expense pool(s) local indirect costs, and (2) developing an annual local overhead rate(s); and provisions for the development and dissemination of an annual rate for general and administrative expenses and any other allocable nonlocally incurred expenses.

4. Costing. Cost shall be assigned to each task as follows. These are minimum requirements. Equivalent practices or methods which are more accurate and include all of the same cost elements may be substituted:

a. Military personnel costs will be based on hours worked times an hourly rate determined by multiplying the annual composite rate in the last column of tables 252-1 through 4, of the DoD Handbook 7220.9-H (reference (g)) by .00077[1/] for enlisted personnel and .00070[1/] for officers during FY 1978. These factors take into consideration retirement, leave and holiday, and other personnel costs at the acceleration rates set forth in Section 252 of the Handbook.

(1) An amount must be added to the hourly rate to cover Permanent Change of Station (PCS) costs. The factors used in the Five Year Defense Program to assign PCS costs to a military man-year, divided by 2080 man-hours should be used.

(2) Each Military Department will advise those DoD Components providing support to the Secret Service of the most current annual PCS costs on an hourly basis as soon as possible after the beginning of the Fiscal Year. For example, the FY 1978 factors per hour are:

1/ Derivation: Rate = $\frac{1}{2080}$ (1 + acceleration factors)

	FY 1978	
	Officers	Enlisted
Army	$ 1.40	$ .41
Navy	.72	.23
Marine Corps	.72	.20
Air Force	.73	.35

b. Civilian personnel costs will be based on hours worked times the employee's basic hourly rate accelerated to cover leave and Government contributions. Where the accounting system for civilian personnel costs does not determine acceleration factors, the factors prescribed in Section 230 of DoD Handbook 7220.9-H (reference (g)) will be used.

c. Subsistence provided by appropriated fund dining facilities will be costed at the meal rates in accordance with DoD Manual 1338.10-M (reference (h)). The per diem surcharge will be used to assure full costing for food preparation and service as well as the raw food costs. If the DoD personnel receive per diem and pay for their meals, only the per diem costs will be assigned.

d. Quarters provided will be costed by the furnishing activity (civil engineer or public works department and housing office records will be used to make an estimate of cost). Costs will be net of any payments made by the quartered DoD personnel, such as Visiting Officer Quarters (VOQ) payments.

e. Personnel travel, transportation, per diem and other authorized personnel expenses will be costed at the entitlement amounts authorized by the Joint Travel Regulation, Volumes 1 and 2 (reference (i)). Actual payment vouchers will be used whenever available.

f. Transportation of supplies, materials and equipment will be costed at amounts payable or paid or estimates if payable amounts are unavailable. Transportation rates should be requested from the Military Traffic Management Command in order to make reasonable estimates.

g. Consumable materials and supplies will be costed at the standard catalog price.

h. Loaned plant and equipment (investment items other than aircraft) will be costed based on the computation of an annual rent which will be the sum of the annual depreciation plus interest on investment. The amount of interest on investment is determined by applying the interest rate to the net book value which is, acquisition cost plus cost of additions less depreciation. The interest rate to be used is 10 percent. See DoD Instruction 7230.7 (reference (j)).

i. Contractual services will be costed at the acquisition price for the goods or services provided, plus the cost of any related contract administration.

j. DoD fixed wing aircraft usage will be costed at the Government rates published by the Air Force in AFR 76-11. Helicopter usage will be costed at the Government rate published annually by the Assistant Secretary of Defense (Comptroller) (i.e., current ASD(C) memorandum, April 19, 1978). Rates for any aircraft not listed in these documents will be furnished by HQ USAF/ACMCA upon request.

k. Motor vehicle usage will be costed at the average rate per mile, obtainable from the latest motor vehicle report of the DoD Component, which is prepared in accordance with DoD Instruction 4500.39 (reference (k)).

C. REIMBURSEMENTS

1. General

a. All support requested by the Secret Service for carrying out its protective mission is reimbursable unless specifically excepted (i.e., certain temporary support) by the statutory provisions of P.L. 94-524. Reimbursement under this Directive will be based on incremental costs incurred pursuant to the statute. This is a departure from normal interagency reimbursement practices which call for reimbursement for all costs incurred in providing services which are beyond an agency's mission.

b. A bill will be prepared and submitted for all reimbursable support furnished to the Secret Service and an account receivable recorded in accordance with Section 230 of the DoD Handbook 7220.9-H (reference (g)). Bills should be computed by task on a monthly basis and rendered within 30 days after the end of the month during which the support was provided. When the accumulated amount of the reimbursement during a fiscal quarter is under $100, the "waiver of reimbursement" procedure in paragraph 23003 of the Handbook may be applied.

2. Criteria In determining which support to the Secret Service is reimbursable, the following criteria will be used:

a. An authorized Secret Service official must have requested the support for their protective mission either orally or in writing. Requests for permanent support must be in writing.

b. An authorized DoD representative must have approved the request.

c. Permanent support tasks are reimbursable.

d. Temporary support tasks are reimbursable, except for:

(1) Support to the Secret Service in its duties directly related to the protection of the President or the Vice President or other officials immediately next in order of succession to the Office of the President, or

(2) Support of general purpose nonprotective services ordinarily supplied to the President or Vice President (i.e., the existing unreimbursed services such as normal communications and transportation which are outside of the protective assignment purview of the Secret Service). This support would not be requested by the Secret Service.

3. Documentation. Documentation of Secret Service requests or the DoD authorization of services will be sufficient to comply with the criteria in 2.a. and b. Either the request or approval should classify support as permanent or temporary and, if the latter, whether covered by the exceptions in 2.d. Any support provided to the Secret Service in carrying out its protective mission and at their request and not specifically exempted is reimbursable.

4. Computation

a. The intent of P.L. 94-524 is to make the Secret Service accountable for the funds it has available to carry out its protective services by generally requiring reimbursement for support provided to it. In computing the cost of reimbursable support to be billed, the amount included in the DoD cost accumulation process will be used except as limited by the following paragraph. Each DoD Component shall assure that its reimbursement computation practices adhere to the fiscal responsibility intentions underlying Public Law 94-524 (reference (d)) and execute this responsibility in a manner which is practical.

b. For support provided in all situations, other than those falling within the criteria described in paragraph C.2.d., the amounts to be reimbursed for service, equipment, and facilities shall include identifiable costs over and above the costs to the DoD Component of carrying out functions and duties in the ordinary course of its activities.

(1) For example, the reimbursement computation would include salaries of DoD personnel who are providing permanent support to the Secret Service, such as a permanent guard detail, but would not include the salaries of DoD personnel who are providing temporary support but remain under the overall control of their parent Service or agency (see enclosure 2, III.C.), such as an Army bomb disposal squad assigned to protect a Presidential candidate for a short period of time.

(2) In addition, the reimbursable cost would include aircraft operation and maintenance costs, rental cars, and travel costs incurred by the DoD Component concerned as a direct result of its providing temporary support to Secret Service protective functions. Also, the costs of acquiring and installing authorized facilities and equipment, such as fences and electronic devices, which will be used for protective purposes on a permanent basis, are reimbursable.

D. REPORTING

Costs of DoD resources expended in support of the U.S. Secret Service's protective functions will be accumulated by task. All costs incurred will be reported in accordance with the formats prescribed in attachments 1 and 2 of this enclosure and submitted as required by paragraph D.3.e. of this Directive.

Attachments- 2
1. Summary Format for Reporting DoD Costs In Support of Secret Service for Protective Assistance
2. Detailed Information and Cost of DoD Resources Used in Support of Secret Service Protective Assistance Operations

DEPARTMENT OF DEFENSE
COSTS IN SUPPORT OF SECRET SERVICE FOR PROTECTIVE ASSISTANCE

RCS: DD-Comp(SA)1466

Department or Agency _____

Report Date _____

Cost Categories	Total Costs Incurred 1/ Temporary Support to President and Vice President (not Reimbursable)	Total Costs Incurred 1/ All Other Support	Costs Subject to Reimbursement 2/
Personnel Services & Benefits			
Military			
Civilian			
Subsistence & Quarters			
Military			
Civilian			
Travel & Transportation of Persons			
Military			
Civilian			
Transportation of Things			
Rent, Communication & Utilities			
Other Services, Supplies & Materials			
Capital Assets			
Other (Specify)			
Total			

Submit reports to:

Directorate for Information Operations and Reports
Washington Headquarters Services
Room 3B938, Pentagon, Washington, D.C. 20301

1/ All costs incurred for DoD support to Secret Service for protective assistance pursuant to P.L. 94-524 computed in accordance with costing guidelines.

2/ Costs computed in accordance with reimbursement guidelines.

DoD COMPONENT_____
Detailed Information and Cost of DoD Resources Used In
Secret Service Protective Assistance Support for ____

TRAVEL DATES	TRIP LOCATION	PERSONNEL SERVICES & BENEFITS 1/	SUBSISTENCE & QUARTERS 1/	TRAVEL & TRANSPORTATION OF PERSONS 1/	TRANSPORTATION OF THINGS	RENT COMMUNICATION & UTILITIES	OTHER SERVICES SUPPLIES & MATERIALS	CAPITAL ASSETS	OTHER (SPECIFY)	TOTAL
		Includes total compensation and benefits See B.4.a. and b.	See B.4.c. and d.	See B.4.a.(1), e. and k.	See B.4.f.	See B.4.g.,h., i. and j.	See B.4.g.,h., i. and j.	See B.4. i.		
TOTALS										

1/ Cost must be accumulated and reported separately for military and civilian personnel.

May 31, 1977
NUMBER 1000.17

ASD(C)

Department of Defense Directive

SUBJECT ~~Department of Defense Personnel Assigned to Duty Outside the Department and Supporting Non-DoD Activities~~

References: (a) DoD Directive 5132.10, "Security Assistance Technical Assistance Field Teams (TAFT's)," December 14, 1973
(b) Title 31, United States Code, Section 686
(c) DoD 7220.9H, "DoD Accounting Guidance Handbook," July 1972
(d) through (f), see enclosure 1.

A. REISSUANCE AND PURPOSE

This Directive reissues reference (e) to update procedures, establish policy, and assign responsibility for the management and administration of military and civilian DoD personnel supporting non-DoD agencies and activities. Reference (e) is hereby superseded and cancelled.

B. APPLICABILITY AND SCOPE

1. The provisions of this Directive apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies (hereinafter referred to collectively as "DoD Components"), except as excluded below, and encompass all manpower authorizations and personnel initially funded from Defense appropriations, notwithstanding provisions of law which authorize the DoD or components thereof to provide support directly to non-DoD agencies.

2. The following categories of personnel are not governed by this Directive:

a. Personnel assigned outside the Department pursuant to DoD Directive 5132.10 (reference (a)), involving individual Foreign Military Sales funded by a foreign government and Military Assistance Groups and Missions.

b. Civilian personnel who are assigned only for training in another Federal/State/local agency under Chapters 410 and 412 of the Federal Personnel Manual (FPM) (reference (f)).

c. Personnel initially funded from DoD civil appropriations.

d. Personnel assigned to a DoD Component who perform reimbursable work for non-DoD agencies as a part of their normally assigned duties.

e. Personnel assigned to OSD or OJCS Exchange Programs with the State Department or the United States Information Agency. These Exchange Agreements will, however, be reviewed on a quadrennial basis.

C. POLICY

1. The use of DoD personnel to support non-DoD agencies and activities is generally not favored and shall be rigorously controlled. Personnel will be assigned to support non-DoD activities only when to do so clearly is in furtherance of specifically identifiable interests of the Department of Defense. Such assignments must also be authorized by law and consistent with the provisions of 31 U.S.C. §686 (reference (b)), which prescribes the conditions for the use of an existing capability of a Federal Agency to support another agency not possessing that capability.

2. DoD personnel assigned outside the DoD will be of high caliber. DoD discourages by-name requests from outside Agencies. Individuals on a last tour prior to retirement shall not be assigned outside DoD. Personnel assigned to a non-DoD agency will not be reassigned by that agency to another non-DoD agency.

3. Support may be provided to outside activities by individuals assigned on a permanent or temporary basis to the activity or by DoD units which remain under the operational control of the Secretary of Defense. This latter form of support is referred to as "operational mission support" and is indicated, where appropriate, in the listing of activities in enclosure 2.

4. All requests for support, of whatever form, must be submitted for approval to The Special Assistant to the Secretary and Deputy Secretary of Defense. This requirement includes requests for support under the Intergovernmental Personnel Act as authorized by Chapter 334 of the FPM (reference (f)), or as elsewhere authorized by statute. Approval by The Special Assistant is required for all changes to existing support arrangements. DoD Components receiving requests for support shall refer the requestor to The Special Assistant, or, when more practical, forward such requests to The Special Assistant.

5. Annually, during preparation of the DoD budget, The Special Assistant will require each supported activity to validate its requirement for DoD personnel. The results of this validation process will be provided to the DoD Components at least 60 days prior to their budget submission to OSD for their use in validating and programming the required manpower authorizations. Personnel assigned under the provisions of Chapter 334 of the Federal Personnel Manual (reference (f)) are not subject to this validation.

6. Except in unusual cases DoD personnel assigned or providing operational support outside the Department will perform duty on a reimbursable basis. Reimbursement for reimbursable support will recover full costs of personnel services (military and civilian) plus net additional costs of all nonpersonnel support (PCS, supplies, equipment, utilities, etc.). Reimbursement will be based on standing rates established in accordance with DoD 7220.9H (reference (c)) and DoD Directive 4000.19 (reference (d)).

7. Temporary assignments are those for a period of less than 90 days. They are subject to all provisions of this Directive, except the reporting requirement in section E. Any assignment in excess of 90 days, regardless of the individual detailed, is considered permanent.

D. RESPONSIBILITIES

1. ~~The Special Assistant to the Secretary and Deputy Secretary of Defense shall~~:

a. ~~Approve or disapprove all requests for personnel support and changes to existing support agreements for non-DoD activities, and provide overall policy direction~~.

b. ~~Act on requests for exceptions to the provisions of this Directive~~.

2. The Deputy Assistant Secretary of Defense (Administration) shall:

a. Provide staff support to The Special Assistant in managing the non-DoD activities manpower program.

b. Require each supported activity to validate annually its requirement for DoD personnel.

c. Provide each Military Department an annual consolidated manpower program for the budget year based on the validated requirement.

d. Coordinate all requests for support with the (a) Office of the Secretary of Defense staff element or elements having the functional

interest in the activity being supported; (b) the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics); (c) the General Counsel, DoD; and (d) the Assistant Secretary of Defense (Comptroller), Attn: Deputy Assistant Secretary of Defense (Program/Budget).

e. Receive required reports and maintain necessary records on manpower assigned and programmed for non-DoD activities.

f. Serve as the focal point for information on non-DoD support.

3. The Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) shall:

a. Incorporate manpower for non-DoD activities into the overall DoD manpower programs.

b. Provide staff advice and assistance to The Special Assistant on the manpower programming aspects of providing support to non-DoD activities.

4. The General Counsel, DoD, shall provide legal advice to The Special Assistant concerning the assignment of personnel outside the Department.

5. The Director of Defense Research and Engineering, the Assistant Secretaries of Defense and the Assistant to the Secretary of Defense (Atomic Energy) shall, as requested, provide staff assistance to The Special Assistant within their respective functional areas of responsibility, in evaluating requests for support from non-DoD activities.

6. DoD Components shall:

a. Ensure that manpower assigned outside DoD or to a unit classified as "operational mission support" is being utilized in conformance with the policy stated in subsection C.1.

b. Manage the inventory of personnel assigned outside the DoD to ensure the authorized manpower level is not exceeded. The authorized manpower level equates to the approved budget program plus any assignments subsequently approved by The Special Assistant.

c. Obtain from each non-DoD agency a memorandum of agreement specifying:

(1) Conditions which govern the assignment of component personnel.

(2) The tour length of personnel assigned on a permanent basis.

(3) Reimbursement procedures including cost of PCS, travel, and the rate of reimbursement for the salary, in accordance with sections 23003.F.2 and 252 of 7220.9H (reference (c)), for civilians and military personnel, respectively.

d. Ensure that the agreed-on reimbursement is received.

e. Report as required in section E.

E. REPORTING REQUIREMENTS

In order for the Secretary of Defense to be responsive to inquiries and to assure accuracy of data concerning this support, a quarterly report control symbol (RCS DD-A(Q) 1292) has been established. The format for this report is contained in enclosure 3 and individuals will be reported in the activity sequence shown in enclosure 2. Separate page(s) will be prepared for each activity so that submissions can be correlated. The report is due in OASD(C), Attn: DASD (Administration), by the end of the month following the close of the fiscal quarter. The names of personnel and organizational titles for classified activities and the U.S. Marine Corps Security Guard Battalion will not be used in this report; however, the total number of personnel in these organizations will be reflected in the report.

F. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward two copies of implementing regulations to the Assistant Secretary of Defense (Comptroller) within 60 days.

Harold Brown
Secretary of Defense

Enclosures - 3
1. List of additional references
2. Non-Defense Activities Receiving DoD Personnel Support
3. Format for Quarterly Report for DoD Personnel Assigned Outside the Department and Supporting Non-DoD Activities

References

(d) DoD Directive 4000.19, "Basic Policies and Principles for Inter-Service, Interdepartmental and Agency Support," March 27, 1972
(e) DoD Directive 1000.17, "Department of Defense Personnel Assigned to Duty Outside the Department and Supporting Non-DoD Activities," September 30, 1975 (hereby cancelled)
(f) Federal Personnel Manual, Chapters 334, 410 and 412

Non-Defense Activities Receiving DoD Personnel Support

	Operational Mission Support
EXECUTIVE BRANCH	
The White House Office	
Executive Office of the President	
National Security Council	
Office of Telecommunications Policy	
Council on Environmental Quality	
President's Foreign Intelligence Advisory Board	
The Vice President's Office	
DEPARTMENTS	
STATE DEPARTMENT	
UN Truce Supervisory Organization	
Naval Support Detachment	X
U.S. Marine Corps Security Guard Battalion	X
ARMS CONTROL AND DISARMAMENT AGENCY	
TRANSPORTATION DEPARTMENT	
United States Coast Guard	
Federal Aviation Administration	
2054th ABGp, Tinker AFB, OK (FAA)	X
COMMERCE DEPARTMENT	
Maritime Administration	
Merchant Marine Academy	
JUSTICE DEPARTMENT	
Law Enforcement Assistance Agency	
INTERIOR DEPARTMENT	
Office of Micronesian Status Negotiations	
Civic Action Teams - TTPI	
LABOR DEPARTMENT	
AGRICULTURE DEPARTMENT	
HEALTH, EDUCATION AND WELFARE DEPARTMENT	
AGENCIES	
Energy Research and Development Agency	
Environmental Protection Agency	
National Aeronautics and Space Administration	
National Science Foundation (Navy Antarctica)	X
Canal Zone Government	
Selective Service Commission	
American Battle Monuments Commission	
Radio Technical Committee for Aeronautics	
U.S. Soldiers' and Airmens' Home	
American Revolution Bicentennial Administration	
Federal Energy Administration	
FEDSIM (Federal Computer Evaluation Center)	X
Federal Executive Boards	

LEGISLATIVE BRANCH
U.S. Congress

JUDICIAL BRANCH
U.S. District Courts

CLASSIFIED ACTIVITIES

DOD PERSONNEL ASSIGNED OUTSIDE THE DEPARTMENT & SUPPORTING NON-DoD ACTIVITIES
QUARTERLY REPORT AS OF _____

_____
Department/Activity/Agency

NAME	SSAN	GRADE	POSITION TITLE	MIL DEPT/ DOD UNIT OF ASGMT	DATE ASSIGNED	TERMIN-ATION DATE	REIMBURS-ABLE *

*Indicate YES or NO

July 6, 1977
NUMBER 5210.55

SA/SD&DSD

Department of Defense Directive

SUBJECT ~~Selection of DoD Military and Civilian Personnel and Contractor Employees for Assignment to Presidential Support Activities~~

References: (a) DoD Directive 5210.55, "Selection of Department of Defense Military and Civilian Personnel for Assignment to Presidential Support Activities," January 11, 1969 (hereby cancelled)
(b) DoD Directive 5210.8, "Policy on Investigation and Clearance of DoD Personnel for Access to Classified Defense Information," February 15, 1962
(c) DoD Directive 5400.7, "Availability to the Public of Department of Defense Information," February 14, 1975
(d) through (g), see enclosure 1

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to (1) prescribe uniform policies and procedures for the nomination, screening, selection, and continued evaluation of Department of Defense (DoD) military and civilian personnel and contractor employees assigned to or utilized in Presidential support activities; (2) prescribe the requirement for investigations of persons nominated for such assignments; (3) establish reporting requirements; and (4) assign responsibilities for carrying out the provisions of this Directive. Reference (a) is hereby superseded and cancelled.

B. APPLICABILITY AND SCOPE

1. The provisions of this Directive apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, and the Defense Agencies (hereinafter referred to collectively as "DoD Components").

2. Its provisions encompass all DoD organizations which assign personnel to Presidential support duties involving

regular or frequent contact with or access to the President or Presidential facilities, communications activities, or modes of transportation. These assignments are divided into two categories:

a. Category One

(1) Personnel assigned on a permanent or full-time basis to duties in direct support of the President (including the office staff of the Director, White House Military Office, and all individuals under his control):

(a) Presidential aircrew and associated maintenance and security personnel.

(b) Personnel assigned to the White House communications activities and the Presidential retreat.

(c) White House transportation personnel.

(d) Presidential mess attendants and medical personnel.

(e) Other individuals filling administrative positions at the White House.

(2) Personnel assigned on a temporary or part-time basis to duties supporting the President:

(a) Military Social Aides.

(b) Selected security, transportation, flight-line safety and baggage personnel.

(c) Others with similar duties.

(3) Personnel assigned to the Office of the Military Aide to the Vice President.

b. Category Two

(1) Personnel assigned to honor guards, ceremonial units, and military bands who perform at Presidential functions and facilities.

(2) Employees of contractors who provide services or contractor employees who require unescorted access to Presidential support areas, activities, or equipment--including maintenance of the Presidential retreat, communications, and aircraft.

(3) Individuals in designated units requiring a lesser degree of access to the President or Presidential support activities.

Designation of such units requires approval by The Special Assistant to the Secretary and Deputy Secretary of Defense (hereinafter referred to as The Special Assistant).

3. This Directive does not apply to DoD personnel whose duties involve infrequent visits to the executive offices of the White House or other Presidential facilities to conduct official business with the Presidential/Vice Presidential staffs.

C. NOMINATION AND SELECTION POLICY

1. Standard. Only those persons shall be nominated for, selected for, assigned to, employed in, or retained in Presidential support duties who are best suited for such duties based on a determination that their assignment, employment, or retention is clearly consistent with optimum Presidential security.

2. Nomination. Only those individuals most suitably qualified shall be considered for nomination to Presidential support duties. Minimum requirements include:

a. Must be a U.S. citizen who exhibits excellent character, mental stability, and a high degree of maturity, discretion, and trustworthiness, and who is believed to be unquestionably loyal to the United States.

b. Past and present duty performance, activities, and associations must be satisfactory in all aspects.

c. Immediate family shall be U.S. citizens who are not subject to physical, mental, or other forms of duress by a foreign power and who do not advocate or practice acts of force or violence to prevent others from exercising their rights under the Constitution or laws of the United States or any State or subdivision thereof. Immediate family in the sense of this Directive includes spouse, offspring, living parents, brothers, sisters, or other relatives or persons to whom the individual is closely linked by affection or obligation. Waivers of the citizenship requirement may be granted by The Special Assistant in consultation with the Director, White House Military Office.

3. Selection. Selection shall be a commonsense judgement, based on review of all available information. A nominee may not be selected for Presidential support duties if derogatory information in any of the categories outlined below is revealed during review of the case:

a. Those criteria set forth in section V., DoD Directive 5210.8 (reference (b)).

b. Conviction by courts-martial, imposition of punishment under Article 15, Uniform Code of Military Justice (UCMJ), for a

serious offense, or administrative separation in lieu of courts-martial. Record of conviction by courts-martial or imposition of punishment under Article 15, UCMJ, is not in itself necessarily disqualifying.

c. Arrests by civil or military agencies or frequent minor involvement with law enforcement agencies, which indicate irresponsibility or disrespect for the law.

d. Negligent or substandard performance of duty.

e. Evidence of personal habits, characteristics, traits, activities or associations which would be a basis for reasonable doubt as to the individual's reliability, stability, or general suitability for Presidential support duties.

4. Investigative Requirements

a. Personnel nominated for Category One duties must have been the subject of a Special Background Investigation (SBI), conducted in accordance with current DoD investigative scope requirements described in section IV, Defense Investigative Service Manual 20-1 (reference (g)). SBI must have been completed within the 12 months preceding selection for Presidential support duties. The individual's spouse shall be checked, at a minimum, through the Investigative Files of the Federal Bureau of Investigations and other national agencies as appropriate. In the event the individual marries subsequent to the completion of the SBI, the required spouse check shall be made at that time.

b. Personnel nominated for Category Two duties must have been the subject of a Background Investigation (BI), conducted in accordance with current DoD investigative scope requirements described in section III, Defense Investigative Service Manual 20-1 (reference (g)). BI must have been completed within the 12 months preceding selection for Presidential support duties. It should be noted that the duties (separate and distinct from their Presidential support responsibilities) of some Category Two personnel may make it necessary for them to have special access clearances, which require an SBI.

c. SBI and BI Bring-up Investigations

(1) SBI or BI bring-up investigations shall be conducted in accordance with current DoD scope requirements described in paragraph 3-46, Defense Investigative Service Manual 20-1 (reference (g)) at 5-year intervals from the date of the most recent prior investigation on both Category One and Category Two personnel who have been assigned continuously to Presidential support duties.

(2) The results of the SBI or BI bring-up investigation shall be processed and submitted for review and approval for continued assignment of an individual to Presidential support duties in accordance with procedures in section E.

5. Responsibilities

a. The heads of DoD Components with a Presidential support mission or who are called upon to nominate personnel to Presidential support activities shall:

(1) Designate a single office to represent the DoD Component on all matters covered by this Directive. The office so designated shall be specified in the implementing regulations required by section L.

(2) Be responsible for the nomination and assignment of individuals to Presidential support activities on a continuing basis and ensure that needed replacement personnel are identified in a timely manner to permit routine processing of the required investigations and higher echelon review and selection prior to assignment.

(3) Ensure that requests for expeditious handling of investigations are limited to those which are fully justified on the basis of priority operational requirements and are coordinated with The Special Assistant before submission to the Defense Investigative Service (DIS). The need for such requests should be rare in view of the fact that all Presidential support investigations are, as a matter of practice, assigned priority handling by the DIS.

b. ~~The Special Assistant shall be responsible for making suitability determinations as required herein and for general oversight of the administrative implementation of this Directive.~~

D. PRENOMINATION PROCEDURES

1. Review of Local Files

a. The DoD Component preparing to nominate an individual to Presidential support duties shall review all locally available records in making a determination based on the standard set forth in section C. During this review, particular emphasis shall be placed on identifying any potentially disqualifying information, as outlined in section C.3.

b. As a minimum, the prenomination review shall include the following:

(1) Active Duty Military Personnel

(a) Official military personnel records, for any unfavorable information.

(b) Official medical records, to include certification by a medical officer who is a U.S. citizen, that no physical or mental

disorder is noted in the record which could adversely affect the individual's reliability or judgement.

(c) Effectiveness/efficiency/fitness report file, to determine that the individual has demonstrated consistently high standards of performance.

(d) Local security files, for any unfavorable information.

(2) DoD Civilian Employees

(a) Official Personnel Folder, for any unfavorable information.

(b) Official medical records, as available, to include certification by a medical officer, who is a U.S. citizen, that no physical or mental disorder is noted in the record which could adversely affect the individual's reliability or judgement.

(c) Local security files, for any unfavorable information.

(3) Contractor Employees

(a) Contractor personnel records, for any unfavorable information.

(b) Medical or health records maintained by the contractor, under reviewing arrangements made by the contracting officer of the DoD Component concerned, by a medical officer who is a U.S. citizen, for evidence of any physical or mental disorder that could adversely affect the individual's reliability or judgement.

(c) Contractor security files, for any unfavorable information.

c. It is the responsibility of the DoD Component requesting the medical records review addressed above to inform the medical facility concerned of the requirement that certifying medical officers be U.S. citizens.

d. The review addressed above should determine that no unfavorable information is noted in the records that is disqualifying as set forth in section C.3. Further consideration should be given only to those individuals found to be most qualified.

2. Investigative Requests

a. General. The investigative requirements set forth in this Directive shall apply to new and/or updated investigations requested 60 days or more after the effective date of this Directive.

b. Initiation of Investigative Requests

(1) Military or DoD Civilian Employees. DoD Components shall submit requests for investigations directly to DIS. Normally, the military organization where the military member or civilian employee will actually perform Presidential support duties shall make the request to DIS; however, circumstances may exist where a losing command may request an investigation under this Directive in anticipation of the individual performing Presidential support duties at a next duty assignment. To avoid confusion or duplication, the losing organization requesting an investigation should notify the gaining organization that a request for investigation has been initiated.

(2) Contractor Employees

(a) Requests for investigation of contractor employees being considered for nomination to Presidential support duties, whose employment also requires access to classified information, shall be submitted by the DoD Component administering the contract through the Defense Industrial Security Clearance Office (DISCO).

(b) Requests for investigation of those contractor employees whose Presidential support duties do not require access to classified information shall be submitted by the DoD Component concerned directly to DIS. An information copy of the request shall be sent to DISCO for their records in order to avoid duplicative investigative requests on contractor employees who have already been investigated, or who might require a subsequent investigation under the Industrial Security Program.

(c) The DoD contracting activity is responsible for ensuring that the requirements of this Directive are incorporated into the contract of each contractor involved in Presidential support activities.

(d) Personnel security questionnaires that are executed by contractor employees processed under this Directive shall comply with DoD Regulation 5220.22-R (reference (f)).

(3) The administrative nickname "YANKEE WHITE" shall be stamped or printed in the Remarks Section of DD Form 1879, "Request for Personnel Security Investigation," for all requests initiated in accordance with this Directive.

5. Disqualification Prior to Nomination

a. Upon completion of the DIS investigation, the complete file concerning the potential military or DoD civilian employee nominee shall be reviewed and evaluated by a designated senior member of the DoD Component to which the nominee will be assigned when performing Presidential support duties. This review and evaluation for contractor employees will be conducted by a designated senior member of the DoD Component administering the contract involved. DIS shall return to the requesting organization, through DISCO, completed investigations on contractor employees whose duties require access to classified information.

b. In those cases in which the designated senior member performing the review and evaluation determines that disqualifying information exists, further processing of the case shall be terminated, except for contractor employees, whose cases will be governed by the provisions of E.6.

c. DISCO shall promptly notify the requesting organization whenever a determination has been made on those contractor employees being considered for Presidential support duties, whose duties also require access to classified information, that the investigation has developed information which could result in the individual's denial or revocation of access to classified information. However, DISCO shall continue processing the clearance for access to classified information to a final determination.

d. Denial or revocation of a security clearance for access to classified information shall automatically result in disqualification of an individual for nomination and assignment to Presidential support duties.

e. The disqualification of an individual for nomination and assignment to or utilization in, or subsequent removal from, Presidential support duties shall not, in and of itself, constitute grounds for any further action (i.e., administrative, personnel, disciplinary, or security related) since it is not necessarily an adverse reflection on the ability or character of the individual. Only when such a disqualification results from the discovery of information that is valid grounds in and of itself for disciplinary, administrative, or other action, shall that action be taken.

f. A case may contain minor derogatory or questionable information, about which there is doubt as to whether or not it is disqualifying, but for which further investigation seems inappropriate. If the individual is otherwise the most qualified person available for nomination to the Presidential support assignment concerned, the case shall be forwarded with an evaluation and recommendation by the head of the organization concerned.

E. NOMINATION AND SELECTION PROCEDURES

1. A complete nomination file, including certification that all requirements of this Directive have been met, shall be forwarded expeditiously, using the format set forth at enclosure 2, to the single office designated to act on behalf of the respective DoD Component for Presidential support.

2. It is the responsibility of the designated single office to further review the complete nomination file to assure that the requirements of this Directive have been met. The designated office, if concurring in the basic evaluation and recommendation, shall forward the entire file to The Special Assistant using the format set forth at enclosure 3.

3. When the single office does not concur in the lower echelon determination that the individual is suitable for nomination to Presidential support duties, the DoD Component concerned shall cancel the nomination; however, the entire file, together with the rationale for the cancellation, shall be forwarded to The Special Assistant for further review.

4. The Special Assistant shall coordinate the selection of individuals in the following categories with the Director, White House Military Office:

a. Those whose duties will require a close association with the President.

b. Those whose duties will require a White House pass.

c. Those whose completed file contains minor derogatory information or otherwise questionable material causing doubt as to their suitability for the duties involved.

d. Contractor employees whose completed file contains any derogatory or questionable information.

5. The Special Assistant may select any individual nominated for Presidential support duties, subject to the provisions of Section E.4. The Special Assistant may decline to select any individual nominated for assignment to Presidential support duties except contractor employees.

6. The nonselection of any contractor employee nominated for utilization in Presidential support duties shall be a responsibility of the United States Secret Service after referral by the Director, White House Military Office. Notification to the contractor of the nonselection shall be made by the contracting officer of the DoD Component administering the contract.

F. NOTIFICATION

1. After the appropriate determination has been made, The Special Assistant shall return the file to the designated single office of the originating DoD Component with a statement that the individual is either selected or not selected for assignment to or employment or utilization in Presidential support duties.

2. Individuals not selected shall be removed from further consideration for such duties. This removal shall be without prejudice, unless there exists derogatory information that is grounds for adverse action. beyond the Presidential support program.

3. Contractor employees who are not selected shall not be utilized for duties addressed in section B.2.b. Nonselection, in and of itself, does not affect options to utilize the employees on other contracts, including classified contracts. Under the provisions of this Directive, the processing of contractor employees to determine their suitability for employment in positions involving Presidential support duties is outside of the auspices of the Industrial Personnel Security Clearance Program for appeal purposes.

4. DoD Components shall forward requests to appeal a nonselection action, for other than contractor employees, through the same channels as the initial nomination. DoD Components shall include the original nomination file, plus whatever additional mitigating information is offered by the appellant and any other information considered relevant.

G. TOUR OF DUTY

The tour of duty for all military personnel selected for assignment to Presidential support duties shall be stabilized for the maximum period allowable under the assignment policies of the Military Department concerned, with the minimum being 1 year from the date of the assignment to Presidential support duties. Waivers of obligated service to to meet this requirement will be considered on a case-by-case basis by The Special Assistant.

H. CONTINUING EVALUATION

1. DoD Components having administrative or operational control of personnel selected and assigned to Presidential support duties shall establish procedures for a continuing evaluation of the suitability of these personnel for such duties. This requirement also applies to management personnel exercising supervision over contractor employees performing Presidential support duties. Supervisory personnel should observe and report to appropriate security personnel any indications of changes in the following characteristics or behavior which might be relevant to an individual's continued suitability for Presidential support duties.

a. Attitude on the job or job performance.

b. Special personal problems or family pressures.

c. Undue pressure or emotional strain.

d. Signs of overindulgence in alcohol, use of drugs, or abuse of prescribed medications.

e. Change in physical ability to perform assigned duties.

f. Indications of bizarre or deviate behavior.

g. Frequent minor involvement with law enforcement agencies or other signs of irresponsible conduct.

h. Changes in financial status such as sudden or unexplainable affluence or heavy indebtedness.

i. Changes in marital status; i.e., marriage to a foreign national.

2. Each individual selected for Presidential support duties shall be instructed that the ultimate responsibility for remaining suitable for continued assignment to, detail to, or employment in such duties rests with the individual. Therefore, each individual is encouraged to seek appropriate guidance and assistance on any personal problem or situation that may have a possible bearing on his or her suitability for continued utilization in Presidential support duties. Appropriate counseling should be made available by the organization in which such duties are performed.

3. Supervisory indoctrination programs shall be established by the DoD Components concerned to ensure that supervisory personnel recognize and discharge their special responsibility in matters relating to the suitability of their subordinates for continued utilization in Presidential support duties. These programs shall provide practical guidance or behavioral signals relating to an individual's continued suitability for such duties.

4. DoD Components shall establish procedures to ensure that:

a. Appropriate organizational management personnel are notified immediately of any information which raises doubt as to the individual's suitability for continued utilization in Presidential support duties.

b. When contractor employees are the subject of such information, the DoD Component administering the contract is to be notified.

I. TEMPORARY SUSPENSION AND PERMANENT REMOVAL

Individuals may be temporarily suspended or permanently removed from Presidential support duties at any time by the head of the organiation in which the individual is performing such duties, or by higher authority, whenever information becomes available that the individual is not, or may no longer be, suitable under the standards set forth in this Directive for Presidential support duties. Contractor employees may be suspended only by the contracting officer, pending a final decision by the United States Secret Service. See also section D.3.e.

1. Permanent Removal

a. Telephonic notification to The Special Assistant is required. no later than the beginning of the following duty day for each permanent removal and will include an assessment as to whether or not unfavorable publicity may result.

b. Written followup, including a full report of all available information, shall be submitted to The Special Assistant within 3 working days.

2. Temporary Suspension

a. Telephonic notification to The Special Assistant is required no later than the beginning of the following duty day for only those temporary suspensions from which unfavorable publicity may result.

b. In all cases of temporary suspension in which it is evident that the derogatory information upon which the suspension is based requires further clarification, an investigation shall be promptly initiated in order to develop all information relevant to the issue.

c. Written followup regarding those cases covered by section I.2.a., including a summary of all available information, shall be provided within 3 working days. A full report of investigation, if appropriate, shall be forwarded to The Special Assistant within 60 days.

d. Written monthly status reports for each suspension pending investigation are required. Temporary suspension actions unresolved within 90 days shall automatically become permanent removals and The Special Assistant notified accordingly.

e. Caution must be exercised when making initial and followup notifications concerning investigations to ensure the investigation is not compromised through unnecessary or accidental dissemination of investigative information to unauthorized parties.

3. The Director, White House Military Office, also shall be telephonically notified, by the commander of those units under the Director's operational control, concerning individuals who are suspended or removed.

4. Written followup reports shall be forwarded through the normal nomination process channels for review and evaluation at each level to ensure that the suspension or removal is warranted.

5. In all suspension or removal actions where a likelihood of embarrassment to the President is indicated, DoD Components shall notify The Special Assistant during duty hours or the Office of the Secretary of Defense Duty Officer during nonduty hours. The Duty Officer is located in the OSD Cables Branch, Office of the Deputy Assistant Secretary of Defense (Administration).

J. ACTION CONCERNING ADMINISTRATIVE REASSIGNMENTS AND REQUESTS FOR REINSTATEMENT OR WAIVERS

1. When an individual is administratively transferred or similarly separated from an assignment involving Presidential support duties (i.e., upon completion of a normal tour of duty, completion of a contract, transfer, resignation, retirement, or detachment from Presidential support duties in accordance with routine military or civilian personnel policies), or permanently removed for cause, the clearance of the individual for assignment or utilization involving Presidential support duties is automatically terminated.

a. An individual administratively terminated from Presidential support duties must be reinvestigated and reselected for subsequent assignment to Presidential support duties, except:

(1) A request for waiver of the reinvestigation requirement may be considered by The Special Assistant, on a case-by-case basis, for an individual transferring directly from one Presidential support activity to another, of the same or less sensitive category, with no intervening duty station or assignment.

(2) A request for waiver of the reinvestigation requirement may be considered by The Special Assistant, on a case-by-case basis, for a contractor employee who was administratively terminated from Presidential support duties for a period not to exceed 6 months. Such a case will only be considered if the contractor employee has remained in a position requiring a security clearance.

b. A request for waiver of other requirements of this Directive may be granted only by The Special Assistant.

K. REPORTS

1. Each DoD Component responsible for assignment of military or civilian personnel, or contractor employees, to Presidential support activities

shall submit to The Special Assistant a two-part quarterly report, in duplicate, as follows:

a. Part One shall list personnel approved in accordance with section F.1. who are assigned to Presidential support duties as of the end of the quarter. The report shall include the individual's name, grade or rank, social security number, and the Presidential support activity assignment or employing agency.

b. Part Two shall list all personnel transferred or deleted from the list of assigned or employed personnel since the last quarter. The report shall include the individual's name, grade or rank, social security number, and Presidential support activity where individual was previously assigned or employed.

2. Reports shall be submitted for the first quarter that ends subsequent to the effective date of this Directive, and each quarter thereafter. Reports shall reach The Special Assistant within 15 days after the end of the quarter.

3. The reports shall be marked "FOR OFFICIAL USE ONLY" unless the originators determine that a higher security classification is required and warranted in accordance with other appropriate security directives.

4. The reporting requirement established in section K.1. has been assigned Report Control Symbol DD-SD(Q)934.

L. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward two copies of implementing regulations to The Special Assistant to the Secretary and Deputy Secretary of Defense within 90 days.

Deputy Secretary of Defense

Enclosures - 3
1. References, continued
2. Sample Transmittal Memorandum for DoD Component
3. Sample Transmittal Memorandum for The Special Assistant

SAMPLE TRANSMITTAL MEMORANDUM

MEMORANDUM FOR: (Enter Identity of Appropriate DoD Component Single Office)

SUBJECT: Personnel Investigation File

1. The attached investigative file concerning (enter name, rank or civilian grade, social security number, Military Department or DoD employing agency or contractor facility) has been completed in accordance with DoD Directive 5210.55 and is forwarded for review.

2. (Enter name) is being nominated for (state assignment or continued assignment) to (identify the specific Presidential support activity) as a (identify the individual's specific duty assignment; i.e., aviation maintenance technician, security policeman, steward, rotor blade examiner, switchboard operator, etc.).

3. These duties are addressed in section B., (specify Category One or Category Two) of DoD Directive 5210.55, requiring completion of a favorable (enter Special Background Investigation or Background Investigation). (Note that, per Section D.4.b., it is conceivable that Category Two personnel could have had an SBI vice a BI.)

4. (State that the attached file contains no derogatory information, or that the attached file contains derogatory information summarized below:) (Summarize derogatory information in subparagraphs(s).)

5. The above-identified individual (is or is not) recommended for assignment to the activity and duties for which nominated. (Justify the recommendation if derogatory information is contained in the file. Specifically identify all reasons for a recommendation that a contractor employee not be selected for the particular position in question.)

6. (If appropriate, state that the individual's effectiveness or performance reports have been reviewed and found acceptable.)

7. Investigative file indicates that the (specify SBI or BI) was completed on (specify date) and the national agency check was completed on (specify date).

Attachment

Position Description

Protocol Officer for the Secretary of Defense

Acting under the general administrative direction of The Special Assistant, the Protocol Officer is responsible for planning, coordinating, and arranging all military and ceremonial activities involving the Secretary and Deputy Secretary of Defense to include arrival honor ceremonies, military cordons, promotion and award ceremonies, swearing-in and departure ceremonies, and numerous activities attendant to receiving U.S. and foreign dignitaries.

In coordination with the OSD staff he is responsible for drafting responses to invitations requesting Secretary or Deputy Secretary attendance at a wide range of official functions; and he is also responsible for arranging official luncheons, dinners and receptions hosted by the Secretary and Deputy Secretary of Defense.

As the senior protocol authority within the Department of Defense, he responds to inquiries throughout the Department on ceremonial practice, flag etiquette, order of precedence, titles and forms of address, and all aspects of official entertaining. The Protocol Officer maintains various key personnel rosters including the Department of Defense official precedence list.

BIOGRAPHY

ALBERT C. PIERCE

Since February 1980, Dr. Albert C. Pierce has served as Assistant to the Secretary of Defense. His principal responsibilities include preparation of speeches, policy statements, and Congressional testimony on the full range of national security issues for the Secretary of Defense and for the Deputy Secretary. He is the principal drafter of the Secretary's Annual Report to the Congress.

Dr. Pierce spent two years with the U.S. Arms Control and Disarmament Agency, where his area of special expertise was strategic arms limitation, in particular the SALT II Treaty. During his time at ACDA, he served as Assistant to the Counselor and later as Special Assistant in the Office of the Director.

Before entering federal service, Dr. Pierce was a Research Associate and Assistant to the President of the University of Massachusetts. From 1973 to 1975, he was a consultant to Cambridge Survey Research, Inc. and to the John F. Kennedy Library, Inc. He was also affiliated with the Institute of Politics at Harvard University, where he conducted several study groups.

A summa cum laude graduate of the Catholic University of America in Washington, D.C., Pierce holds a doctorate in political science from Tufts University. While a graduate student there, he was a Research Fellow, a National Science Foundation Fellow, and a Teaching Fellow in international relations.

Born in Philadelphia,

BIOGRAPHY

LIEUTENANT COLONEL HOWARD W. RANDALL

Lieutenant Colonel Howard W. Randall, recently selected for promotion to Colonel, is currently assigned as a Military Assistant in the Office of The Special Assistant to the Secretary and Deputy Secretary of Defense. Prior to his assignment as a Military Assistant, he was assigned as a Program Analyst in the Program Analysis and Evaluation Directorate, Office of the Army Chief of Staff.

Following graduation from West Point in 1961, he attended infantry, ranger and airborne training at Fort Benning, Georgia. His first assignment was in the 25th Infantry Division in Hawaii. In 1963, he attended the Special Warfare School at Fort Bragg, North Carolina, and learned Vietnamese at the Defense Language Institute. While serving as an Advisor to the Vietnamese Rangers in 1964, he was wounded and evacuated back to the United States.

Lieutenant Colonel Randall then served as a Company Commander and later as Aide-De-Camp to the Commanding General at Fort Ord, California. In 1967, he returned to South Vietnam where he initially served in the 1st Infantry Division and subsequently in the II Field Force Long Range Patrol Company.

From 1970 to 1973 he was assigned to the Army Staff at the Pentagon in the Office of the Assistant Chief of Staff for Force Development. His next assignment was to Germany in the 8th Mechanized Infantry Division where from 1974 to 1978 he was a Battalion Executive Officer, Brigade Executive Officer, Battalion Commander, and the Division G-3.

Lieutenant Colonel Randall holds a B.S. degree from West Point and an MBA (ORSA) from Tulane University. He has graduated from the Armor Officers Career Course, the Armed Forces Staff College, and the Army War College. His military decorations include three bronze star medals, three meritorious service medals, nine air medals, two Army commendation medals, the purple heart medal, and the Combat Infantryman Badge.

Lieutenant Colonel Randall is married

BIOGRAPHY

MAJOR ROBERT J. BOOTS

Major Robert J. Boots, recently selected for promotion to Lieutenant Colonel, is currently assigned as a Military Assistant in the Office of the Special Assistant to the Secretary and Deputy Secretary of Defense. As a Military Assistant, Major Boots provides assistance on Service related issues, preparation of speeches and testimony, and drafting of the Secretary's Annual Report to Congress.

Prior to his assignment as a Military Assistant, Major Boots was assigned as a Strategy and Planning Officer in the Directorate of Plans, Headquarters US Air Force from July 1979 to July 1980.

Major Boots was appointed to the USAF Academy in 1964 and graduated with the Class of 1968. He attended Pilot Training at Vance AFB, Oklahoma and was awarded his wings in August, 1969. He was subsequently assigned to Southeast Asia in the 460th Tactical Reconnaissance Wing where he flew 212 combat missions between 1969 and 1970.

In 1970 he was assigned to the 20th Military Airlift Squadron at Dover AFB, Delaware flying the C-141 as an instructor pilot and flight examiner. In 1972 Major Boots was selected as Aide and Executive Officer to the Commander of 21st Air Force at McGuire AFB, New Jersey.

In 1975 Major Boots was assigned to Headquarters Military Airlift Command as an Aircrew Standardization and Evaluation Flight Examiner. He also served as pilot for the Commander-in-Chief of the Military Airlift Command at Scott AFB, Illinois.

In 1978 Major Boots entered the Air Command and Staff College at Maxwell AFB, Alabama and graduated as a Distinguished Graduate in June 1979.

Major Boots holds a B.S. degree in Mathematics from the USAF Academy and an MBA from Webster College. He is a Senior Pilot with over 4000 hours flying time. He is also a qualified parachuist. His military decorations include: the Distinguished Flying Cross, the Air Medal, and the Meritorious Service Medal.

Major Boots is married

Lieutenant Colonel Grant S. Green, Jr.

Primary Duties

Assists the Secretary and Deputy Secretary of Defense by preparing policy papers and reviewing those from a wide cross section of the OSD staff. Serves as primary DoD point of contact with the White House staff for providing support to the President and Vice President. Reviews and approves all requests for DoD personnel and materiel support requested by other Federal departments and agencies.

Supervises the Presidential support program which involves special background investigations for all DoD personnel who have frequent association with members of the White House. Monitors/reviews all Presidential support nomination procedures for White House Military Office staff, unit commanders, military aides to the President and Vice President and White House social aides.

Reviews and processes recommendations for DoD military awards. Coordinates and approves use, by DoD and other federal agencies, of all Special Air Mission (SAM) aircraft. Provides staff assistance and administration to the Armed Forces Policy Council.

Lieutenant Colonel Jean E. Klick

Primary Duties

Responsible for staffing and coordination of policy on matters relating to Manpower, Reserve Affairs, and Logistics; Health Affairs; and Communications, Command, Control, and Intelligence. Processes action memoranda and staff papers prepared by the Office of the General Counsel and the Assistant for Legislative Affairs. Monitors programs affecting or initiated by the Air Force.

Acts as liaison between the Department of Defense and the Department of Justice for issues concerning the FBI and Protection of Federal Witnesses. Maintains coordination with the Office of Personnel Management. Monitors the Fraud, Waste, and Abuse Task Force.

Reviews and processes nominations for civilian awards. Researches, compiles, and drafts the Secretary of Defense's weekly report to the President.

Position Description

Staff Assistant to the Secretary of Defense

Acting under the general administrative direction of The Special Assistant, the Staff Assistant to the Secretary of Defense serves as a personal staff representative of the Secretary in contacts with the White House Staff, principal officials and executive assistants of Members of Congress, Members of the Cabinet, and other federal departments and agencies. In this capacity, the Staff Assistant acts as the Secretary's point-of-contact at primary mangement levels within OSD, the Organization of the Joint Chiefs of Staff, the Secretaries of the Military Departments, and the Directors of Defense Agencies, assembling a large volume and variety of information and directing specific actions as may be necessary in response to requests from federal officials outside the Department of Defense. By the same token, the Staff Assistant acts as liaison for various components of the Department in requesting information and/or appropriate action from other federal agencies.

The Staff Assistant also handles a wide range of assignments and special projects for the Secretary of Defense and/or The Special Assistant. These assignments, which are often of a sensitive and confidential nature, may require independent research, fact-gathering, analysis and evaluation of the resulting data, and the presentation of appropriate recommendations. The Staff Assistant further ensures that the directions of the Secretary and/or The Special Assistant are carried out both before and after their consideration and decision on such matters.

The Confidential Assistant

to

The Special Assistant

The Confidential Assistant to The Special Assistant provides high level administrative assistance in both internal office management and administrative support in the coordination and management of a variety of projects, studies, and actions, keeping The Special Assistant informed of critical developments. Based on an intimate knowledge of The Special Assistant's views and policies, provides guidance to staff personnel relating to priorities, practices and procedures, assuring smooth and efficient operation and relieving The Special Assistant from involvement in important, but time-consuming details.

The Confidential Assistant serves as the point of contact for The Special Assistant, referring matters out for study and action, establishing deadlines, monitoring progress, personally resolving related problems and disseminating The Special Assistant's instructions.

The Confidential undertakes complex research projects requiring fact-finding, investigation, report writing, correspondence preparation and follow-up. These assignments are frequently of a highly sensitive and controversial nature, and involve contact and coordination with key civilian and military officials.

The Military (Naval) Assistant to the Special Assistant:

o Serves as the immediate office's liaison with the Navy Secretariat on Department of the Navy matters.

o Serves as the office's liaison with the Vice President's military office.

o Serves as the office's liaison with the following OSD staff offices and agencies: USD(Policy), USD(Research and Engineering), ASD(International Security Affairs), ATSD (Atomic Energy), and the Defense Security Assistance, Defense Intelligence, Defense Advance Research Projects and Defense Nuclear Agencies. Liaison responsibilities include the review, coordination and staffing of papers from these several offices that are en route to the Secretary and Deputy for action.

When requested, the Military Assistant also prepares original papers, correspondence, speeches and congressional statements.

The Special Assistant's Office

Title	Grade Level	Name
Executive Assistant to The Special Assistant	Col, USAF	Carl N. Beer
Confidential Assistant to The Special Assistant	GS-12	M. Joyce Nesmith
Private Secretary to the Secretary of Defense	GS-09	Betty P. Grim

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ASSISTANT SECRETARY OF DEFENSE (GENERAL COUNSEL)

The attached documents were provided to the Carter-Reagan Transition Team by the Office of the Assistant Secretary of Defense (General Counsel). Three documents at tab 7, "Law of the Sea," "Panama Canal Treaty Implication," and "Law of War," have been denied as they are currently and properly classified under Executive Order 12065. The unauthorized release of this information could weaken the position of the United States in the discussion or peaceful resolution of potential or existing international differences which could result in a disruption of foreign relations, thereby adversely affecting the national security. Therefore, the information is denied under 5 USC 552(b)(1).

Several documents at tabs 8 and 9 have information deleted as it is considered internal advice and recommendations of which the unauthorized release could inhibit the exchange of frank advice within a staff agency thereby hampering the decision-making process. Deletions are made under the provisions of 5 USC 552(b)(5).

The Initial Denial Authority is Mr. Robert L. Gilliat, Office of the General Counsel.

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November 15, 1980

OFFICE OF THE GENERAL COUNSEL

Immediate Office

Togo D. West, Jr.	Level IV
Niederlehner, L.	ES-5
Cullen, Regina H.	GS-13/1
Miller, Sarah G.	GS-11/6
Buchanan, Joyce L.	GS-11/3
Norris, Rose C.	GS-9/10
Jones, Idalina M.	GS-9/9

Associate General Counsel (International, Intelligence & Investigative Programs

Dondy, Virginia M.	ES-4
Schachter, Leon J.	ES-3
Allen, James J.	GS-15/8
Richardson, Henry J., III	GS-15/3
Cifrino, Michael J.	GS-14/2
Ludlow, Susan C.	GS-14/2
Dyson, Albert H., III	GS-14/1
Gordon, Delorise G.	GS-8/9
Trader, Patricia L.	GS-8/9
Shirley, Patricia A.	GS-7/4
Eubanks, Johannah	GS-7/3

Assistant General Counsel (Manpower, Health & Public Affairs)

Gilliat, Robert L.	ES-4
Holmes, Forrest S.	GS-15/9
Ream, David W.	GS-15/4
Effron, Andrew S.	GS-15/1
Koffsky, Paul S.	GS-14/7
Puller, Lewis B., Jr.	GS-14/2
Thomas, Bertha	GS-8/10
Boone, Betty Jean	GS-7/7
Blankenship, Betty J.	GS-6/3

Assistant General Counsel (Fiscal Matters

Briskin, Manuel	ES-4
Morgan, Tom G.	GS-15/1
Yannello, Karen M	GS-12/1
Poindexter, Margaret E.	GS-8/8
Hill, Mary E.	GS-7/7

Assistant General Counsel (Logistics)

Trosch, Dennis H.	ES-4
Drake, Gurden E.	GS-15/4
Monts, Michael A.	GS-14/1
Schlossberg, George R.	GS-13/1
Richardson, Karen L.	GS-12/1
Hebert, Elizabeth T.	GS-8/9
Werner, Beatrice H.	GS-7/10
O'Toole, Josephine M.	GS-7/8

Legislative Reference Service

Windus, Werner	GS-15/5
[Vacancy]	
Godfrey, Bernice E.	GS-11/5
Crozzoli, Lydia A.	GS-7/5
Fletcher, William A.	GS-6/7
Knickerbocker, Rose E.	GS-6/4

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OFFICE OF THE GENERAL COUNSEL

November 1980

Grade	Immediate Office	I^3	Manpower	Logistics	Fiscal	Leg. Ref. Service
Level IV	West					
ES-5	Niederlehner					
ES-4		Dondy	Gilliat	Trosch	Briskin	
ES-3		Schachter				
ES-2						
ES-1						
15		Allen Richardson,H.	Holmes Ream Effron	Drake		Windus
14		Cifrino Ludlow Dyson	Puller Koffsky	Monts	Morgan	[Vacancy]
13	Cullen			Schlossberg Richardson,K.	Yannello	
12						
11						
10						
9						
Clerical	3	4	3	3	2	4

Authorized Ceiling: 45 (Civilians)

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November 14, 1980

RECAP

General Counsel Personnel

	Authorized Professional	Authorized Clerical	On Board Professional	On Board Clerical
Central	3	3	3	3
Manpower	6	3	6	3
Logistics	5	3	5	3
I3	7	4	7	4
Fiscal	3	2	3	2
Legislative Reference	2	4	2	4
	26	19	26	19
	TOTAL: 45		TOTAL: 45	

Industrial Security Clearance Review Program

	Ceiling	On Board
Headquarters	12	12
Field	10	7

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ORGANIZATION CHART
OFFICE OF GENERAL COUNSEL

GENERAL COUNSEL
Togo D. West, Jr.

DEPUTY GENERAL COUNSEL
Leonard Niederluhner

SPECIAL ASSISTANT TO THE GENERAL COUNSEL
H. Regina Cullen

ASSISTANT GENERAL COUNSEL (MANPOWER, HEALTH & PUBLIC AFFAIRS)
Robert L. Gilliat

Serves:
- ASSISTANT SECRETARY OF DEFENSE (Manpower, Reserve Affairs & Logistics) (with respect to manpower and reserve affairs functions)
- ASSISTANT SECRETARY OF DEFENSE (Public Affairs)
- ASSISTANT SECRETARY OF DEFENSE (Health Affairs)
- Washington Headquarters Services (personnel matters)
- As Legal Advisor to Department Counselors for standards of conduct for DoD personnel
- As consultant on emergency planning and continuity of Government operations affecting the Department of Defense

Provides liaison for:
- General Counsel, Defense Mapping Agency
- Legal Advisor and Legislative Assistant, Joint Chiefs of Staff

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ASSOC. GENERAL COUNSEL (INTELLIGENCE, INTERNATIONAL & INVESTIGATIVE PROGRAMS)
Virginia M. Dondy

Serves:
- UNDER SECRETARY OF DEFENSE FOR POLICY
- ASSISTANT SECRETARY OF DEFENSE (International Security Affairs)
- ADVISOR TO THE SECRETARY OF DEFENSE FOR NATO AFFAIRS
- DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY
- INSPECTOR GENERAL, DEFENSE INTELLIGENCE

Supervises:
- Defense Investigative Service

Provides liaison for:
- General Counsel, National Security Agency
- General Counsel, Defense Intelligence Agency

ASSISTANT GENERAL COUNSEL (FISCAL MATTERS)
Manuel Briskin

Serves:
- ASSISTANT SECRETARY OF DEFENSE (Comptroller)
- DIRECTOR, DEFENSE AUDIT SERVICE
- Washington Headquarters Services (except personnel matters)
- OSD Welfare & Recreation Association
- OSD Concessions Committee

Supervises:
- Industrial Security Clearance Program

Provides liaison for:
- Counsel, Defense Contract Audit Agency

ASSISTANT GENERAL COUNSEL (LOGISTICS)
Dennis H. Trosch

Serves:
- UNDER SECRETARY OF DEFENSE FOR RESEARCH & ENGINEERING
- ASSISTANT SECRETARY OF DEFENSE (Manpower, Reserve Affairs & Logistics) (with respect to installations and logistics functions)
- ASSISTANT SECRETARY OF DEFENSE (Program Analysis & Evaluation)
- ASSISTANT SECRETARY OF DEFENSE (Communications, Command, Control & Intelligence)
- ASSISTANT TO THE SECRETARY OF DEFENSE (Atomic Energy)
- DIRECTOR, DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

Provides liaison for:
- General Counsel, Defense Nuclear Agency
- Counsel, Defense Logistics Agency
- Counsel, Defense Communications Agency

DIRECTOR LEGISLATIVE REFERENCE SERVICE
Werner Windus

Serves:
- General Counsel

Supervises:
- Development of the DoD Legislative program
- Development of coordinated DoD positions on proposed legislation, Executive Orders, and Presidential Proclamations
- Assignment of responsibility for implementation of laws and Executive Orders
- Legislative and Congressional document reference and distribution services
- Historical legislative files

Provides liaison for:
- Assistant to the Secretary of Defense (Legislative Affairs)

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THE DIRECTORATE FOR INDUSTRIAL SECURITY CLEARANCE REVIEW

The Directorate for Industrial Security Clearance Review, under the supervision of the Office of General Counsel, has responsibility for determining the eligibility of employees of Defense contractors to classified information. The Directorate consists of a Director, a Screening Board, Hearing Examiners, an Appeals Board, and Legal Counsel.

The initial responsibility for granting security clearances to employees of Defense contractors is that of the Defense Industrial Security Clearance Office, which is not a part of the Directorate. That office can grant clearances, but if it determines that there is reason not to grant a clearance the matter must be submitted to the Directorate for determination.

Within the Directorate cases arriving from the Defense Industrial Security Clearance Office are considered by the Screening Board which either authorizes the granting of a clearance or issues a Statement of Reasons as to why the clearance should not be issued. Applicants for clearance may appeal adverse determinations to the Directorate's Hearing Examiners. Decisions of the Hearing Examiners may be appealed to the Directorate's Appeal Board.

The program operates under the authority of Executive Order 10865, dated February 20, 1960, as amended. By agreement with 17 other government agencies the program covers contractor employees of those agencies. The program has no application to security clearances of military personnel or civilian employees of the DoD.

OFFICE OF GENERAL COUNSEL
DIRECTORATE FOR INDUSTRIAL SECURITY CLEARANCE REVIEW

NOV 1980

	Director		
1.	Thomas J. Nugent	GS-15	697-8350
	Administrative Assistant		
2.	Helen L. Olivo	GS-8	7-8350
	Director's Secretary and Administrative Assistant to Appeal Board		
3.	Elizabeth C. Stafford	GS-6	7-8350
	Chief Department Counsel		
4.	Robert S. Brady	CS-15	5-2354
	Department Counsel		
5.	Herbert B. Mutter	GS-14	5-2354
6.	Vacancy	GS-14	
	Secretary		
7.	Eleanor L. Row	GS-7	5-2354
	Chairman, Screening Board		
8.	John J. Delaney, Jr.	GS-14	5-7996
	Screening Board Members		
9.	Geraldine M. Morrison	GS-13	5-7996
10.	James A. Hall	GS-13	5-7996
11.	Charlene M. Krolin	GS-13	5-7996
12.	Victor J. Johnson	GS-13	5-7996

DOD-2010.GK.800

Screening Board Secretary

13.	Dorothy H. Smith (EOD 6 OCT 80)	GS-6	5-7996

Eastern Hearing Office

Attorney Examiners

14.	Charles J. Klyde	GS-15	A/C 212 264-1417-8-9
15.	Vacant	GS-15	

Attorney

16.	Eugene F. Back	GS-14	A/C 212 264-1417-8-9

Secretary

17.	Sylvia Kopf-Raffelson (EOD 3 MAR 80)	GS-6	A/C 212 264-1417-8-9

Western Hearing Office

Attorney Examiners

18.	David H. Henretta, Jr.	GS-15	A/C 213 643-1696-7-8 Autovon: 8-833-1696
19.	Marvin P. Carlock	GS-15	A/C 213 643-1696-7-8 Autovon: 8-833-1696

Secretary

20.	Helen B. McClarnon	GS-6	A/C 213 643-1696-7-8 Autovon: 8-833-1696

Attorney

21.	Herman R. Testan	GS-14	A/C 213 643-0216 or 0362 Autovon: 8-833-0216
22.	Vacant		

Secretary (DLA Part-Time Employee)

	Nancy Bloom		A/C 213 643-0216 or 0362 Autovon: 8-833-0216

OFFICE OF GENERAL COUNSEL
DIRECTORATE FOR INDUSTRIAL SECURITY CLEARANCE REVIEW

Ad Hoc Appeal Board Members

John E. Ritzert - Consultant-Annuitant (EOD 22 SEP 80)

Herbert Lewis - Consultant-Annuitant (EOD 22 Sep 80)

Daniel J. Dinan - Personnel Security & Investigative Div., SP&P, 3C271 7-3969/4917

Gerald C. Cowden - Army Review Boards & Personnel Security, ODASA, 1E486 7-7775

(Administrative Assistant - Elizabeth Stafford 5-7858)

6

NAME: Togo Dennis West, Jr.

POSITION: General Counsel

DATE OF BIRTH: 21 June 1942

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Howard University, B.A. 1965
Howard University, J.D. 1968

BAR MEMBERSHIP AND YEAR:

District of Columbia - 1968
New York - 1969
Court of Military Appeals - 1969
Legal Ethics Committee of D.C. Bar

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Army (Active Duty) - 1969-73
Judge Advocate, Military Justice Division, OJAG, U.S. Army - 1969-70
Attorney-Adviser to the Assistant Secretary of the Army (Manpower and Reserves) - 1970-73

PERSONAL EXPERIENCE:

Law Clerk, Hon. Harold R. Tyler, Judge of the U.S. Dist. Ct., Dist. New York, 1968-69
Associate, Covington and Burling, 1973-75, 1976-77
Associate Deputy Attorney General, U.S. Department of Justice, 1975-76
General Counsel, Department of the Navy, 1977-79
The Special Assistant to the Secretary and Deputy Secretary of Defense, 1979-80

ARRIVED AT OSD: 1 January 1979

NAME: Leonard Niederlehner

POSITION: Deputy General Counsel

DATE OF BIRTH: 12 October 1914

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

University of Cincinnati, B.A. 1934
University of Cincinnati, LL.B. (J.D.) 1937
(Order of the Coif)

BAR MEMBERSHIP AND YEAR:

Ohio - 1937
U.S. Court of Appeals, Sixth Circuit - 1938
U.S. Supreme Court - 1958
District of Columbia - 1967

MILITARY EXPERIENCE AND RESERVE STATUS:

USNR September 1942 - August 1946
Ensign to Lt. Cdr. S(L) USNR (Lt. Cdr. Ret. Res.)

PROFESSIONAL EXPERIENCE:

General Practice, 1937-1940
Office of General Counsel, FSA, 1941-42
U.S. Navy, 1942-46
Counsel, Bureau of Yards and Docks, 1946-47
Counsel, Army-Navy Munitions Board and
Munitions Board, June - December 1947

ARRIVED AT OSD: Temporary duty - 30 September 1947
Payroll - 15 January 1948

NAME: H. Regina Cullen

POSITION: Special Assistant to the General Counsel

DATE OF BIRTH: 23 November 1952

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Macalester College, B.A. 1973
University of Kentucky, J.D. 1976
Vrije Universiteit Brussel, LL.M. 1979

BAR MEMBERSHIP AND YEAR:

Kentucky - 1976
U.S. Dist. Ct. E.D. Ky - 1979

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Assistant Attorney General, Commonwealth of Kentucky, 1976-79

ARRIVED AT OSD: 2 January 1980

NAME: Virginia M. Dondy

POSITION: Associate General Counsel, Intelligence, International and Investigative Programs

DATE OF BIRTH: 14 February 1943

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

Goucher College, A.B. 1965
Georgetown University, J.D. 1971

BAR MEMBERSHIP AND YEAR:

District of Columbia - 1971
United States Supreme Court - 1974
New York - 1977

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Law Clerk, Judge Spottswood Robinson, III, U.S. Court of Appeals, District of Columbia, 1971-72
Associate, Steptoe & Johnson, Washington, D.C., 1972-76
Assistant General Counsel, ITT, New York, 1977-78
Deputy Assistant Secretary of Defense, Department of the Air Force (Equal Opportunity), 1978-79
Deputy Special Assistant to the Secretary of Defense, 1979-80

ARRIVED AT OSD: 1 August 1979

NAME: Leon J. Schachter

POSITION: Deputy Associate General Counsel, Intelligence, International and Investigative Programs (I^3)

DATE OF BIRTH: September 9, 1942

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

University of Illinois, B.S. 1964
Northwestern University, J.D. 1967

BAR MEMBERSHIP AND YEAR:

Illinois - 1967
District of Columbia - 1968

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Army 1968-72

PROFESSIONAL EXPERIENCE:

Department of Justice, Tax Division, 1967-68
Office of the Judge Advocate General, Military Justice Division, 1968-70
U.S. Army Judiciary, Government Appellate Division, 1970-72
Associate, Pierson, Ball and Dowd, Washington, D.C., 1972-80

ARRIVED AT OSD: March, 1980

NAME: James J. Allen

POSITION: Attorney-Advisor, Office of the Associate General Counsel (I^3)

DATE OF BIRTH: December 9, 1931

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Cornell University, B.A. 1953
Georgetown University, LL.B. and LL.M. 1958
Max Planck Institute for International Law, Research Fellow, 1958-59

BAR MEMBERSHIP AND YEAR:

District of Columbia - 1958

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Air Force 1953-58

PROFESSIONAL EXPERIENCE:

None prior to arrival at OSD

ARRIVED AT OSD: 27 October 1959

NAME: Michael Cifrino

POSITION: Attorney-Advisor, Office of the Associate General Counsel (I^3)

DATE OF BIRTH: April 13, 1950

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

Boston College, B.A. 1972
University of Maryland, J.D. 1975

BAR MEMBERSHIP AND YEAR:

Maryland - 1975

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Law Clerk, Hon. Charles D. Harris, Judge Supreme Bench, Baltimore City, 1975-76
Legal Services Corp., 1976
Office of General Counsel, Department of the Navy, 1976-79

ARRIVED AT OSD: 4 June 1979

NAME: Albert H. Dyson, III

POSITION: Attorney-Advisor, Office of the Associate General Counsel (I^3)

DATE OF BIRTH: October 10, 1949

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

Stanford University, B.A. 1973
University of Michigan, J.D. 1976

BAR MEMBERSHIP AND YEAR:

Michigan - 1976
District of Columbia - 1977

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Commodities Futures Trading Commission, 1976-77
Department of the Navy, Office of General Counsel, 1977-80

ARRIVED AT OSD: 20 October 1970

NAME: Susan C. Ludlow

POSITION: Attorney-Advisor, Office of the Associate General Counsel (I^3)

DATE OF BIRTH: May 12, 1947

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

Smith College, B.A. 1969
Fletcher School of Law & Diplomacy, M.A.and M.A.L.D. 1970-73
Graduate Institute of International Studies, Geneva, Switzerland. Diplome de l'Institut, 1972
University of Michigan, J.D. 1976

BAR MEMBERSHIP AND YEAR:

Michigan - 1976
District of Columbia - 1979

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Department of Justice, 1976-77
Department of the Air Force, Office of the General Counsel, 1977-80

ARRIVED AT OSD: 20 October 1980

NAME: Henry J. Richardson, III

POSITION: Attorney-Advisor, Office of the Associate General Counsel (I[3])

DATE OF BIRTH: March 24, 1941

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

University of Besancon, France. Certificate, 1962
Antioch College, 1963
Yale, J.D. 1966
UCLA, LL.M. 1971

BAR MEMBERSHIP AND YEAR:

Indiana - 1966

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

International Legal Adviser, Government of Malawi, 1966-68
Associate Professor of Law, Indiana University, 1971-77
Visiting Associate Professor of Law Northwestern University, 1975-76
National Security Council, 1977-79
Senior Foreign Policy Analyst, Congressman Diggs, 1979

ARRIVED AT OSD: 24 September 1979

NAME: Howard Patrick Sweeney

POSITION: Attorney-Advisor, Office of the Associate General Counsel (I^3)

DATE OF BIRTH: December 5, 1943

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Loyola University, B.A. 1965
Loyola University, J.D. 1968

BAR MEMBERSHIP AND YEAR:

California - 1969
U.S. District Court, C.D. Calif. - 1969
U.S. Court of Military Appeals - 1970

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Air Force 1969-80

PROFESSIONAL EXPERIENCE:

Law Clerk, U.S. District Court Judge A. Andrew Hawk, 1968-69
Office of the Judge Advocate General, 1971-77
- Trial Defense Counsel, 1969-74
- Base Staff Judge Advocate, 1971-72
- Military Judge, 1974-77
- Chief of Military Justice, 1972-77
- Chief of Civil Law, 1972-77
- Claims Officer, 1972-77

Office of the Secretary of the Air Force, Legislative Affairs, 1977-78
Office of the Secretary of Defense, Legislative Affairs, 1978-80

ARRIVED AT OSD: 1 June 1980

NAME: Robert L. Gilliat

POSITION: Assistant General Counsel (Manpower, Health & Public Affairs)

DATE OF BIRTH: November 16, 1931

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Wayne State, B.A. 1953
Wayne State, J.D. 1955
University of Michigan, M.P.A. 1959

BAR MEMBERSHIP AND YEAR:

Michigan - 1957
District of Columbia - 1976

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Army 1955 - 1957
Reserve Status - Honorably Discharged

PROFESSIONAL EXPERIENCE:

ARRIVED AT OSD: 1 July 1958

NAME: Andrew Effron

POSITION: Attorney-Advisor, Office of the Assistant General Counsel, (Manpower, Health & Public Affairs)

DATE OF BIRTH: September 18, 1948

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Harvard College, B.A. 1970
Harvard Law School, J.D. 1975

BAR MEMBERSHIP AND YEAR:

District of Columbia - 1975

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Army (JAGC), Capt. 1976-79
Reserve Status: Active Reserve

PROFESSIONAL EXPERIENCE:

Legislative Aide to Congressman William A. Steiger, 1975-76

ARRIVED AT OSD: 23 November 1977

NAME: Forrest S. Holmes, Jr.

POSITION: Attorney-Advisor, Office of the Assistant General Counsel, (Manpower, Health & Public Affairs)

DATE OF BIRTH: September 20, 1922

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

Princeton, B.A. 1943
Harvard Law School, J.D. 1950

BAR MEMBERSHIP AND YEAR:

Maryland - 1950
Massachusetts - 1951
U.S. Dist. Ct., D. Mass. - 1952
U.S. Dist. Ct., D. Columbia. - 1954
U.S. Court of Appeals, D.C. - 1954
U.S. Dist. Ct., D. Md. - 1954
U.S. Supreme Court - 1955

MILITARY EXPERIENCE AND RESERVE STATUS:

OCS, 1943
U.S. Army, 1944-47
Army active reserve, 1954-77
Army Retired Reserve, 1977

PROFESSIONAL EXPERIENCE:

Associate, Goodwin, Procter & Hoar, Boston, Mass., 1951-53
General Practice, Maryland and D.C., 1953-58

ARRIVED AT OSD: 29 September 1958

NAME: Paul S. Koffsky

POSITION: Attorney-Advisor, Office of the Assistant General Counsel, (Manpower, Health & Public Affairs)

DATE OF BIRTH: 6 July 1951

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

Harvard College, B.A. 1973
Columbia University, J.D. 1976

BAR MEMBERSHIP AND YEAR:

District of Columbia - 1977

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Associate, Wilmer, Cutler & Pickering, 1976-79
Senior Staff Attorney, DoD IG Task Force, 1979-80

ARRIVED AT OSD: April, 1979

NAME: Lewis B. Puller

POSITION: Attorney-Advisor, Office of AGC(MH&PA)

DATE OF BIRTH: August 18, 1945

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

William & Mary, B.A. 1964-67
William & Mary, J.D. 1971-74

BAR MEMBERSHIP AND YEAR:

Virginia - 1974

MILITARY EXPERIENCE AND RESERVE STATUS:

1st Lt. USMCR (Ret.) - 1967-70

PROFESSIONAL EXPERIENCE:

Staff Attorney, General Counsel, Veterans Administration, 1974, 1975-76
Attorney/Board Member, Presidential Clemency Board, 1974-75
Nat Svs Dir, Paralyzed Veterans of America, 1976-77

ARRIVED AT OSD: 5 October 1979

NAME: David W. Ream

POSITION: Attorney-Advisor, Office of the Assistant General Counsel, (Manpower, Health & Public Affairs)

DATE OF BIRTH: March 27, 1936

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

University of California, B.A. 1959
University of California, LL.B. 1962
George Washington University, LL.M. 1972

BAR MEMBERSHIP AND YEAR:

California - 1963

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Army 1963 - 73
Active Reserve - Present

PROFESSIONAL EXPERIENCE:

Attorney, Office of General Counsel, Electronics Command Ft. Mommouth, N.J., 1964-65
Assistant to Judge Advocate Military Mission to Iran, 1965-67
Vietnam, 1967-68
Hq. D/Army Office of Judge Advocate General Procurement Law Div., 1968-70 and 1971-73;
Chief, Logistics and Contract Law, 1972-73

ARRIVED AT OSD: 4 September 1973

NAME: Dennis H. Trosch

POSITION: Assistant General Counsel (Logistics)

DATE OF BIRTH: 30 December 1934

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

University of Wisconsin, B.S. 1956
University of Wisconsin, J.D. 1959

BAR MEMBERSHIP AND YEAR:

Wisconsin - 1959
District of Columbia - 1968

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Office of the General Counsel, Department of the Navy 1959-74

ARRIVED AT OSD: 8 December 1974

NAME: Gurden E. Drake

POSITION: Attorney-Advisor, Office of the Assistant General Counsel (Logistics)

DATE OF BIRTH: 26 December 1943

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

University of Virginia, B.A. 1965
University of Virginia, LL.B. (J.D.) 1968

BAR MEMBERSHIP AND YEAR:

New York - 1968

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Army (JAGC), Capt. - 1969-73
Reserve Status - Inactive Reserve

PROFESSIONAL EXPERIENCE:

Associate, Battle, Fowler, Stokes & Kheel, New York, N.Y., 1968-69
Captain, USAR (JAGC), 1969-73
Attorney-Advisor, Defense Nuclear Agency 1973-74

ARRIVED AT OSD: 15 December 1974

NAME: Michael A. Monts

POSITION: Attorney-Advisor, Office of the Assistant General Counsel (Logistics)

DATE OF BIRTH: March 24, 1951

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Northwestern University, B.A. 1973
University of Illinois, J.D. 1976

BAR MEMBERSHIP AND YEAR:

Illinois - 1976
District of Columbia - 1980

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Office of General Counsel, Department of the Navy, 1976-80

ARRIVED AT OSD: May, 1980

NAME: Karen L. Richardson

POSITION: Attorney-Advisor, Office of the Assistant General Counsel (Logistics)

DATE OF BIRTH: September 15, 1950

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

William and Mary, B.A. 1972
American University Law, J.D. 1978
George Washington University, LL.M. Candidate, currently enrolled

BAR MEMBERSHIP AND YEAR:

Virginia - 1979
U.S. Court of Claims - 1980

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Office of Counsel, Defense Logistics Agency, 1978-80

ARRIVED AT OSD: 10 November 1980

NAME: George R. Schlossberg

POSITION: Attorney-Advisor, Office of the Assistant General Counsel (Logistics)

DATE OF BIRTH: March 3, 1952

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

State University of New York at Stony Brook, B.S. 1973
New England School of Law, J.D. 1976
New York University School of Law, LL.M. Cand.
2 Yrs. (evenings)

BAR MEMBERSHIP AND YEAR:

New York - 1977
Federal Bar: Southern District - New York - 1977
Eastern District - New York - 1977

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Associate, Frank, Frank, Burger & Goldstein, 1976-77
Counsel, Donny Securities Ltd. 1977-78
Office of General Counsel, Department of the Navy 1978-80.

ARRIVED AT OSD: 24 March 1980

NAME: Manuel Briskin

POSITION: Assistant General Counsel (Fiscal Matters)

DATE OF BIRTH: January 27, 1936

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Cornell University, B.S. 1957
Cornell University, LL.B. (J.D.) 1959

BAR MEMBERSHIP AND YEAR:

New York - 1960

MILITARY EXPERIENCE AND RESERVE STATUS:

Captain MPC USAR (Reserve obligation completed)

PROFESSIONAL EXPERIENCE:

Office of General Counsel, Department of the Navy, 1960-65

ARRIVED AT OSD: 18 November 1968

NAME: Tom G. Morgan

POSITION: Attorney-Advisor, Office of the Assistant General Counsel (Fiscal Matters)

DATE OF BIRTH: July 26, 1944

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Cornell University, B.A. 1966
Albany Law School, J.D. 1969
George Washington University, LL.M. 1974

BAR MEMBERSHIP AND YEAR:

New York - 1969
District of Columbia - 1975

MILITARY EXPERIENCE AND RESERVE STATUS:

Active Duty, Army JAG, 1970-75
Army Reserve

PROFESSIONAL EXPERIENCE:

Associate, Richard C. Johnson, Albany, New York, 1969-70
Army JAGC, 1970-74
Associate, Neil B. Kabatchnick, 1975-76

ARRIVED AT OSD: 29 September 1976

NAME: Karen M. Yannello

POSITION: Attorney-Advisor, Office of the Assistant General Counsel (Fiscal Matters)

DATE OF BIRTH: May 8, 1952

MARITAL STATUS: Single

UNIVERSITIES AND YEAR OF DEGREES:

College of William & Mary, B.S. 1974
University of Virginia, J.D. 1977

BAR MEMBERSHIP AND YEAR:

Virginia - 1977
District of Columbia - 1979

MILITARY EXPERIENCE AND RESERVE STATUS:

None

PROFESSIONAL EXPERIENCE:

Michie/Bobbs Merrill Law Publishing Co., 1977-79
Law Editor, 1977-79
Senior Editor, April, 1979 - December, 1979

ARRIVED AT OSD: 2 January 1980

NAME: Werner Windus

POSITION: Director, Legislative Reference Service

DATE OF BIRTH: 24 February 1919

MARITAL STATUS: Married

UNIVERSITIES AND YEAR OF DEGREES:

Johns Hopkins University, B.A. 1940
University of Maryland, LL.B. 1949
Georgetown University, LL.M. 1966

BAR MEMBERSHIP AND YEAR:

Maryland - 1949
District of Columbia - 1950

MILITARY EXPERIENCE AND RESERVE STATUS:

U.S. Navy (Active Duty) 1942-1946, General Line
1951-1967, JAG Corps

Present Status: Commander, JAGC (Ret.)

PROFESSIONAL EXPERIENCE:

Associate, Penniman, Adkins and Caldwell Attorneys, Baltimore, MD, 1941-42
Office of General Counsel, Chief of Ordnance, Department of the Army, 1950-51
Cable, McDaniel, Bowie and Bond Attorneys, Baltimore, MD, 1967-68
Office, Chief Legislative Affairs, Department of the Navy, 1968-73

ARRIVED AT OSD: November, 1973

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ASSOCIATE GENERAL COUNSEL FOR INTELLIGENCE, INTERNATIONAL AND INVESTIGATIVE PROGRAMS

The Associate General Counsel for Intelligence, International, and Investigative Programs provides legal services to Department of Defense components that have programs outside the United States and to Department of Defense components that are involved in collecting, producing and disseminating intelligence. The principal clients of the office are the Under Secretary of Defense for Policy, the Assistant Secretary of Defense (International Security Affairs), the Director of the Defense Security Assistance Agency, and the Inspector General for Defense Intelligence. Other clients of this office include the Director of International Programs of the Office of the Under Secretary of Defense for Research and Engineering and the Director of International Logistics of the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics).

This office provides legal support for the representatives of the Department of Defense who conduct international negotiations for the Department or who represent the Department in negotiations conducted by the Department of State or other Executive Branch agencies. This office is also responsible for the legal opinions and interpretations required in implementing international agreements and arrangements involving the Department of Defense and in conducting the mission of the Department of Defense outside the United States. In addition, this Office is responsible for maintaining the central Department of Defense repository of international agreements under DoD Directive 5530.3; for monitoring implementation of the Department of Defense Foreign Tax Relief Program under DoD Directive 5100.64; and for administering the criminal jurisdiction provisions of Status of Forces Agreements under DoD 5525.1.

This office reviews intelligence activities that raise questions of legality or propriety, advises on the need for judicial warrants for the use of certain investigative and intelligence techniques, participates in the formulation of policy guidance and organizational changes with respect to DoD intelligence components, and assists in representing the Department on interagency groups that consider the legal framework within which intelligence components operate.

This office has management responsibility and provides legal services for the Defense Investigative Service.

H.R. 7893 passed the House on November 17, 1980 by voice vote and was referred to the Senate Governmental Affairs Committee for consideration. The Senate held hearings on S.3025. Those hearings were postponed indefinitely prior to participation by DoD.

PENDING OGC ACTION: To closely monitor any attempt to have this bill pass, or to attach the bill as a rider to another bill. OSD, the Services and the Defense Agencies are unanimous in opposing this bill. Our opposition has been clearly and repeatedly stressed to the Congress and OMB. Section 8(b)(1) of the 1978 requires the Secretary of Defense to submit, not later than March 31, 1981, proposed legislation to establish appropriate reporting procedures after the semiannual requirement expires on October 1, 1982. OGC has the action on submitting that legislation -- OSD/Comptroller has been asked to develop the necessary reporting procedures.

ROSSI v. BROWN

In 1968 the United States and the Republic of the Philippines entered into a binding executive agreement ("Base Labor Agreement"). A provision of the Agreement was that in exchange for allowing the United States to maintain certain military bases on sovereign Philippine soil, the United States military forces would give preference over United States citizens to Filipino citizens in meeting local employment needs.

In accordance with the Base Labor Agreement, in March 1968, certain American citizens employed at the United States Naval Station, Subic Bay, Philippines, were removed from their jobs and replaced by Filipino citizens.

On December 13, 1978, plaintiffs filed a complaint in the U.S. District Court, seeking injunctive relief and back pay, challenging as illegal the employment practice of giving preference to Philippine nationals in hiring at the United States Naval Station, Subic Bay, the Philippines. Plaintiffs alleged that the preferential hiring mandate of the Base Labor Agreement was violative of Section 106 of Pub. L. 92-129, 5 U.S.C. 7151 note, which provides, in part:

> Unless prohibited by treaty, no person shall be discriminated against by the Department of Defense or by any officer or employee thereof, in the employment of civilian personnel at any facility or installation operated by the Department of Defense in any foreign country because such person is a citizen of the United States or is a dependent of a member of the Armed Forces of the United States.

Subsequently, the parties filed cross-motions for partial summary judgment. On April 5, 1979, Judge Thomas A. Flannery entered a final order dismissing plaintiffs' claim. The Court of Appeals for the District of Columbia overturned the decision of the District Court on September 15, 1980. On October 29, 1980, the United States Attorney filed a Petition for Rehearing and Suggestion for Rehearing En Banc with the United States Court of Appeals for the District of Columbia Circuit.

Base Rights Agreements - Interpretative Statements

In Senate Report 96-931 on the Military Construction Bill, 1981, the Senate Committee on Appropriations requests that each country-to-country agreement submitted to the Committee include a "legal interpretation of the nature of the consultation required . . . in order for the United States to have access to and use of facilities which it has constructed or upgraded." For those country-to-country agreements which were submitted to the Committee prior to the issuance of the Report, the Committee requested the legal interpretation by November 15, 1980. ISA has delivered to the Committee interpretative statements prepared by the Legal Advisor's Office, Department of State, for Kenya, Somalia, Oman, and Diego Garcia. The requirement for interpretative statements is a continuing one.

"GRAYMAIL LEGISLATION"
(CLASSIFIED INFORMATION PROCEDURES ACT - P.L. 96-456)

BACKGROUND: This legislative initiative was developed in response to difficulties which the Executive and Judicial branches of the government have faced whenever classified information is at issue in a trial. The Executive Branch has been frequently faced with a "disclose or dismiss" dilemma, which meant that rather than risk disclosing classified information at time of trial, the government would refrain from prosecuting lawbreakers. The term "graymail" refers to the situation where defendants and their counsel press for the release of classified information, knowing that the threat of disclosure of such sensitive information might force the government to drop the prosecution. This Act details the procedures to be followed in federal criminal trials in order to better protect national security secrets and yet insure the defendant's right to a fair trial. As finally drafted, the Act received the support of the Administration, the Congress, the ACLU, the American Bar Association, and the Association of Former Intelligence Officers.

STATUS: The Act became law on October 15, 1980, and is applicable to any prosecution in which an indictment or, information was filed after that date.

PENDING OGC ACTION: Section 9(a) of this Act requires that the Chief Justice of the Supreme Court, in consultation with the Director of Central Intelligence, the Secretary of Defense, and the Attorney General, promulgate security procedures to protect any classified information in the custody of federal courts against unauthorized disclosure. Those rules are to be prescribed by February 12, 1981. Also, Section 12(a) requires the Attorney General to issue guidelines specifying the factors that Justice will use in deciding whether to prosecute a case where there is a possibility that classified information may be revealed. Those guidelines are required by April 13, 1981. OGC will need to closely monitor both actions to insure that DoD interests are protected -- in fact, we are already actively involved in the working group which is developing the security procedures.

Law of the Sea (U)

Panama Canal Treaty Implementation: Civilian Components Status Relative to DoD Dependents School Transferred to the Department of Energy under SOFA (U)

Law of War (U)

MICRONESIAN STATUS NEGOTIATIONS

Negotiations have been ongoing for eleven years with the local governments of the Marshall Islands, Palau and the Federated States of Micronesia, which collectively make up the Pacific Trust Territory. A Compact of Free Association was initialed by Ambassador Peter Rosenblatt with each of the governments in November of this year. The Compact provides for continued U.S. defense responsiblity for that area but otherwise grants substantially full sovereignty to the three island nations. The full U.S. Congress must now approve the Compact, including its economic development payments averaging $125 million a year for a 15 year period.

DEPARTMENT OF DEFENSE PROGRAMS TO PREVENT AND DETECT FRAUD AND WASTE IN GOVERNMENT OPERATIONS

I. INTRODUCTION

In response to the President's request of December 13, 1978 for a comprehensive plan for combatting fraud and waste in government programs, the Department of Defense submitted a Report to the President on January 31, 1979. Part I of the report details the audit, inspection and investigative units within DoD, including their purpose and staffing levels. Part II sets forth the specific activities of each of these components. Part II also recommends specific DoD projects and goals. Part III of the report contains recommendations for government-wide actions.

To supervise and direct department activities and to restructure the Department's fraud and waste investigative activities, the Secretary of Defense established the Steering Group for Oversight of Defense activities. The Deputy Secretary oversees the Group's activities. The Under Secretary (Policy) chairs the Groups' meetings.

Eleven projects designed to deal with a wide spectrum of fraud and waste issues were initiated by the Steering Group. In addition, a number of ancillary efforts were undertaken to examine situations perceived to need immediate attention. Two supplementary Reports to the President were submitted on August 24, 1979 and May 15, 1980 to provide an update on the various projects and the Steering Group has continued to meet on a monthly basis to ensure high level oversight of these efforts.

II. BACKGROUND

Any matter that concerns fraud or waste in the Department of Defense is the responsibility of the DoD Steering Group for Oversight of Defense Activities. The group includes the Assistant Secretary of Defense (Comptroller), the General Counsel, the Under Secretaries of the three military departments, the Deputy Assistant Secretary of Defense (Public Affairs) and the Deputy Under Secretary of Defense (Research and Engineering) for Acquisition Policy. In the beginning, the group met as frequently as weekly to establish a fraud and waste program within DoD and to direct preparation of the initial Report to the President. Subsequently, the Steering Group has met approximately every four weeks to oversee implementation of the DoD program.

In order to assist the Steering Group in preparing the first Report to the President, a Working Group was established,

composed of single representatives from the three military departments, a representative from the Office of the Assistant Secretary of Defense (Comptroller) and a member of the General Counsel's staff, who has served as Chairman. Members were responsible for obtaining all required statistical and organizational information needed for the report from the many different contributors within their respective departments. The Working Group reviewed and reworked these inputs to produce a draft report which, in turn, was reviewed carefully and amended by the Steering Group to produce the first Report to the President.

Thereafter, the substantive work of organizating departmental resources to attain the announced goals and objectives of reducing fruad and waste was undertaken. The Steering Group approved a management program which established individual project teams to study, refine and initiate execution of project plans drawn up by the Working Group. These project plans were based upon the goals and objectives outlined in the Report to the President. Each plan set forth one or more specific objectives and a timetable, established a project team and outlined the team's expected product. Products range from feasibility studies to new departmental regulations, all designed to have a practical application to improve operations with the Department. Members of project teams were picked for their skills and backgrounds to make available to individual projects the complete range of expertise and knowledge required to produce a quality product. For this reason, project teams varied in size depending upon the types of skills needed to produce a desired result. The projects themselves were designed to produce programs that would have applicability throughout the Department of Defense.

The project team concept has allowed application of the specific skills needed to solve a specific problem without overextending organizational resources. Project team members have been expected to work only part time on their project freeing them to continue their regular departmental duties. Project team leaders met periodically as a group with the Working Group to ensure that their projects were progressing satisforily, in a coordinated fashion and in line with the objectives set by the Steering Group. Regular written reports were furnished to the Steering Group which has provided overall management guidance. The results to date are outlined below.

III. PROJECTS

PROJECT A - Definition

This project was set up to develop definitions for the terms "fraud" and "waste" to ensure that DoD efforts would be

similarly focused and to make use of similar data bases for all projects undertaken. The final report of this project team adopted a functional approach by establishing four cateoories of fraudulent or wasteful activity and defining related terms. This report is set out in its entirety in Appendix B of the Supplemental Report to the President, "Department of Defense Programs to Prevent and Detect Fraud and Waste in Government Operations" dated August 24, 1979.

PROJECT B- Fraud Prevention Surveys

This project was undertaken to develop and initiate a pilot program of fraud prevention surveys to be conducted by interdisciplinary teams of auditors and investigators. The exchange of ideas, techniques and skills inherent in this approach is designed to help ensure a comprehensive analysis of actual and potential sources of fraud and waste within the surveyed organizations. Pilot surveys were conducted at three procurement centers and one finance center. The analysis of the four pilot survey reports disclosed that improvements in the reporting methods were needed to provide management officials some specific indication of the relative significance of the conditions disclosed by the surveys. Based on this analysis, departmental policy guidance is being drafted to provide for coordination of the various review and survey efforts conducted within each military department and defense agency and ensure succinct reporting of significant results.

PROJECT C- Prosecution Followup

The purpose of this project was to develop a system to monitor the progress of Department of Defense investigations referred to other agencies for further investigation or prosecution. The Project Team developed a reporting format for an automated system to be used by the military departments and defense agency components with investigative responsibilities. In addition, the information to be contained in this format is designed to satisfy the reporting requirements of the Department of Justice White Collar Crime Referral Form and the Inspector General Act of 1978. That Act requires, in part, that each executive department report significant cases referred for prosecution. Each defense department component currently maintains statistical information on every case that it investigates or refers outside of the department for investigation or prosecution. This data would have to be put into the automated system.

The Air Force was appointed Executive Agent for the Defense Department and has undertaken to prepare a text of the computer software program containing the reporting format developed by the project team. After a six month "debugging" period, the system will be used by the three military services.

PROJECT D - Property Accountability

As of January 1, 1979, the Army implemented new procedures utilizing more easily applied criteria for establishing accountability by service members for loss of or damage to government property. Between mid-1979 and mid-1978, the Army sustained a loss of property estimated at $118.5 million from an inventory of $12.5 billion. Proponents of the system claim it will deter negligent property loss as well as provide a means to recoup some of the losses sustained from negligence. A parallel program was approved for test in the Air Force recently and consideration is being given to doing the same for the Navy.

PROJECT E - Planning

This project was proposed to develop and implement a program emphasizing fraud and waste issues throughout the Department of Defense planning process. A group of Service representatives, chaired by the Assistant Secretary of the Air Force (Financial Management) was established to define more particularly the goals of the proposed project and report upon its feasibility. After receiving the report of the Assistant Secretary, the Chairman of the Steering Group on Oversight of Defense Activities concluded that increased planning could most effectively be accomplished within the current system of overall audit planning through the maximum application and utilization of existing policies and organizational structure. As a result, the Assistant Secretary of Defense (Comptroller) undertook to instruct Department of Defense audit organizations to assess the effectiveness of their planning functions and improve them where necessary.

PROJECT F - Improved Followup System

A project team was established to strengthen and improve DoD component followup systems for monitoring, tracking and reporting on management actions to correct reported deficiencies concerning fraud and waste and to implement recommendations made by audit, inspection, internal review and investigative organizations.

The project team produced a Department of Defense Directive which provides:

- the establishment of central focal points for followup at each management level;
- the designation of high level officials in DoD components to resolve differences between managers and audit, inspection, internal review and investigative organizations;
- that formal records be maintained of management actions;

- that semi-annual status reports on followup actions will be prepared and provided to top managers; and

- that the audit, inspecton and review agencies evaluate such status reports to determine whether corrective actions taken were responsive and adequate.

PROJECT G - Improved Coordination

This project was formed to study the effectiveness of coordination among the audit, inspection and investigative offices of OSD and the Service departments. The project team's final report concluded that additional formal mechanisms for coordinating the various audit, inspection and investigative offices with the Department of Defense were not necessary. The final report is set out in its entirety in Appendix B of the Supplemental Report to the President, "Department of Defense Programs to Prevent and Detect Fraud and Waste in Government Operations" dated August 24, 1979.

PROJECT H - Management Education

As originally proposed, the project was to develop and implement a pilot program of management education on fraud issues to be utilized by the Office of the Secretary of Defense. The purpose was to improve awareness and sensitivity for issues regarding fraud and waste. The project was to be evaluated for possible implementation throughout the Department of Defense. After analyzing the preliminary work of the project team, the Steering Group determined that there is currently a high state of awareness of fraud and waste issues and that the proposed course would be an uneconomical use of management time. As a result the project was terminated.

PROJECT I - Training Improvements

The Department of Defense has undertaken to improve the effectiveness of training for its auditors, inspectors and investigators engaged in combatting fraud and waste. A comprehensive review of all current training was accomplished and recommendations for improving particular aspects of that training are now being implemented.

PROJECT J - Management Information System

This project was designed to develop and implement a pilot management information system (MIS) to track the status of audit, internal review, inspection, investigation, prosecution and administrative recommendations and actions relating to fraud and waste within the entire Department of Defense. Instead of investing the time and funds in the development of a new management information system to be imposed throughout the Department, existing systems within the Department of the Air Force were evaluated and improved. Lessons learned were then applied to the fraud and

waste activities in the other Services and OSD agencies. Each of these organizations had existing systems that were either adequate or could be made adequate with changes. Appropriate improvement actions have been identified and are being pursued in these organizations.

PROJECT K - External Review of Audit

This project originally contemplated formation of an Advisory Committee under the Federal Advisory Committee Act (Public Law 92-363) comprised of managers from major audit firms, from corporations doing work similar to parts of the Department of Defense, and from academic institutions. The Advisory Committee was expected to perform a one-time review of the size of the DoD audit force, and to determine whether DoD audit techniques are adequate for current needs. After careful considerations, the Steering Group decided that these issues were more properly the responsibility of the Task Force on Evaluation of Audit, Inspection and Investigative Components of the Department of Defense which had been established under Public Law 95-452 (Inspector General Act of 1978) and did not implement this project.

PROJFECT L - Contracting for Audit Services

This project was established to explore the possibilities of increased use of commercial audit firms by DoD components in lieu of increased staffing of the internal audit organizations. This review was performed in the Army, Navy, Air Force and Office of the Deputy Assistant Secretary of Defense (Audit).

The project report concluded that commercial audits of appropriated fund activities are not cost-effective, efficient or in the best interests of sound management.

In the case of audits of nonappropriated fund activities, the project team concluded that financially oriented audits, as presently conducted, are satisfactory due to the considerable experience with these types of audits possessed by private commercial firms.

Based upon these findings, the Steering Group on Oversight of Defense Activities decided to continue with the present system of limiting commercial audits to financial audits of nonappropriated fund instrumentalities in all but special circumstances approved in advance by the Assistant Secretary of Defense (Comptroller).

PROJECT M - Contractor Accountability for Government Equipment.

A study was made of the adequacy of the present system for accounting for the approximately $4.2 billion of government-owned equipment being used by contractors. The study results now being implemented are designed to reduce the inventory of such equipment held by contractors, reduce the cost of record keeping for both government and industry, and improve the timeliness and accuracy of the overall record keeping system.

IV. ANCILLARY PROJECTS

Prevention of Computer Fraud

A Department of Defense study was completed in mid-1979 which recommended that DoD take the lead in government and industry in developing methods to prevent computer fraud. Accelerated funding was approved for research and development and advanced systems to prevent unauthorized access to specific information in DoD computers are already undergoing tests.

General Accounting Office Hotline Assistance

In early 1979, the General Accounting Office (GAO) established a "fraud hotline" whereby the public could telephone GAO using toll-free number to report suspected instances of fraud and waste in any executive department of the government. Each executive department set up a point of contact who receives case referrals from the GAO Fraud Task Force which administers the program. Within the Department of Defense, the Defense Investigative Service (DIS) is designated the single point of contact for GAO referrals. Each of the military departments has also designated points of contact for accepting referrals from DIS. All referrals are designed a "due date" and a monthly report of all cases received and processed is prepared.

Department of Defense Hotline

On April 2, 1979, the Department of Defense established a toll-free telephone hotline program of its own to aid in uncovering fraudulent and wasteful practices. The toll-free telephone number is for use by DoD employees and military service members in reporting fraudulent or wasteful practices.

INSPECTOR GENERAL ACT AMENDMENTS OF 1980
(H.R. 7893)

BACKGROUND: In the Summer of 1978, the Congress enacted the Inspector General Act of 1978 (P.L. 95-452), consolidating control over and it, investigative and inspection resources under newly created offices of the Inspector General in 12 Executive Branch Departments and Agencies. After hearing the Defense Department's strong objections to the creation of an IG for DoD, Congress determined that it needed additional information before deciding whether the IG concept was appropriate and/or necessary for DoD. Congress directed that the Secretary of Defense establish a task force to study the audit, investigation and inspection components of DoD engaged in the prevention and detection of fraud, waste and abuse. In addition, the Congress required DoD to submit a semiannual report on audit, inspection and investigation functions. The Task Force reported its findings in May 1980, recommending against the creation of an IG for DoD, but recommending that a senior staff officer assist the Secretary of Defense in monitoring the economy, efficiency and effectiveness of this Department.

STATUS: Despite the Task Force recommendations, Rep. Jack Brooks, Chairman of the House Government Operations Committee introduced a bill, H.R. 7893, which would amend the 1978 IG Act to create IG's for DoD, Justice, Treasury and the International Development Cooperation Agency. Sen. Eagleton, Chairman of the Subcommittee on Governmental Efficiency and the District of Columbia, Senate Governmental Affairs Committee, introduced a similar bill, S.3025. House hearings were held and the Deputy Secretary of Defense, Graham Claytor, expressed DoD's continued opposition to such an IG on August 27, 1980. In addition to pointing out that the IG Task Force had recommended against a statutory IG for DoD, Mr. Claytor testified that establishment of a centralized statutory DoD Inspector General with independent authority would result in an unprecedented alteration of management responsibilities for national defense affairs. He also cited the attendant disruption of the civil-military chain of command; undermining of the authority of the Secretary of Defense and the Military Service Secretaries; and interference with the operation of DoD intelligence functions and the military justice system, as reasons to reject the proposal.

As an alternative to a statutory IG, the Deputy Secretary told the House Government Operations Subcommittee that DoD was studying various possibilities, including the appointment of an officer reporting directly to the Secretary of Defense. In this regard, IG responsibilities could be given to an existing DoD official, a new Under Secretary (as the IG Task Force recommended), a new Assistant Secretary, or a new Deputy Under Secretary.

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ASSISTANT GENERAL COUNSEL FOR MANPOWER, HEALTH AND PUBLIC AFFAIRS

The Assistant General Counsel for Manpower, Health and Public Affairs provides advice on legal and legislative matters involving Department of Defense policy in the fields of civilian and military manpower, health and medical affairs and public affairs. The principal clients of this office are the Assistant Secretary of Defense (Manpower, Reserve Affairs & Logistics) with respect to manpower and reserve affairs; the Assistant Secretary of Defense (Health Affairs); the Assistant Secretary of Defense (Public Affairs); and the Washington Headquarters Services with respect to personnel matters. In addition, this office is the focal point for legal issues arising in the areas of standards of conduct, the Freedom of Information Act, the Privacy Act, the Uniform Code of Military Justice, security policy, and the application of the Administrative Procedures Act to the Department of Defense.

The services of this office include oral and written legal opinions; drafting and evaluating the legal sufficiency of directives, memoranda, and communications emanating from the various offices served; analysis and evaluation of bills introduced in the Congress; the initiation, drafting, analysis, approval, and supervision of proposed legislation in the subject areas of responsibility; and providing assistance to the Department of Justice in litigating major cases involving policy issues of significance to the Department of Defense.

Amendment of the Uniform Code of Military Justice

The Joint Service Committee on Military Justice (an inter-service group comprised of Army, Navy, Marine Corps, Air Force, and Coast Guard attorneys) has addressed a number of substantive and procedural problems occasioned by current provisions of the Uniform Code of Military Justice and recommended various changes to the military justice system. The recommendation was reviewed by this office and, after minor changes were made, was forwarded to OMB for approval. OMB approved the bill entitled the "Military Justice Amendments of 1979," and it was introduced in the 96th Congress as H.R. 3805. The legislation is designed to streamline the court-martial trial system, enhance the quality of military justice, and align military justice practice more closely to that of the civilian courts. The present requirement that the convening authority make certain legal and factual determinations prior to referring a case to trial would be eliminated. Instead, the staff judge advocate would advise the convening authority prior to referral that there is sufficient evidence to support the charges and that there is jurisdiction over the accused and the offense. With respect to post-trial proceedings, the proposal would eliminate the requirement that the convening authority conduct a legal review of matters that are subsequently reviewed by military appellate courts. The convening authority would no longer be required to make complex legal judgments about the sufficiency of the findings. The convening authority's post-trial responsibility would be limited to acting on the sentence and taking whatever clemency action is deemed appropriate. In

conjunction with this proposal, the requirement for an elaborate post-trial review by the staff judge advocate would be eliminated. The proposal also modifies appellate procedures to enhance the rights of the accused by providing the Judge Advocates General with the authority to modify or set aside sentences in cases within their appellate jurisdiction as a matter of clemency.

No hearings were held on the legislation during the 96th Congress.

Revision of the Manual for Courts-Martial

The Office of Assistant General Counsel/MH&PA and the Judge Advocates General formed a committee in 1978 to revise the rules of evidence contained in the Manual for Courts-Martial to comport with the new Federal Rules of Evidence. This ambitious project involved a detailed examination of the Federal Rules to determine their applicability to military law, along with the development of rules to cover areas avoided by the Federal Rules including self-incrimination, search and seizure, eyewitness identification, and privileges. The result was a major revision of the evidentiary portion of the Manual, which was approved by the President in 1979. The new rules provide one of the most complete codes of evidence in the nation.

The evidence project demonstrated the need for a more comprehensive revision of the procedural aspects of the Manual to incorporate the numerous developments in federal criminal law since 1969 and to separate, more clearly, binding rules from non-binding commentary.

This office initiated a project in 1980 to completely revise the Manual. The project will substantially improve its utility and will enhance the reputation of the military justice system in the field of criminal law. The initial drafting has been assigned to the Joint Services Committee on Military Justice.

As rules are drafted by the Committee, they will be forwarded to this office for informal review at ten week intervals. The Committee has established a two-year time-table for completion of the draft and forwarding a revised Manual to this office for formal review. After internal DoD approval, the proposed Manual

will be published in the Federal Register for comment. After comments are received and analyzed, the proposal will be forwarded to the President through OMB for signature.

Revision of DoD Directives

Implementation of the Ethics in Government Act of 1978, Public Law No. 95-52, within the Department of Defense, is primarily the responsibility of the Office of General Counsel. The Assistant General Counsel/MH&PA is the action agent for the actual performance of this function. Two DoD Directives which were originally prepared by us and for which AGC/MH&PA has continuing oversight provide detailed rules to be observed by all DoD components. These issuances are cited below.

a. DoD Directive 5500.7, subject: "Standards of Conduct." This issuance provides specific guidance and is the basis for regulations promulgated by DoD components. Extensive revision of the Directive is needed as a result of new developments and, accordingly, a revised version has been circulated for coordination and comments received are being reviewed in preparation of a final version. It is necessary to revise the Directive periodically as experience with new procedures is gained and guidance is issued by the Office of Government Ethics, a subdivison of the Justice Department, the General Accounting Office and other responsible agencies. Reissuance requires observance of customary rule-making formalities. Thereafter, implementing component regulations must be reviewed and approved before promulgation.

b. DoD Directive 5500.2, subject: "Politics Governing Participation of Department of Defense Components and Personnel in Activities of Private Associations." This Directive is also currently being revised. The proposed redraft has been published

in the Federal Register and resulting comments have been reviewed. There are still several areas that remain to be resolved and these matters have been the subject of recent discussions to facilitate final decisions to be taken in the near future.

Individual Counseling

As an incident of the general responsibility of OAGC/MH&PA for supervision of the overall standards of conduct program within OSD and OJCS, it is frequently necessary to hold personal counseling sessions with present, prospective and former employees and officials to address specific questions. Sometimes it is necessary to prepare written opinions because of complications in the basic law and implementing regulations as those authorities are applied to the particular circumstances of individual cases. In addition, questions raised by prospective employers of departing officials and employees call for separate responses. In many instances, the unique peculiarities of individual situations require personal attention if problems are to be avoided.

Advice on FOIA Requests

The Department of Defense receives a continuing volume of requests from the public for release of information under the Freedom of Information Act, 5 USC §552. Requests for release of information from OSD sources are usually processed by the Freedom of Information Office in OASD/Public Affairs. That office, in turn, looks to OAGC/MH&PA for advice about the applicability of the Freedom of Information Act and the Privacy Act, 5 USC §552a, to these requests. This advice includes the detailed review of the materials in question, interpretation of the two Acts, conferences with the component that originated the materials, and in some instances, the preparation of formal opinions. The efforts of OAGC/MH&PA are directed toward insuring compliance with the Acts and thus, obviating burdensome litigation while simultaneously protecting OSD interests within the limits of the law.

Advice is also furnished on broader issues involving the two Acts in the formulation of general policy. For example, the AGC/MH&PA was asked to consider whether the Secretary of Defense has authority to prescribe guidance to the Military Departments with respect to their detailed implementation of the Freedom of Information Act.

Reform of the Freedom of Information Act

Problems encountered in the administration of the Freedom of Information Act, 5 USC §552, prompted OAGC/MH&PA to prepare a comprehensive proposal for legislative reform of the Act. The proposal was submitted to eighty agencies of the Government for review and comment. Upon receipt of these comments, the proposal was revised to reflect those of the comments that were considered to be meritorious. The proposal was forwarded to the Attorney General for inclusion in a package prepared by the Carter Administration for submission to Congress after completion of the required clearance process. However, that package has not been cleared and, therefore, nothing is pending before Congress.

The proposal consisted of two parts. The first dealt with problems and proposed changes related to the general provisions of the Act. The second part addressed problems in the Act's exemption sections.

Nine suggestions were made for amendment of the general provisions. These changes were intended to correct abuses that were not foreseen when the Act was adopted. They would limit the indexing requirement, restrict use of the Act by parties who bring actions against the Government, limit access to settlement documents, provide for obtaining litigation assistance from private parties in the defense of certain suits against the Government, authorize making records available through alternate distribution systems, control voluminous requests, require exhaustion of administration remedies, limit requirements for segregation of exempt from nonexempt materials, restrict access

to Government documents sought for their commercial value, and eliminate use of the Act by foreign nations.

The suggestions made for revision of the exemption provisions of the Act were designed to clarify the intent of Congress, reduce litigation, and simplify administration of the Act. These suggestions would remedy the inadequacy of the provision of the Act protecting confidential agency procedures, the ambiguity of the provisions with respect to protection of commercial information, the inability to protect exchanges of records with other levels and branches of the Government, the difficulty of withholding personnel lists, and the lack of protection for technical data that may not be exported under the Export Administration Act, 50 App. USC §2402, and the Arms Export Control Act, 22 USC §2728. ~~All of the suggestions were designed to effect only~~ administrative improvements in the Act so that appropriate use by the public can be fostered while abuses of the Act, not intended by Congress, can be eliminated.

Resolution of Missing in Action Cases

After the conclusion of hostilities in Southeast Asia in 1973 and the subsequent final repatriation of American prisoners of war, more than 1300 United States service members were classified as missing-in-action. The returning prisoners of war were unable to provide any information about these cases and the assistance provided by the North Vietnamese was very limited.

When diplomatic initiatives and special investigations conducted by both the Defense Department and Congress failed to disclose any further information, the Secretaries of the Military Departments, acting under the authority of the Missing Persons Act, 37 USC §551-§558, commenced administrative proceedings to review each case individually to evaluate the propriety of changing the status of these missing members to deceased. Such action has the effect of terminating continued entitlement to military pay and allowances. To prevent this official action, the next-of-kin of certain missing members challenged the constitutionality of the Act in a class action. The validity of the Act was upheld in the federal courts, subject to a requirement for granting next-of-kin the right to participate in status determination hearings.

Some of the next-of-kin then launched a major effort to prevent or delay indefinitely the status reviews by the Secretaries through the initiation of more than 300 requests for information under the Freedom of Information Act, 5 USC §552. They sought information first from case files and thereafter from the mass of "uncorrelated data" maintained in service files on missing-in-action cases in general. After these requests for information were resolved, the administrative review process continued with

the holding of hearings open to the next-of-kin. Each hearing was followed by a decision of the Military Department Secretary concerned to continue the missing-in-action status or to change the serviceman's status to deceased.

As a result of the tremendous effort to process these numerous requests for information and to combat next-of-kin resistance to status changes, by mid-November of 1980, only three missing-in-action cases remained before the courts and fourteen cases awaited completion of administrative processing by the military departments.

Review of Administrative Discharge Policies

Department of Defense Directive 1332.14 generally prescribes policy for the issuance of administrative discharges, although there are conde. rable differences among the services in their implementatn of the policy.

5 USC 552(b)(5)

. The most notable case is Matlovich v. United States, 591F.2d 852 (D.C. Cir. 1978) in which the Court of Appeals remanded the case to the District Court, requiring the Air Force to explain the operation of its policy on separation of homosexuals.

5 USC 552(b)(5)

The order has been held in abeyance pending settlement negotiations.

OAGC/MI&PA has collaborated with the Office of the Assistant

Secretary/Manpower, Reserve Affairs, and Logistics to develop a comprehensive revision of the DoD Directive. A proposal was informally circulated among the services in September and a formal draft is now out for service comment. The revision simplifies the reasons for discharge, provides greater uniformity in procedures for discharge and clarifies policy on characterization. An inter-service task force was formed under the sponsorship of this office to monitor cases involving homosexuality. In light of a recent Ninth Circuit decision, Beller v. Middendorf, upholding the Navy's policy on homosexuality, settlement of the Matlovich case on terms that would preclude his reentry onto active duty appears to have been successfully concluded.

That portion of the revised Directive dealing with homosexuality is being coordinated with a view toward implementation before the end of 1980. It maintains existing DoD policy (that homosexuality is incompatible with military service) and provides procedures that can be administered uniformly by the services. The entire Directive is being coordinated with a longer suspense date with a view toward implementation in February 1981. Although primary responsibility in this area is vested in the Assistant Secretary of Defense/Manpower, Reserve Affairs, and Logistics, OAGC/MH&PA has participated in all actions involving revision of the Directive.

Goldberg v. Rostker

This is a class action which challenges the constitutionality of the Selective Service Act on an equal protection argument as that principle is embodied in the Fifth Amendement. Plaintiffs are males who, prior to the termination of inductions on June 30, 1973, were ordered to report for induction. They filed an action to enjoin their induction on the theory that the Selective Service Act was unconstitutional because it discriminates against males by reason of the fact that it does not provide for the induction of females. During the mid-1970s, the Government twice moved unsuccessfully for dismissal of the suit on the ground of mootness. After being inactive for a number of years, the case was revived earlier this year when the Administration sought the registration of eighteen and nineteen year olds. A three-judge panel of the U.S. District Court for the Eastern District of Pennsylvania ruled in favor of the plaintiffs.

The case is now pending on appeal before the U.S. Supreme Court. OAGC/MH&PA assisted the Justice Department in obtaining affidavits from DoD officials and in preparation of the Government's brief. A decision by the Supreme Court is expected in the spring of 1981.

Reformation of the Court of Military Appeals

The Court of Military Appeals, the highest court in the military justice system, was created in 1951 incident to enactment of the Uniform Code of Military Justice (UCMJ). It consists of three members, appointed from civil life by the President, with the advice and consent of the Senate.

The judges receive the same pay and allowances as judges of the U.S. Court of Appeals. Unlike other Article I courts such as the Tax Court and the courts of the District of Columbia, the Court of Military Appeals does not have a separate judicial retirement system; rather, the Court comes under the civil service retirement system. This means that a judge who serves fifteen years on the Court receives only about one quarter of the retirement benefits that a judge serving a similar term on the Tax Court receives.

In recent years, the Court has been adversely affected by a high turnover rate. During the past ten years, the Court's three seats have been filled by eight different judges sitting in eleven different combinations. The shifting majorities that resulted from the turnover produced considerable instability in military law. The small size of the Court, aggravated by this rapid turnover, has been viewed as a major deficiency in the military justice system.

A further problem has been that the Government cannot appeal adverse decisions from the Court of Military Appeals to the Supreme Court even though the accused can reach the Supreme Court through writs of habeas corpus.

In addition, the statutory provision placing the Court in

DoD "for administrative purposes only" has created tension between the Court and the Department by allegedly impairing the independence of the Court.

This office undertook a major study of the Court in response to these concerns. After the study was completed, DoD proposed legislation to reform the Court. The proposed legislation contained the following features:

o Expansion of the Court to five members to provide greater stability. A five-member court is the minimum under the ABA standards for the highest appellate court of a jurisdiction.

o Full fifteen year terms for all appointees. During the transition period established by the bill, the judges would be given staggered terms, varying from ten to fifteen years.

o Independent status for the Court, similar to that of the Tax Court.

o Full judicial retirement similar to the retirement system available to judges of the Tax Court.

o Review of decisions by the Court of Military Appeals in the Supreme Court by writs of certiorari.

The DoD proposal was cleared for submission to Congress with two modifications. The judicial retirement system was deleted at the insistence of OMB on the ground that no retirement legislation in any area should be submitted prior to the final report of the President's Commission on Pension Policy. The Supreme Court provision was modified at the insistence of the Justice Department to permit direct Supreme Court review only in cases in which the Court of Military Appeals has exercised its discretion to review.

ASSISTANT GENERAL COUNSEL FOR LOGISTICS

The Assistant General Counsel for Logistics is responsible for legal services related to the acquisition of property and services, the management and disposal of property of the Department of Defense, atomic energy matters, and environmental requirements. This Office provides legal advice and services to the Office of the Under Secretary of Defense for Research and Engineering; the Office of the Assistant Secretary of Defense for Communications, Command, Control and Intelligence; the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs & Logistics) with respect to logistics matters; the Office of the Assistant Secretary of Defense for Program Analysis and Evaluation; the Office of the Assistant to the Secretary of Defense for Atomic Advanced Research Projects Agency.

This office reviews for legal sufficiency proposed actions, regulations, directives, memoranda, and correspondence involving client organizations. It reviews legislative proposals and drafts legislation needed to supplement existing authority and represents the Department of Defense in dealing with other executive departments and agencies, congressional committee staff members and private industry on legal matters with respect to industrial programs, contracting research, production planning, and program evaluation.

Uniform Procurement System

The Secretary of Defense has expressed his concern with the Uniform Procurement System (UPS) proposal that was recently sent to the Congress. P.L. 93-83, the Office of Federal Procurement Policy Act Amendments of 1979 (41 U.S.C. §401 *et seq.*) directs the Administrator for Federal Procurement Policy to develop and submit to the Congress a Uniform Procurement System. Such a proposal was sent to the Congress on October 27, 1980. The Department of Defense has two concerns with respect to this proposal. First, the proposal describes the system in very general terms so that it is impossible to determine whether centralized controls over the acquisition processes to achieve uniformity will interfere with needs of the Department of Defense. Second, the inclusion in the Uniform Procurement System of the supply system, the system for stocking and distributing supply items.

This office has for many years supported the activities of the Department of Defense to assure that the Department of Defense maintained its own control over its own procurement and supply operations. We expect that we will continue over the next two years to be heavily engaged in the legislative and regulatory activity that will be necessary to adopt the Uniform Procurement System.

Legislation

This office assists in the annual preparation of the military construction authorizing legislation and assists in the preparation of positions on legislation affecting the acquisition of property and services for the Department of Defense. In addition to these routine functions with respect to legislation, we are actively engaged in the drafting or justification process (or both) with respect to the following items.

Vinson-Trammell Act. The Vinson-Trammell Act (10 U.S.C. §§ 2382 and 7300) imposes "excess profit" limitations of 10% and 12% on contracts for new airplanes and new ships, respectively. These limitations were suspended under the Renegotiation Act of 1950 which was permitted to expire on September 30, 1976. The Vinson-Trammell Act limitations are thought to be outmoded, and the implementing regulations, dating from the 1930s, are clearly out of date. The Congress has suspended implementation of the Vinson-Trammell Act pending a review of those statutes and with the expectation that there will be a new statute covering "excess profits." This office has prepared, as a drafting service, bills to replace the Vinson-Trammell Act.

Military Construction Codification. At the request of both House and Senate Armed Services Committee subcommittees dealing with military construction, this office prepared in late 1979 a codification of military construction and family housing legislation that appear in different places in the United States Code and in the annual military construction authorizing statutes. Although the draft code has not yet been enacted, the subcommittees continue to be interested in it. We anticipate that within the next year the committees will consider this legislation. If this proves to be true, we will have to update the code to reflect subsequently enacted legislation and to discuss committee proposed changes.

False Claims Act Amendments. During the past year legislation was introduced, at the request of the Department of Justice, to amend the False Claims Act (31 U.S.C. §231 *et seq.*). In certain respects the proposed amendments would have an adverse effect on Defense procurement. For example, the amendments would authorize the

Attorney General to void Defense contracts under certain conditions. This office has been discussing with the Department of Justice certain changes to the False Claims Act Amendments.

Product Liability Bill. Last year a bill was introduced in the House that would make Government agencies liable for injuries for damage to third parties resulting from negligent design for manufacture of a product by a contractor. During hearings before the House Judiciary Committee, it was concluded the legislation was too broad, and the Office of Federal Procurement Policy was asked to propose a more limited statute. The Office of Federal Procurement Policy has asked us to draft such a bill and to work with them and other Government agencies in the preparation of a legislative proposal.

Consultants/Studies and Analyses Contracts.

The Washington Post, in mid-1980, carried a series of articles that were highly critical of the use of consultants, and of contracting for studies and analyses, by Federal agencies. The Office of Management and Budget, in July, directed agencies to tighten up on their controls. This is an area that we have long been concerned about, and we are working closely with our acquisition clients and the special study group on the subject that was set up under the Assistant to the Secretary for Atomic Energy. We routinely get, for review, requests for contract action, and as a consequence of the Post articles, we have been scrutinizing these requests with particular thoroughness to identify potential problems for the Department from the proposed contracts. We are also pursuing the establishment of a review board to consider those requests for contract action that do raise potential problems. This will continue to be an important initiative in 1981.

Energy Security Act.

The Energy Security Act, Pub. L. No. 96-294 (1980), includes a "fast start" program to begin to develop the technology in anticipation of the role of the Synthetic Fuels Corporation. Responsibility for the fast start was assigned by Executive order primarily to the Department of Energy. However, the Department of Defense is slated as a major purchaser of synthetic fuels that are produced in response to DoE's solicitations. Consequently, this office has worked with DoE to define DoD's proper role, to develop the DoE solicitation, and to work out the sorts of arrangements that DoD can participate in. One of the tools or incentives, the use of which DoE and Congressman Moorhead are pressing for, is for DoD to enter into purchase commitments (for billions of dollars) in advance of appropriations. The Comptroller General has just considered this specific issue and concluded that, properly structured, such advance commitments are permissible under the Energy Security Act amendments to the Defense Production Act.

The solicitation that the Department of Energy put out was very general and invited offerors to describe how they would like to see the various incentives put together. Award of the DoE contracts is now imminent. We will be working with our procurement clients and the DoD fuel purchasing center to develop contracts for purchase commitments, consistent with our authority, and on the solicitations for and award of those contracts. We will also be involved in defining our relationship with the Synthetic Fuels Corporation, as it takes shape.

Chemical Agent Steering Committee.

An interim steering committee, under the direction of the Assistant to the Secretary of Defense for Atomic Energy, has been established to focus management attention on chemical warfare matters, address options for a permanent organizational forum for chemical warfare matters, initiate implementation of recommendations made by the study of the Defense Science Board on the subject, and coordinate all chemical warfare program matters at the OSD level. The General Counsel is represented by the OAGC(L) on the committee. The need for action in this area was highlighted by the Soviet invasion of Afghanistan.

The committee is considering such matters as assignment of central responsibility, and evaluating the strengths and deficiencies of the current program. The committee is aiming to make recommendations to the Secretary of Defense as early as possible in 1981. Among the legal considerations in this process are the National Environmental Policy Act, and the statutes governing the transportation of chemical agents, 50 U.S.C. §§1511-1518.

Movement or Disposal of Weteye.

A quantity of Weteye bombs (nerve gas) is stored at Rocky Mountain Arsenal in Colorado. The storage area adjoins the main runway at Denver's Stapleton Airport. The retention of the Weteye has for some time been highly controversial, and the battle was fueled by the crash of the DC-10 at O'Hare Airport. Colorado wants them out of the state. A proposal was made (several years ago) to move the bombs to Tooele Army Depot, Utah, where other chemical agents are stored. Governor Matheson of Utah and the congressional representatives from the State challenged that proposal, and the decision was made to do nothing. Section 809 of the Military Construction Authorization Act, 1981, now directs that the Weteye be removed from Rocky Mountain within one year after enactment of that Act. The options are to move it or destroy it. The Army is updating the environmental documentation.

The decision is among the actions being considered by the Chemical Agent Steering Committee. We are working with that committee and with the Army to assure that, in the course of the decision making process, the requirements of the National Environmental Policy Act and the Chemical and Biological Warfare Act (50 U.S.C. §§1511-1518) are met.

Energy Matters.

There are a number of initiatives that are underway to assure DoD access to adequate fuel supplies. This problem was the subject of hearings held in late 1979 and early 1980 by Congressman Stratton's Subcommittee on Investigations of the House Armed Services Committee, at which the Assistant General Counsel (Logistics) appeared as a witness. Stratton is highly critical of DoD's management in this area. Among the approaches that DoD is pursuing are access to the Naval Petroleum Reserves (which Stratton wants to return to the Navy), Outer Continental Shelf (OCS) oil, and the Strategic Petroleum Reserves. We made some progress with respect to the Naval Reserves by a provison we got into the Energy Security Act, and we have worked out a test program with Interior for the OCS oil. We will be continuing to work with our acquisition clients to streamline our contracting procedures with respect to petroleum. We will also be working with our acquisition clients and the Department of Energy to complete implementation of the Defense Production Act, by the Department of Energy, to cover the petroleum needs of Defense contractors. We have also developed a legislative proposal to permit waiver of statutory requirements, when necessary, for petroleum purchases, and we will be involved in moving this through the legislative process. These and other Energy initiatives will be active areas in 1981.

MX-Environment and Land Withdrawal.

The Air Force is preparing the draft environmental impact statement, in accordance with the National Environmental Policy Act, to support the site selection decision for MX. Nevada and Utah are the primary candidate sites. Because most of the land under consideration is public domain land, the Air Force will also be required as a parallel action to follow the complex procedures for land withdrawals from the public domain. The Air Force rightly anticipates that both of these actions will be hotly contested. Based on that assessment, the Air Force, early in the exercise, drafted legislation to streamline the environmental and land withdrawal processes, and to ease the requirements of the pollution abatement statutes. 5 USC 552 (b)(5) Consequently it is being held up.

We and other OSD offices, as well as an independent task force of the Defense Science Board that will report to the Secretary of Defense, have been actively involved in these MX matters. We expect that the MX environmental and land withdrawal issues will be of major significance and may be the subject of protracted litigation.

Occupational Safety and Health Act - Department of Labor Regulations

The President, by Executive Order 12196, dated February 26, 1980, empowered the Secretary of Labor to issue regulations, in lieu of guidance, to provide for the occupational safety and health programs of Federal agencies. The recently issued Labor regulations prescribe a number of controversial requirements. Among these are the provision for labor-management committees, with 50% management and 50% labor representation, that have direct access to the Labor Department in the event of disagreement, and the provision for unannounced inspections of DoD facilities by OSHA officials. DoD has, as is permitted by the regulations, elected not to establish the committees. We worked closely with the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) in their negotiations with the Labor Department as Labor's regulations were being developed, and thereafter in identifying the various options for DoD to follow under those regulations.

ASSISTANT GENERAL COUNSEL FOR FISCAL MATTERS

The Assistant General Counsel for Fiscal Matters is responsible for all legal aspects of Department of Defense financial operations and related comptroller functions. The office provides legal advice to the Assistant Secretary of Defense (Comptroller) and also provides assistance to many of the other offices in the Office of the Secretary of Defense and the military departments because of the impact that expenditure of Department of Defense funds has on all aspects of the operations of the Department. This office is responsible for providing advice with respect to the Department of Defense Appropriation Authorization Act, the Department of Defense Appropriation Act and the Military Construction Appropriation Act.

This office is also responsible for interpretation of the Congressional Budget Act and the Impoundment Control Act; determinations concerning the availability of funds appropriated to the Department of Defense; providing legal advice and recommendations pertaining to the management of and accounting for appropriated funds; acting as counsel to the Department of Defense Military Pay and Allowance Committee; providing advice to the Deputy Assistant Secretary of Defense (Military Personnel Policy) on military compensation issues; and providing advice to the Department of Defense Joint Serviceman's Family Protection Plan/Survivor Benefit Plan Board and to the Department of Defense Pay Procedures Council.

The Fiscal Matters office provides advice on the fiscal aspects of Foreign Military Sales; the operation of banks and credit unions on military installations; automatic data processing activities of the Department; noncontractual claims matters; fiscal aspects of Overseas Dependents' Schools operations; and access to records by the General Accounting Office. It serves as counsel to the Department of Defense Concessions Committee and to the Office of the Secretary of Defense Welfare and Recreation Association. The office reviews all legislation of interest to the office of the Assistant Secretary of Defense (Comptroller); all Directives and Instructions involving fiscal matters that are referred to the General Counsel for coordination; and all General Accounting Office reports affecting the Department of Defense and the responses to those reports.

Use of Funds

Questions concerning which, if any, DoD appropriations can be used for a particular purpose are referred to this office. R.S. 3078 requires that funds can only be used for the purpose appropriated. Inevitably, as DoD has large appropriations compared to other agencies and even the White House, there is a tendency for others to seek to use DoD funds to finance particular activities. Many such attempts are marginally supportable and others have no legal basis whatsoever. These issues tend to generate a good deal of heat.

Continuing Resolution

The late enactment of Defense Appropriations Acts, after the beginning of the fiscal year, requires that the Department operate under a continuing resolution. This creates a myriad of legal and related congressional relations questions as to funding particular items, particularly new starts, under the authority of a continuing resolution.

In addition, for two of the last three years, we have not had any appropriations until the thirteenth day of the fiscal year. This office has been providing guidance regarding the Department's operation during such a period. Although a Continuing Resolution was enacted on October 1 this year, the problem of anticipating operating without one were particularly acute in view of a recent Attorney General opinion on this subject.

Budget Resolution/Reconciliation

The Congressional Budget Act of 1974 complicated an already complex situation regarding the annual requirement for fund authorization and appropriations. This office provides guidance concerning the legal and other questions that arise in connection with the impact of the Congressional Budget Act on the funding process. The process is a dynamic one and the issues and problems that may arise are not predictable.

The Impoundment Control Act

The temporary withholding of funds provided by the Congress (deferrals) and the permanent withholding of funds (recissions) are controlled by the Impoundment Control Act of 1974. Impoundment type issues can arise at any time, but tend to be more common at the outset of an administration, as the new administration changes existing programs. Whether a particular action comes under the Act, and how to proceed, if it does, are matters addressed by this office.

Anti-Deficiency Act

This office is responsible for the legal review and appropriate determinations concerning alleged violations of the Anti-Deficiency Act. A violation occurs when more funds are obligated or expended than are provided. Normally, violations occur each year below the appropriation level, but occasionally at the appropriation level, which necessitates Congressional action. All violations must be reported to the Congress.

DIRECTOR, LEGISLATIVE REFERENCE SERVICE

The Director, Legislative Reference Service, carries out the General Counsel's responsibilities for the preparation and processing of legislation. The Legislative Reference Service provides supervision and control over the offices of the Secretary of Defense, the military departments and Defense agencies on departmental legislative programs, Executive Orders, Presidential proclamations and pending Congressional bills to assure that a single Department of Defense position is presented with respect to all of these matters.

Each year the Legislative Reference Service develops from recommendations of the various components of the Department of Defense the items of legislation that make up the Department of Defense legislative programs for submission to that session of Congress. The Director, Legislative Reference Service, acts as the Department of Defense representative in dealing with the Office of Management and Budget and other departments of the Executive Branch to obtain clearance for the submission of Department of Defense legislative matters to Congress. The Legislative Reference Service also provides for the preparation of Defense views on legislation originating outside the Department of Defense.

The Service collects and maintains the legislative history of existing statutes affecting the Department. All legislative material and documents issued by Congress are received by the Legislative Reference Service and screened for material of interest to the Department of Defense. This material is integrated into a comprehensive legislative reference file maintained by the Legislative Reference Service to provide information on all proposed and enacted legislation affecting the Department of Defense.

Legislation

All legislation pending before the 96th Congress dies with the sine die adjournment of the Congress; and if the same or similar legislation is to be taken up in the 97th Congress, it must be reintroduced and begin its passage anew through the congressional consideration process. Thus, with respect to pending bills on which DoD views had been requested by the Congress, we do not know whether DoD will be required to take a position on legislation of this nature in the 97th Congress. While many bills are reintroduced by their sponsors in a following Congress, it cannot be predicted with certainty which ones will come up again, particularly in instances where the sponsor of the bill is not returning to Congress. On these incompleted bills from the 96th Congress, formulation of DoD views is held in abeyance, pending reintroduction of the legislation in the 97th Congress.

With respect to legislation originating within the executive branch, each department is required to submit to OMB for approval proposals that the department wishes to send to the Congress. DoD components have submitted their recommendations to us for proposals to be included in the DoD legislative program for the 97th Congress, and we are now in the process of preparing the final listing for submission to OMB. The program, in addition to proposals not previously submitted to OMB, will contain many items on which action was not completed in the 96th Congress. The completed program will be ready for submission to OMB prior to January 1, 1981. Proposals initiated by DoD components subsequent to submission of the program will be forwarded to OMB throughout the year.

DOD TRANSITION

OASD (COMPTROLLER)

DECEMBER 1980

Resource Allocation and Management

The existing DoD system for developing total resource levels (funds and manpower) and for allocating and managing them starts in the Fall of each year with the drafting of Policy Guidance and continues through various phases for up to 10 years, until appropriated funds are fully expended. As a result, there are always several phases underway at any time.

There are a number of regularized processes dealing with individual elements of the total, such as the Defense Systems Acquisition Review Council (DSARC). The National Foreign Intelligence Guidance and programs are reviewed under supervision from the Director for Central Intelligence, but follow roughly analogous steps. These act as each situation requires, their impact on the overall process depending on the state that process is in. Input is provided from OMB, the NSC and the President.

To provide a perspective on the sequence and timing of events, the following lists the major phases of the annual cycle now just getting underway. Attachments address these in more detail:

Early 1981: Drafting, coordinating and issuing Consolidated (Policy, Program and Fiscal) Guidance (CG) to Defense Components (Military Departments and Defense Agencies).

May 1981: Submission to OSD of Program Objective Memoranda (POM's) by the Components in response to the CG.

Jun-Jul 1981: Review of issues raised in the POM review and issuance of Program Decision Memoranda (PDM's); and after appeals, Amended PDM's (APDM's).

August 1981: Budget Guidance (Program and Fiscal) to Defense Components based on the ADPM's and on latest economic (pricing) assumptions.

Sep 1981: Budget submissions from Components to OSD for joint OMB/OSD review.

Oct-Dec 1981: Budget scrub of Component proposals; issuance of budget decisions; appeals; Sec Def major issue meetings with Military Departments; Sec Def meeting with President and printing of Budget.

Jan 1982: Press Briefing and submission of Budget and Defense Report to Congress.

Feb-Sep 1982: Testimony before Congressional Committees, response to Hill staffs, mark-up of and Conference/passage of: 1st (in April) and 2nd (in September) Budget Resolutions; major DoD and Military Construction Authorization (May) and Appropriation (September) Bills.

Sep 1982: Issuance of fund authorizations; development of monthly Obligation/Outlay plans; consideration of reprograming actions among and within appropriations; reporting as required to Congress; and execution of contract and in-house programs. This period ranges from one year for Pay and Operations appropriations to five years for Shipbuilding.

The Defense Resources Board is the principal forum for airing and resolving OSD staff differences on programs and priorities from a requirements viewpoint. The DRB is comprised of:

Chairman:	Deputy Secretary of Defense
Permanent Members:	USD(R&E), USD(P), ASD(C), ASD(MRA&L), ASD(PA&E)
Ex Officio:	Chairman, JCS
Associate Members:	ASD(C^3I), ASD(ISA), ASD(HA), Advisor for NATO Affairs, and a representative of the Director, OMB.

Associate members participate by invitation of the chairman. On occasion, representatives of the Military Services may be invited by the chairman as observers.

The Defense Systems Acquisition Review Council (DSARC) acts as the top level DoD corporate body for system acquisition, providing advice and assistance to the Secretary of Defense. The DSARC is comprised of:

Chairman:	Defense Acquisition Executive - USD(R&E)
Permanent Members:	USD(P)*, USD(R&E), ASD(C), ASD(MRA&L), ASD(PA&E), Chairman, JCS*
Principal Advisors:	ASD(C^3I), Advisor for NATO Affairs, DUSD(R&E)AP, and others as specified in DoDI 5000.2.

The Cost Analysis Improvement Group (CAIG), acts as the principal advisory body to the DASRC on matters related to cost.

* or a specifically designated representative.

Major issue (reclama) meetings with the Military Departments and wrap-up meetings prior to issuance of guidance, of APDM's and of Budget Decisions, or to presentations to the President are normally chaired by the Secretary. Meetings with the President tied to the cycle are normally held in June after OMB's Spring Review, and in December as the budget process concludes.

Staff Responsibilities

The ASD(Comptroller) is responsible for the design of, and the automated data base for the entire PPBS; budget justification/execution phases are also the responsibility of the Comptroller, who assigns responsibility for follow-up on and reporting required by DoD and Congressional review of Programs and Budgets.

The USD(Policy) prepares and coordinates Policy Guidance.

The ASD(PA&E) prepares and coordinates Consolidated Guidance, identifies POM issues for DRB/SecDef consideration.

The USD(R&E) and other ASD's prepare those parts of the PG and CG appropriate to their functional responsibility.

The OJCS is responsible for developing the Joint Strategic Objectives Plan (JSOP) as a statement of military requirements related to National Security Policy, and the Joint Program Assessment Memorandum (JPAM) which estimates the risks associated with SecDef guidance and component responses to guidance.

The budget "scrub" is directed by the Comptroller, with viewpoints of OSD DRB members and OMB incorporated in, passed to the Secretary or Deputy Secretary

for decision with the Decision Package Sets by which the budget is scrubbed.

Primary responsibility for legislative liaision rests with the ATSD for Legislative Affairs, with the Comptroller handling liaison with the appropriations committees.

Processes

Attached are more detailed descriptions of and a schedule for the various steps in the internal PPBS process.

Enclosures

RESOURCE ALLOCATION AND MANAGEMENT

A. PPBS

B. The JOINT OSD/OMB BUDGET REVIEW

C. THE COMPTROLLER MISSION

D. PPBS IMPROVEMENTS

E. DRAFT DOD I 7045.7 ON PPBS

F. POM REVIEW

G. PRIORITIZATION DURING THE BUDGET REVIEW

H. DSARC PROCESS

I. SUMMARY OF THE CONGRESSIONAL BUDGET PROCESS

J. CONGRESSIONAL ACTIONS, FY 80 & FY 81

K. CONGRESSIONAL HEARINGS

L. ACTIONS ON RECOMMENDATIONS IN CONGRESSIONAL COMMITTEE REPORTS AND RELATED AUTHORIZATION AND APPROPRIATION ACTS

M. REPORTING REQUIREMENTS IN CONGRESSIONAL COMMITTEE REPORTS

Mc. HAC SURVEYS AND INVESTIGATIONS STAFF

N. THE PROCESS OF BUDGET EXECUTION

O. BUDGET EXECUTION FLEXIBILITIES

P. BACKGROUND PAPERS

SUMMARY OF THE DoD PLANNING, PROGRAMING,
AND BUDGETING SYSTEM (PPBS)

The Assistant Secretary of Defense (Comptroller) is responsible for the design, installation and maintenance of PPBS (DoDD 7000.1) which includes responsibility for the establishment, improvement and maintenance of procedural guidance for PPBS (DoDI 7045.7).

The PPBS is a cyclic process containing five distinct, but interrelated, phases; planning, programing, budgeting, execution and accountability. In the first three phases prior decisions are re-examined and analyzed from the viewpoint of the force structure/national security objectives and the current environment (threat, economic, technological, and resource availability) and the decisions are either reaffirmed or modified as necessary. The cycle for a given fiscal year commences in the month of November almost two years prior to the start of that fiscal year. While the execution phase of that fiscal year might appear to be completed 35 months later, in reality obligations and expenditures against that fiscal year's program may continue, for some appropriations, for several years.

1. The Planning Phase

In the planning phase the role and posture of the United States and the DoD in the world environment are examined, with particular emphasis on Presidential policies. Some of the facets analyzed are: (a) potential and probable enemy capabilities and threat; (b) potential and probable capabilities of our Allies; (c) alternative U.S. policies and objectives in consideration of (a) and (b); (d) military strategies in support of these policies and objectives; (e) planning force levels that would achieve defense policy and strategy; and (f) planning assumptions for guidance in the following phases of PPBS.

The first step in the PPB is the preparation by JCS, and submission to the Secretary of Defense, of the Joint Strategic Planning Document (JSPD) containing independent JCS military strategy advice and recommendations to be considered in the development of the draft Consolidated Guidance (CG) and subsequent PPBS documents. It contains a concise, comprehensive military appraisal of the threat to U.S. interests and objectives worldwide; a statement of recommended military objectives derived from national objectives; and the recommended military strategy to attain national objectives. A summary of the JCS planning force levels which could successfully execute, with reasonable assurance, the approved national military strategy is included. JCS views on the attainability of the planning force in consideration of fiscal responsibility, manpower resources, material availability, technology and industrial capacity are also stated. The JSPD provides an appraisal of the capabilities and risks associated with programed force levels, based on the planning forces considered necessary to execute the strategy, and recommends changes to the force planning and programing guidance where appropriate.

After consideration of the military advice of the JCS, as expressed in the JSPD, the next milestone is the Secretary of Defense's Consolidated Guidance (CG). A draft of the CG covering the budget and program years is issued in January to solicit the comments of the DoD Components and to provide a vehicle for an exchange of views on defense policy between the Secretary of Defense, the President, and the National Security Council. The final version of the CG, issued in March, serves as an authoritative statement of the fundamental strategy, issues, and rationale underlying the Defense Program, as seen by the leadership of the DoD. The CG, culminating the planning phase, provides definitive guidance, including fiscal constraints, for the development of the Program Objective Memorandum by the Military Departments and Defense Agencies, and continues as the primary DoD guidance until revised or modified by subsequent Secretary of Defense decisions.

2. The Programing Phase

Annually, in May, each Military Department and Defense Agency prepares and submits to the Secretary of Defense a Program Objective Memorandum. POM's are based on the strategic concepts and guidance as stated in the CG and include an assessment of the risk associated with the current and proposed forces and support programs. POMs express total program requirements for the years covered in the CG, and provide rationale for proposed changes from the approved FYDP base. Dollar totals must be within the fiscal guidance issued by the Secretary of Defense. Major issues which are required to be resolved during the year of submission must be identified. Supporting information for POMs is in accordance with the annual POM Preparation Instructions.

After the POMs are submitted, the JCS submits the Joint Program Assessment Memorandum (JPAM) for consideration in reviewing the Military Department POMs, developing Issue Papers, and drafting Program Decision Memorandums. The JPAM provides a risk assessment based on the composite of the POM force recommendations and includes the views of the Joint Chiefs of Staff on the balance and capabilities of the overall POM force and support levels to execute the approved national military strategy. Where appropriate, the Joint Chiefs of Staff recommends actions to achieve improvements in overall Defense capabilities within, to the extent feasible, alternative POM funding levels directed by the Secretary of Defense. In addition, the JPAM develops SALT-constrained forces and provides recommendations on the nuclear weapons stockpiles considered necessary to support these forces, and on the security assistance program.

The programing phase continues in accordance with the following steps:

a. The POMs are analyzed at the OSD level and Issue Papers are generated which analyze the Service proposals in relation to (1) the Consolidated Guidance, (2) the balance between force structure, modernization, and readiness, and (3) efficiency trade-offs. Significant issues raised by the POMs which require Secretary of Defense resolution are highlighted, decision alternatives are listed, and these alternatives evaluated

as to cost and capacity to implement DoD missions. These "Issue Papers" are developed in coordination with the DoD Components to assure completeness and accuracy of the information contained therein. The views of the JCS on the risks involved in the POMs are considered during preparation of the Issue Papers.

b. Based on the Issue Papers and JCS risk assessment, the Secretary issues Program Decision Memoranda (PDM's) which are transmitted to the DoD Components for analysis and comment as appropriate.

c. Comments on the PDMs may be prepared in a manner prescribed by the submitting activity, but must present precise program impact that may be expected as a result of the decision. If comments on the PDMs express a dissenting view, any additional or clarifying information or justification must accompany the statement to allow a re-evaluation of the issue.

d. Comments submitted by the JCS address the impact on total DoD program balance. JCS provides the Secretary of Defense with an assessment of the risks involved and inherent in the PDMs and an evaluation of strategic implications.

e. Following a staff review of comments on the PDMs, meetings are held by the Secretary of Defense to discuss unresolved issues. If appropriate, Amended Program Decision Memoranda are then issued to incorporate any new decision, or to reiterate the previous decision.

3. The Budgeting Phase

With the establishment of program levels in the POM/PDM process, the budgeting phase begins with the DoD Components formulating and submitting, by September 15, detailed budget estimates for the budget year portion of the approved program. The budget estimates include the prior year, current year, and budget year (budget year plus one for authorized programs) in accordance with the Budget Guidance Manual and supplementary memoranda. Budget estimates are prepared and submitted based on the approved program as well as economic assumptions related to pay and pricing policies which are contained either in the PDMs or in separately prescribed detailed budget guidance revised and issued each year. The budget estimates are reviewed jointly by the Office of the Secretary of Defense (OSD) and the Office of Management and Budget (OMB). The entire budget is reviewed to insure the requests are properly priced; to insure production schedules are within production capacity; and to insure that the estimates are consistent with the Secretary's readiness objectives. Approval of the estimates for inclusion in the President's Budget is documented by Secretary of Defense budget decision documents. These decisions will evaluate, adjust and approve all resources in the budget request by decision units and/or packages within the appropriation and budget activity structures. The decisions will include the current year, the budget year, the authorization year (budget year + 1) and an estimate of the resource impact on the three succeeding program years consistent with the President's requirement for multi-year planning estimates.

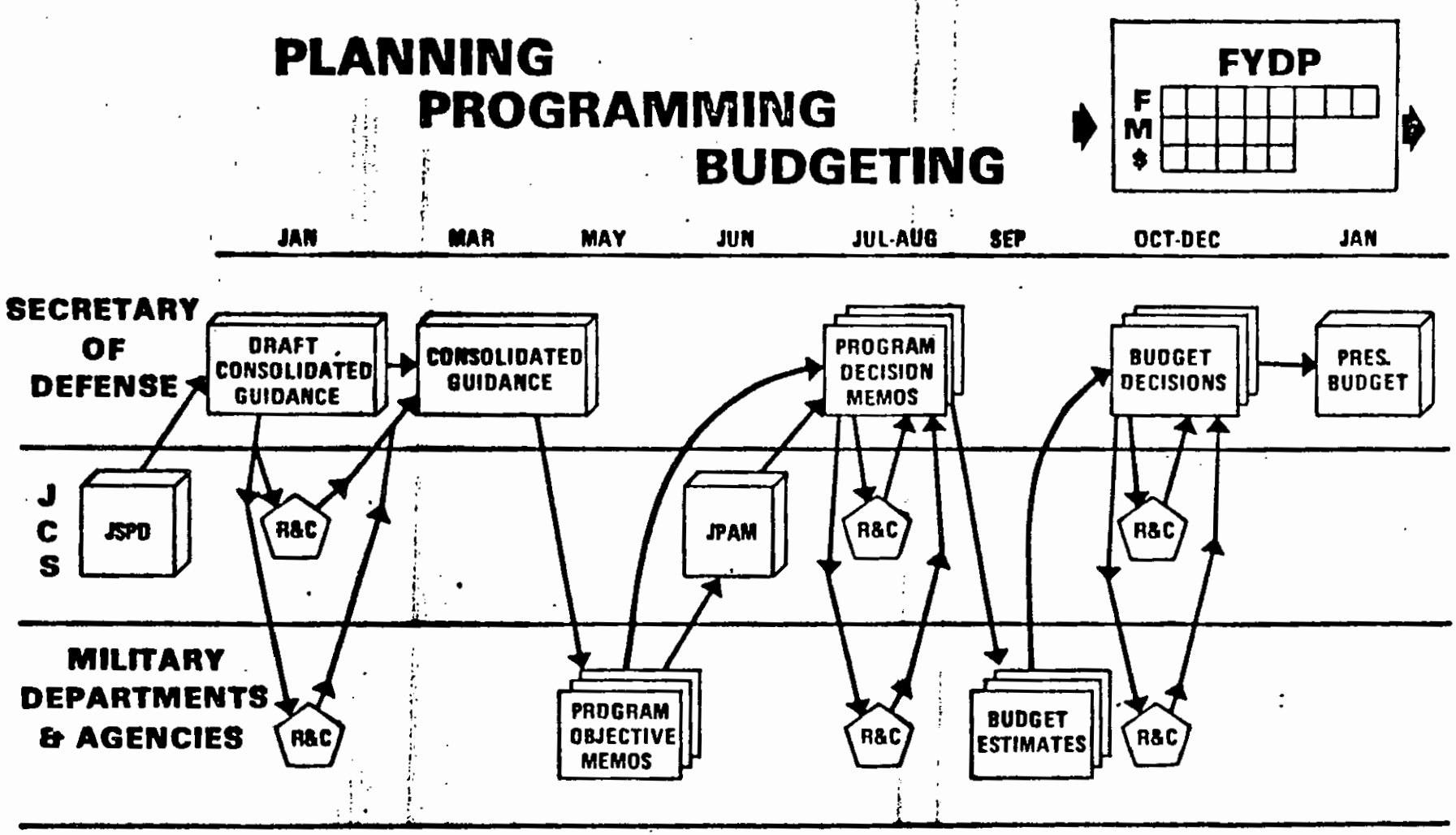
During the course of the budget review, the DoD Components have an opportunity to express an appeal position on each decision. Prior to final decisions, the Service Secretaries and Military Chiefs have the opportunity for a meeting with the Secretary of Defense to present and resolve any outstanding issues of major significance.

The Secretary then presents his budget to the President for consideration within the overall Federal requirements. Changes from that meeting are subsequently incorporated into the DoD submission and decision documentation is finalized. Following the printing process the budget is submitted to the Congress in January. The FYDP is updated to reflect the President's Budget and related resource impact in the "outyears" thereby establishing a consistent base for the ensuing decision cycle.

4. The Execution and Accountability Phases

The execution and accountability phases follow the submission of the budget and its enactment by the Congress. These phases are concerned with: execution of the programs approved by the Congress; the accountability and reporting of actual results for use in monitoring program execution; preparing future plans, programs, and budgets; and supplying financial status information to DoD managers.

PLANNING PROGRAMMING BUDGETING



JSPD = JOINT STRATEGIC PLANNING DOCUMENT
JPAM = JOINT PROGRAM ASSESSMENT MEMORANDUM

R&C = REVIEW AND COMMENT

FYDP SYMBOLS
F = FORCES
M = MANPOWER
$ = DOLLARS
□ = YEARS

3417-8

THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

MEMORANDUM FOR THE SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SUBJECT: PPBS Schedule for the FY 83-87 Cycle

Attached is the schedule for the FY 83-87 cycle of the Planning, Programing and Budgeting System. The sequence is the same as the previous cycle but includes the JCS submission of the Joint Program Assessment Memorandum (JPAM). It also advances the entire schedule one week to allow four weeks following the APDM for preparation of the budget. The tardiness of the budget is a perennial problem we should endeavor to correct and this schedule makes a modest attempt to do so.

Thank you for your efforts during this cycle and let us continue to work together during the next cycle to use the PPB system as effectively as we can.

Enclosure

cc: Under Secretaries of Defense
Assistant Secretaries of Defense
General Counsel
Assistants to the Secretary and Deputy Secretary of Defense
Directors, Defense Agencies

Calendar of Key PPBS Events
for
FY1983-87 Cycle

Dec 1, 1980	--	JCS submits Joint Strategic Planning Document (JSPD)
3 weeks		
Dec 22, 1980	--	Components submit written suggestions for key Consolidated Guidance (CG) features
1 week		
Dec 29, 1980	--	SecDef completes review of suggestions and JSPD
3 weeks		
Jan 19, 1981	--	OSD staff submits first draft of CG to SecDef
1 week		
Jan 26, 1981	--	SecDef completes review of first draft of CG
1 week		
Feb 2, 1981	--	Draft of CG sent to Components for comment
3 weeks		
Feb 23, 1981	--	Components send CG comments to SecDef
2 weeks		
Mar 6, 1981	--	SecDef reviews comments in a single meeting with Military Depts., and CJCS
1 week		
Mar 13, 1981	--	SecDef sends revised CG to Components
8 weeks		
May 8, 1981	--	Components submit POMs, update FYDP and Annexes*
4 weeks		
Jun 5, 1981	--	JCS submits Joint Program Assessment Memorandum
1 week		
Jun 12, 1981	--	OSD transmits draft Issue Papers(IPs) for comment
1 week		
Jun 19, 1981	--	Components, OMB, NSC provide IP comments to SecDef
1 week		
Jun 26, 1981	--	OSD sends revised IPs to SecDef
2 weeks		
Jul 10, 1981	--	SecDef completes review of IPs with OSD staff
1 week		
Jul 17, 1981	--	SecDef sends Program Decision Memoranda (PDMs) to Components
2 weeks		
Jul 31, 1981	--	Components send PDM comments to SecDef
1 week		
Aug 3-7,1981	--	Military Depts. meet individually with SecDef, DepSecDef and CJCS
2 weeks		
Aug 20, 1981	--	SecDef sends Amended Program Decision Memoranda to Components
4 weeks		
Sep 15, 1981	--	Components submit budget estimates, update FYDP and Annexes

* Mar 13 - Mar 27 CG Summary drafted, sent to President

The Joint OSD/OMB Budget Review

The DoD jointly reviews the budget with the OMB staff in order to devote maximum review and analysis time here in the Department. The alternative would require earlier submission by OSD to OMB in order to provide time for independent OMB review. The current joint OSD/OMB review is unique throughout the government and has been for many years.

The Budget is due from all components of the Department of Defense (DoD) on September 15th and is accompanied by an update of the Five Year Defense Program (FYDP) and annexes. Distribution is made to the Office of Management and Budget (OMB) and all participating organizational elements of the Office of the Secretary of Defense (OSD).

Participation in the joint review is open to all elements of the DoD components and OSD staffs. Inputs from participants are solicited by each appropriation director for inclusion in the decision package sets (DPS's); the decision documents ultimately signed by the Secretary/Deputy Secretary of Defense.

In accordance with instructions, budget submissions are converted from three PDM levels into bands with continuous ordinal ranking provided throughout. The decision packages contained in these bands are consistent with those established during the POM review. In order to provide a tentative Secretary of Defense integrated ranking list to OMB by mid-October, the DRB reviews and integrates the component submissions. As a foundation for this action, the Comptroller provides a ranking summary and a narrative description of each decision package as soon as possible after the budget submissions are received. A date for the DRB meeting is announced subsequently.

As a parallel action, the budget scrub proceeds immediately upon receipt of the budget submissions. Since the program has been set in place, the budget is scrubbed thoroughly at all levels to consider matters of pricing, executability, efficiencies, etc. The Comptroller's Decision Package Sets (DPS's) are the vehicle for the budget scrub.

Oftentimes as DPS's are drafted, copies are "floated" for input from participants. Once the DPS takes final form it begins a formal coordination process. Coordination should be obtained from the interested Assistant Secretary/Principal Deputy Assistant Secretary level. All notes, memoranda, letters, or other pertinent appendages become a permanent part of the decision document and are retained in the documentation files. These documents are "close hold" in their "raw" signature form. The document, once coordinated with other OSD staff elements, is processed through the Deputy Assistant Secretary (Program/Budget), a representative of OMB, the Principal Deputy Assistant Secretary (Comptroller) and the Assistant Secretary (Comptroller), to the Secretary/Deputy Secretary of Defense. Subsequent to signature, the decision document is printed and distributed throughout the Department and OMB. In order to protect the confidential nature of DRB and OSD staff coordinations and positions, the document which is printed and distributed consists of only the decision document. This is essential to encourage open debate of issues and objective advice to the Secretary.

As the Secretary/Deputy Secretary approves and returns DPS's, they are translated into the Automated Budget Review System to reflect increases and decreases to the submissions. Periodic status reports are provided to the Secretary/Deputy Secretary as well as the OSD managers and staff and the submitting components. Status is in terms of Total Obligational Authority (TOA), the total cost of a program without regard to year or source of funding; Budget Authority (BA), essentially appropriations requested from the Congress; and Outlays, the net of gross disbursements and collections from customers. These are the three basic measures used throughout the budget community. For comparative purposes, dollar values are inflated and/or deflated to reflect constancy in order to measure year-to-year "real growth" as distinct from inflationary increases.

The status reporting is as frequent as management requires and is structured in hierarchial order relative to level of detail.

While the review is progressing, the Defense Resources Board (DRB) meets periodically to consider the relative ranking priorities of approximately $20-25 billion of programs ranked by the submitting components. The DRB first integrates the original component rankings by reviewing and approving OSD staff prepared priority ranking proposals (PRP's). Those PRP's not approved by the DRB are discarded. The DRB then meets with the Secretary who approves/disapproves the DRB re-ranking proposals. Subsequent iterations are sometimes appropriate. At the point when the Secretary begins meeting with the President on the overall budget levels, the Secretary oftentimes makes changes to the ranking to insure that the highest priority programs are included within the approved funding level. All such approved ranking changes are reflected daily in the automated system so the budget status reporting is current for both DPS changes and ranking changes.

As the process nears completion, various management summaries are available providing TOA, BA and Outlays in both current and constant budget year dollars. The level of real growth is identified and often debated as are the inflation and pay raise assumptions contained in the budget estimates.

Recognizing that last minute changes are disruptive and sometimes error prone, the Department makes the best advantage of time available to continue the review and decision process. However, once OMB has the budget in print, the word is passed that the budget is locked and changes are no longer permitted.

Attention and staff efforts are then directed to preparing information to release to the Press during the DoD Budget Press Briefing; congressional justifications, the Secretary's posture statement, and other related requirements. The FYDP and annexes are updated to reflect all applicable budget decisions and automated data bases and hard copy justification exhibits in support of the budget are provided to the congressional oversight committees. Reprograming requests which have been reflected in the budget are prepared, staffed and submitted to the applicable committees for approval. Accounting records are adjusted as applicable to be consistent with resources reflected in the current year column of the budget. A series of budget hearings and reprograming hearings dominate subsequent months necessitating a great expenditure of management time appearing before the applicable oversight committees.

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

COMPTROLLER

18 SEP 1980

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: FY 1982-1986 budget work schedule and budget printing dates

The enclosed schedule is forwarded for your information and action as appropriate. I know that the appropriate sense of urgency prevails within your organization as it does in mine. Please make this schedule available to all personnel within your organization who may be involved in the formulation of the FY 1982-1986 budget.

We intend to work again this year toward making the job as easy and painless as possible within the constraints that exist.

Jack R Borsting

Jack R. Borsting
Assistant Secretary of Defense

Enclosure

FY 1982-1986 Budget Process Planning Dates

1. Receive Component Submits	Sept. 15, 80
2. Begin budget hearings	Sept. 17, 80
3. Submit to OMB current services/top line projections	Sept. 25, 80
4. Begin update of FYDP Annexes with Service Submissions	Sept. 22, 80
5. Begin update of FYDP with Service Submissions	Sept. 29, 80
6. DRB receive Ranking Summaries containing service/agency ordinal prioritization to begin familiarization of content	Early Oct.
7. DRB, OMB and Services receive Integrated Ranking Summaries reflecting tri-service integrating, compliance corrections and interleaving	Oct. 9, 80
8. Process decision package sets: First to SecDef	Oct. 10, 80
Final to SecDef	Nov. 14, 80
9. Deadline for ranking proposals from DRB members to to OASD(PA&E)	Oct. 17, 80
10. OASD(PA&E) sends PCPs and summaries to DRB principals	Oct. 23, 80
11. DRB meeting	Oct. 28, 80
12. DRB Chairman sends two-part decision memo to Secretary	Oct. 31, 80
13. DPS coordination forwarded to OASD(C) within 1 day	Nov. 3, 80
14. Reclamas due on DPSs received by components:	
Submitted to OASD(C) within 3 days	Nov. 3, 80
Submitted to OASD(C) within 2 days	Nov. 10, 80
Submitted to OASD(C) within 24 hours	Nov. 17, 80
15. DRB meeting with Secretary to obtain decision on two-part memo	Nov. 5, 80
16. Secretary, DRB and Services receive reprioritization Ranking Summaries	Nov. 7, 80
17. DRB meeting with Secretary for fine-tuning of Ranking Summaries	Nov. 12, 80
18. Secretary, DRB and Services receive fine-tuned Ranking Summaries	Nov. 14, 80

19.	Outlay forecast for OMB (FY 81-82)	Nov. 12, 80
20.	Special Budget update for prior year ($)	Nov. 13, 80
21.	Secretary's meetings with Services on prioritization	Nov. 19-20, 80
22.	Wrap-up meeting with Secretary	Nov. 21, 80
23.	Ranking to DRB and Services; to OMB for Director's meeting with President	Nov. 25, 80
24.	Special Budget update for prior year (manpower)	Nov. 26, 80
25.	Director of OMB meeting with the President	Week of Dec. 1, 80
26.	Deadline for reprinted galley to OMB	Dec. 8, 80
27.	DRB meeting with Secretary for fine tuning prioritization	Dec. 10, 80
28.	Secretary of Defense meeting with the President	Dec. 12, 80
29.	Receipt of last $ galley proof from the OMB	Dec. 13, 80
30.	Deadline for return of marked-up $ galley proof to OMB	Dec. 17, 80
31.	DoD components submit summary update of FYDP	Dec. 19, 80
32.	Update FYDP and annexes by program element/line item	Jan. 5, 81
33.	Budget released to press	Jan. 16, 81
34.	Delivery of budget to Congress	Jan. 19, 81

Office of the Assistant Secretary of Defense
(Comptroller)

Mission

Title 10, United States Code, Section 136 specifies the Comptroller's responsibilities as follows:

"S 136. Assistant Secretaries of Defense: appointment; powers and duties; precedence

(a) There are seven Assistant Secretaries of Defense, appointed from civilian life by the President, by and with the advice and consent of the Senate.

(b) The Assistant Secretaries shall perform such duties and exercise such powers as the Secretary of Defense may prescribe. One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Health Affairs. He shall have as his principal duty the overall supervision of health affairs of the Department of Defense. One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Manpower and Reserve Affairs. He shall have as his principal duty the overall supervision of manpower and reserve component affairs of the Department of Defense. In addition, one of the Assistant Secretaries shall be the Comptroller of the Department of Defense and shall, subject to the authority, direction, and control of the Secretary--

(1) advise and assist the Secretary in performing such budgetary and fiscal functions and duties, and in exercising such budgetary and fiscal powers, as are needed to carry out the powers of the Secretary;

(2) supervise and direct the preparation of budget estimates of the Department of Defense;

(3) establish and supervise the execution of principles, policies, and procedures to be followed in connection with organization and administrative matters relating to --

(A) the preparation and execution of budgets;

(B) fiscal, cost, operating, and capital property accounting;

(C) progress and statistical reporting; and

(D) internal audit;

(4) establish and supervise the execution of policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense; and

(5) establish uniform terminologies, classifications, and procedures concerning matters covered by clauses (1) - (4).

(c) Except as otherwise specifically provided by law, an Assistant Secretary may not issue an order to a military department unless --

(1) the Secretary of Defense has specifically delegated that authority to him in writing; and

(2) the order is issued through the Secretary of the military department concerned, or his designee....."

These responsibilities are expanded upon in the ASD(C) charter published in DoD Directive 5118.3 of July 11, 1972. It provides:

"The Assistant Secretary of Defense (Comptroller) is the principal staff assistant to the Secretary of Defense for programming, budgeting, auditing, and fiscal functions; for all matters pertaining to organization, management, and administration. He shall provide staff supervision for the Defense Contract Audit Agency and the Defense Audit Agency. In addition, he shall:

A. Provide for the design and installation of resource management systems throughout DoD.

B. Collect, analyze, and report resource management information for the Secretary of Defense and as required for the Office of Management and Budget, the Congress, the General Accounting Office, and other agencies outside of the DoD."

The directive itemizes specific functions, relationships and authorities pertinent to the Comptroller and it includes a listing of the numerous authorities which the Secretary of defense has formally delegated to the Comptroller.

July 11, 1972
NUMBER 5118.3

ASD(C)

Department of Defense Directive

SUBJECT Assistant Secretary of Defense (Comptroller)

Refs.: (a) DoD Directive 5118.3, subject as above, January 24, 1966 (hereby cancelled)
(b) DoD Directive 5110.1, "Assistant Secretary of Defense (Administration)," July 11, 1964 (hereby cancelled)

I. GENERAL

Pursuant to the authority vested in the Secretary of Defense, and the provisions of Title 10, United States Code, Section 136(b), one of the Assistant Secretary positions authorized by law is designated Assistant Secretary of Defense (Comptroller) with responsibilities, functions and authorities as prescribed herein. The Assistant Secretary of Defense (Comptroller) shall be the Comptroller of the Department of Defense.

II. RESPONSIBILITIES

The Assistant Secretary of Defense (Comptroller) is the principal staff assistant to the Secretary of Defense for programming, budgeting, auditing, and fiscal functions; for all matters pertaining to organization, management and administration; and for DoD investigative and security policies. He shall provide staff supervision for the Defense Contract Audit Agency, Defense Mapping Agency and the Defense Investigative Service. In addition, he shall:

A. Provide for the design and installation of resource management systems throughout the DoD.

B. Collect, analyze, and report resource management information for the Secretary of Defense and as required for the Office of Management and Budget, the Congress, the General Accounting Office, and other agencies outside of the DoD.

III. FUNCTIONS

Under the direction, authority, and control of the Secretary of Defense, the Assistant Secretary of Defense (Comptroller) shall:

A. Coordinate and control the programming process.

B. Supervise, direct, and review the preparation and execution of the DoD budget.

C. Establish policies and procedures for:

1. Expenditure and collection of funds administered by the DoD and related fiscal accounting systems.

2. International financial matters.

3. Control of prices for transactions involving the exchange of goods and services by DoD Components.

4. Contract audit and internal audit.

5. Terminologies, classifications, and procedures relating to programming, budgeting, funding, accounting, reporting, auditing, economic analysis, program evaluation, output measurement, and resource management.

6. Management of DoD automatic data systems.

7. Management and control of DoD information requirements.

D. Conduct:

1. Audit functions and services for the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, and other DoD Components, as assigned.

2. DoD-wide audits of the Military Assistance Program and other selected areas and functions.

3. Special audits or audit surveys of selected areas within the DoD as requested or as deemed appropriate.

E. Serve as DoD liaison with the General Accounting Office and process GAO or other external audit reports and assure appropriate corrective actions.

F. Provide the Office of the Secretary of Defense with:

1. An Automatic Data Processing capability.

2. A Central Data Service to accumulate data, provide reports and related analyses and evaluations.

G. Establish policies, plans, and programs for physical, investigative, industrial, and personnel security matters.

H. Serve as Chairman of the Defense Investigative Review Council.

I. Direct and administer the DoD Information Security Program.

J. Oversee the administration of and provide overall policy guidance for the DoD Industrial Personnel Security Clearance Program.

K. Act for the Secretary of Defense as United States Security Authority for NATO, SEATO, and CENTO, and as the National Security Authority for security agreements.

L. Conduct research, develop plans, and recommend organizational structures and management practices that will achieve efficient and economical operation.

M. Review and validate organizational arrangements and manning levels of offices within the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff and the Defense Agencies.

N. Provide administrative support for the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff and other organizations as assigned.

O. Act as Department of Defense coordinator in all matters relating to the improvement of Federal-State relations.

P. Represent the Secretary of Defense in providing for continuity of Government, military participation in civil and domestic emergencies, and related emergency planning, and coordinate emergency planning within the DoD.

Q. Establish policy for and supervise DoD audio-visual activities.

R. Insure that all matters presented to the Secretary of Defense for signature reflect established Presidential and DoD policies and are consistent with interdepartmental and interagency agreements.

S. Provide policy, guidance, coordination, and supervision for the operation of administrative facilities and services common to all Defense activities at the Seat of Government.

T. Establish standards and provide policy guidance, coordination, and evaluation of the operation of administrative facilities and services in support of DoD Components as necessary.

U. Establish, control, and manage the DoD Directive System.

V. Prepare, maintain and coordinate historical records and reports for the Office of the Secretary of Defense.

W. Process requests to the Secretary of Defense for Special Air Mission transportation other than for Congressional travel.

X. Perform such other functions as the Secretary of Defense assigns.

IV. RELATIONSHIPS

A. In the performance of his functions, the Assistant Secretary of Defense (Comptroller) shall:

1. Coordinate actions, as appropriate, with DoD Components having collateral or related functions in the field of his assigned responsibility.

2. Maintain active liaison for the exchange of information and advice with other DoD Components, as appropriate.

3. Make full use of established facilities in the Office of the Secretary of Defense and other DoD Components rather than unnecessarily duplicating such facilities.

B. The heads of all DoD Components and their staffs shall cooperate fully with the Assistant Secretary of Defense (Comptroller) and his staff in a continuous effort to achieve efficient administration of the DoD, and to carry out effectively the direction, authority, and control of the Secretary of Defense.

C. The channel of communication with Unified and Specified Commands on matters relating to audit shall be directly between those Commands and the Secretary of Defense. The Assistant Secretary of Defense (Comptroller) is assigned staff responsibility for such matters, and he is authorized to communicate directly in regard to them with Commanders of Unified and Specified Commands. All directives and communications of the Assistant Secretary of Defense (Comptroller) to such Commands which pertain to audit shall be coordinated with the Joint Chiefs of Staff.

D. DoD Components are defined for the purpose of this Directive to be: the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, the Military Departments, Defense Agencies and the Unified and Specified Commands.

V. AUTHORITIES

A. The Assistant Secretary of Defense (Comptroller), in the course of exercising full staff functions and those assigned by Title 10, U.S.C., Section 136(b), is hereby specifically delegated authority to:

1. Issue instructions and one-time directive-type memorandums, in writing, appropriate to carrying out policies approved by the Secretary of Defense for his assigned areas of responsibility. Instructions to the Military Departments will be issued through the Secretaries of those Departments or their designees.

2. Obtain such reports, information and assistance from DoD Components as may be necessary to the performance of his assigned functions.

3. Issue policies and instructions which establish procedures for the review and approval of reporting requirements and forms which the Office of the Secretary of Defense or the Defense Agencies propose to place on any Component of the DoD and to designate those requirements which are prescribed by the Office of the Secretary of Defense. Review, and when appropriate, transmit to the Office of Management and Budget those reporting requirements which any Component of the DoD proposes to place upon the public, including Defense contractors.

4. Request the prompt initiation of reviews by DoD Components of organization and management practices.

5. Communicate directly with heads of DoD Components.

6. Exercise such authority vested in the Secretary of Defense as may be required in the administration of DoD security programs.

B. Specific delegations to the Assistant Secretary of Defense (Comptroller) are in Enclosure 1 to this Directive.

VI. CANCELLATION

References (a) and (b) are hereby cancelled.

VII. EFFECTIVE DATE

This Directive is effective immediately.

Kenneth Rush

Enclosure - 1
1. Delegations of Authority

DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, the Assistant Secretary of Defense (Comptroller) is hereby delegated, subject to the direction, authority and control of the Secretary of Defense, authority to:

1. Direct and control the Defense Data Elements and Data Codes Standardization Program and monitor application by Department of Defense Components, as prescribed in Department of Defense Directive 5000.11.

2. Supervise the operation of the Military Pay and Allowance Committee as prescribed in Department of Defense Directive 5154.13.

3. Establish and supervise the execution of principles, policies and procedures to be followed in connection with organizational and administrative matters relating to internal and contract audit in the Department of Defense, as prescribed in Department of Defense Directive 7600.2, and under the authority of 10 U.S.C. 136(b).

4. Approve requests to hold cash at personal risk for authorized purposes and to redelegate such authority as deemed appropriate in the administration and control of DoD funds, subject to provisions of Treasury Department Circular No. 1030, "Regulation Relating to Cash Held at Personal Risk Including Imprest Funds by Disbursing Officers and Cashiers of the United States Government", as amended, and under the authority of 10 U.S.C. 136(b).

5. Approve the establishment of accounts for the individual operations financed by management funds and to issue regulations for the administration of accounts thus established pursuant to the authority of 10 U.S.C. 2209.

6. Exercise the powers vested in the Secretary of Defense pertaining to the employment and general administration of civilian personnel (5 U.S.C. 301, 302(b), and 3101).

7. Fix rates of pay for wage board employees exempted from the Classification Act by 5 U.S.C. 5102(c)(7) on the basis of rates established under the Coordinated Federal Wage System, in accordance with the

Federal Personnel Manual, Supplement 532-1, U.S. Civil Service Commission, "Coordinated Federal Wage System", as amended. The Assistant Secretary of Defense (Comptroller), in fixing such rates, shall follow the wage schedules established by the Department of Defense Wage Fixing Authority.

8. Administer oaths of office incident to entrance into the Executive Branch of the Federal Government, or any other oath required by law in connection with employment therein, in accordance with the provisions of 5 U.S.C. 2903(b).

9. (a) Authorize, in case of an emergency, the appointment of an employee of the Office of the Secretary of Defense or of a Defense Agency to a sensitive position for a limited period, for whom a full field investigation has not been completed, in accordance with Executive Order 10450, as amended; and

(b) authorize the suspension of an employee in the interest of the national security in accordance with the provisions of 5 U.S.C. 7532.

10. Approve, as the designee of the Secretary of Defense, the establishment or continuation of advisory committees and the employment of part-time advisers as consultants or experts by any Component of the Department of Defense whenever the approval of the Secretary of Defense is required by law, Civil Service Commission regulation, or DoD issuance, and pursuant to the provisions of 5 U.S.C. 3109(b), 10 U.S.C. 173, and the Agreement between the Department of Defense and the Civil Service Commission on Employment of Experts and Consultants.

11. Enter into contracts for supplies, equipment, personnel and services and provide for contract administration required for assigned activities and, subject to the limitation contained in 10 U.S.C. 2311, make the necessary determinations and findings as required.

12. Purchase or requisition through a Military Department, Defense Agency, or other Government department or agency, or directly, equipment and supplies (5 U.S.C. 301).

13. Establish and use Imprest Funds for making small purchases of material and services, other than personal, when it is determined more advantageous and consistent with the best interests of the Government,

in accordance with the provisions of DoD Directive 5100.25 and DoD Instruction 7280.1, as revised.

14. Approve contractual instruments for commercial-type concessions at the Seat of Government, and maintain general supervision over commercial-type concessions operated by or through the Department of Defense at the Seat of Government, DoD Directive 5120.18.

15. Act as agent for the collection and payment of employment taxes imposed by Chapter 21 of the Internal Revenue Code of 1954, and, as such agent, make all determinations and certifications required or provided for under Section 3122 of the Internal Revenue Code of 1954 (26 U.S.C. 3122), and Section 205(p)(1) and (2) of the Social Security Act, as amended (42 U.S.C. 405(p)(1) and (2)).

16. Act as custodian of the seal of the Department of Defense and attest to the authenticity of official records of the Department of Defense under said seal (10 U.S.C. 132).

17. Act for the Secretary of Defense before the Joint Committee on Printing, the Public Printer, and the Director of the Office of Management and Budget on all matters pertaining to printing, binding and publications requirements (chapter 11 of title 44, United States Code).

18. Authorize the publication of advertisements, notices or proposals, as required (44 U.S.C. 3702).

19. (a) Establish and maintain appropriate property accounts for OSD and organizations assigned thereto for administrative support (10 U.S.C. 136(b)).

(b) Appoint boards of survey, approve reports of survey, relieve personal liability, and drop accountability for property contained in authorized property accounts that have been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations (10 U.S.C. 136(b)).

20. Establish and administer an active and continuing Records Management Program for the Department of Defense, pursuant to the provisions of 44 U.S.C. 3102.

21. Clear personnel for access to Top Secret, Secret and Confidential material and information, in accordance with the provisions of Department of Defense Directive 5210.8, as revised, subject: "Policy on Investigation and Clearance of Department of Defense Personnel for Access to Classified Defense Information," and of Executive Order 11652.

22. Authorize and approve overtime work for civilian officers and employees in accordance with the provisions of Section 550.111 of the Federal Personnel Manual, Supplement 990-1 (Book III), U.S. Civil Service Commission, "Civil Service Laws, Executive Orders, Rules and Regulations", as amended.

23. Authorize and approve:

(a) Travel for civilian officers and employees in accordance with the Joint Travel Regulations, Vol. 2, DoD Civilian Personnel, as amended;

(b) Temporary duty travel for military personnel in accordance with the Joint Travel Regulations, Vol. I, Members of the Uniformed Services, as amended;

(c) Invitational travel to persons serving without compensation whose consultive, advisory or highly specialized technical services are required, pursuant to the provisions of 5 U.S.C. 5703.

24. Approve the expenditure of funds for travel incident to attendance at meetings of technical, scientific, professional or other similar organizations in such instances where the approval of the Secretary of Defense is required by law (5 U.S.C. 4110 and 4111, and 37 U.S.C. 412).

25. Pay cash awards to, and incur necessary expenses for, the honorary recognition of civilian employees of the Government in accordance with the provisions of 5 U.S.C. 4503.

26. Supervise and administer the affairs of welfare and recreation activities (5 U.S.C. 301).

27. Enter into support and service agreements with the Military Departments, other DoD agencies, or other Government agencies, as required (5 U.S.C. 301).

The authorities vested in the delegate named herein may be redelegated by him, as appropriate.

PLANNING, PROGRAMMING, AND BUDGETING SYSTEM
IMPROVEMENTS

The Secretary of Defense, in October 1977, directed that the Defense Department Planning, Programming and Budgeting System (PPBS) be revised to achieve five objectives:

1. To provide an opportunity for early Presidential participation in the process;

2. To permit the Secretary of Defense and the President, based on the advice of all appropriate offices and organizations in the Department of Defense, to play an active role in shaping the defense program;

3. To create a stronger link between planning and programmatic guidance and fiscal guidance;

4. To develop, through discussion, a sound and comprehensive rationale for the program, and

5. To ensure the program is based on sound analysis and contributions for all relevant offices.

The revised system was designed to provide a more coherent basis for guiding the Military Departments in the preparation of their specific program recommendations. It consolidated and reduced to one what in prior years had been three separate forms of guidance from the Secretary of Defense: the Defense Guidance, the Planning and Program Guidance, and the Fiscal Guidance. The revised consolidated guidance was to incorporate an analysis of the rationale for each aspect of the Secretary's guidance to the Services and of the overall defense program.

The Joint Chiefs of Staff and the Military Departments actively participated in the process--from the initial planning to the development of the defense budget to be submitted to the President. The Joint Chiefs of Staff also have modified their system for providing advice and recommendations to the Secretary of Defense in accordance with the opportunities for participation provided by the revised PPBS.

In addition to their participation in the PPBS, the Joint Chiefs of Staff advise the President, the National Security Council, and the Secretary of Defense on a wide range of national security matters. They also are statutory members of the Armed Forces Policy Council.

JCS, Departments Role

The role of the Joint Chiefs of Staff and the Military Departments in the process included the submission of the JCS Joint Strategic Objectives Plan, pre-draft consultation sessions with the Secretary of Defense, informal comment and review during the drafting process, extensive review and comment (written and face-to-face) on the preliminary draft, review and comment on a subsequent draft, and participation in the presentation of the proposals to the President.

In May 1977, the Joint Chiefs of Staff submitted to the Secretary of Defense the Joint Strategic Objectives Plan, Volume 1 (JSOP I). As in past years, this document included a statement of broad defense objectives, a discussion of the military threat facing the United States, general recommendations concerning strategy and force planning, and a discussion of areas of significant risk. In January 1978, the Joint Chiefs of Staff submitted JSOP II, which included, inter alia, the major force recommendations of the Joint Chiefs of Staff, a comparison of these recommendations with currently programmed forces, and an appraisal of programmed forces. Although JSOP I was submitted and JSOP II was substantially prepared before the revisions in PPBS, these documents provided the Secretary of Defense and the President with the basic views of the Joint Chiefs of Staff on military strategy and force requirements. In light of the changes in the PPBS, additional procedures were adopted to supplement the joint planning process so that the Secretary could, in the revised PPBS, more easily receive the full benefit of the advice, recommendations, and expert capability of the Joint Chiefs of Staff.

In the past, Secretarial guidance had developed in three parts and the JSOP documents were tailored to those parts. JSOP I was prepared prior to the Defense Guidance and assisted the Secretary in making the determinations of policy, strategy, and force planning that were included in the Defense Guidance. The JSOP II provided the Secretary with the JCS views on what should be included in the Planning and Programming Guidance and the Fiscal Guidance. Under the revised system, Secretarial guidance was combined into one document that also included the rationale on which the defense program would be based.

PPBS Modifications

When the modifications of the PPBS were first contemplated in the fall of 1977, the Joint Chiefs of Staff and the Secretaries of the Military Departments were asked for their comments, suggestions, and recommendations. After these recommendations and other comments on the PPBS proposal had been submitted, the Secretary of Defense agreed that it was important that the initial step in the annual process should be the responsibility of the Joint Chiefs of Staff and the Military Departments, and that they should have full opportunity to participate in the process throughout. In a memorandum dated Oct. 26, 1977, addressed to the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments, the Secretary of Defense established a procedure for consultative meetings "to give the Services, individually and collectively, an opportunity to give advice, make recommendations, and offer substantive input." The Secretary's memorandum continued:

"Though the revised PPBS is designed to afford the opportunity at several stages, I deem it important that one such opportunity be prior to the first draft of the document. The last thing I want to do is inhibit your initiative or innovation. I envision these meetings as an opportunity for you to present your proposals with respect to the CG and that a dialogue about them will ensue between the Services and the Secretary of Defense."

Those meetings took place in November. Each was atterded by the Chairman of the Join'. Chiefs of Staff or the Chairman's personal representative. The Secretary of Defense first held three lengthy meetings with, respectively, the Secretary of the Army and Chief of Staff of the Army; the Secretary of the Navy, Chief of Naval Operations and Commandant of the Marine Corps; and the Secretary of the Air Force and Chief of Staff of the Air Force; and staff members they designated to accompany them. A fourth, "wrap-up," meeting was then held with all three Secretaries of the Military Departments, the Chairman of the JCS, and the members of the Joint Chiefs of Staff. At these meetings the Chairman and members of the Joint Chiefs of Staff and the Secretaries of the Military Departments were able to provide dirctly to the Secretary of Defense prior to the drafting of any guidance, their advice, recommendations and comments.

Follow-Up Memoranda

After the meetings, the Army, Navy, and the Joint Chiefs of Staff sent follow-up memoranda to the Secretary of Defense emphasizing the points they considered most important and setting out the areas they believed required special attention. Other memoranda, concerning both the form and the content of the Secretary's guidance, followed.

The preliminary draft of the Secretary's guidance was shaped by the comments of the participants in the initial meetings, the follow-up memoranda, the directions of the Secretary of Defense, and informal comments and advice provided by the JCS and the Services during the drafting process.

The draft that was produced was "preliminary". It was not to have any effect until there had been a complete review and opportunities for comment by the JCS and the Services. It was circulated to the Joint Chiefs of Staff and to the Military Departments for comment in January 1978.

The review and comment period for the Joint Chiefs of Staff and the Military Departments covered four weeks. It was a working document, subject to change, to serve as a focus for debate and discussion. It was designed to provide a document to cover matters raised in the pre-draft meetings and memoranda, and a vehicle for discussion and addition to other considerations not covered in the initial discussions. The integration of matters previously contained in the Defense, Planning and Programming, and Fiscal Guidance documents and the requirement that the rationale for the defense program be subjected to increased analytical rigor demanded a careful consideration by the Joint Chiefs of Staff and the Services. It also provided the Joint Chiefs of Staff and the Military Departments with an opportunity to challenge the premises, reasoning and conclusions of the proposed guidance. If the rationale in the preliminary draft were faulty, the Joint Chiefs of Staff and the Service could focus on weak points in the rationale and suggest alternative guidance with better justification.

As indicated by the Secretary in the memorandum that accompanied the draft for comment and review:

"I want to use the Consolidated Guidance not merely to advise you in the preparation of your POMs (Program Objective Memoranda), but also as a vehicle for debate and dialog over the rationale it contains . . . ."

Detailed Comments

The Joint Chiefs of Staff and the Secretaries of the Military Departments submitted detailed comments on the draft. In addition, the Joint Chiefs of Staff provided a strategy section for inclusion, and substantial and useful recommendations on the strategic aspects of the guidance.

The written comments on the draft, the views expressed at the follow-up meetings and the guidance of the Secretary of Defense provided the basis for the next draft, which required development of a justification for all changes made, and a justification of changes that were recommended but not made. The redraft and justifications were then presented to the Secretary for decision and, based on his decisions, a revised draft was completed.

The revised draft was again circulated to the Chairman and members of the Joint Chiefs of Staff and to the Secretaries of the Army, Navy, and Air Force for their personal comment and review. Their comments went directly to the Secretary and Deputy Secretary of Defense for their personal review. As a result of those comments, further changes were made. The draft was then sent to the White House. In May 1978, to assist him in his review, the President met with the Secretary of Defense and the Joint Chiefs of Stff. Following that meeting, the President held further discussions with the Secretary of Defense and the JCS Chairman.

The remainder of the planning, programming and budgeting system followed the basic pattern of prior years. After receiving the draft guidance the Military Departments prepared and submitted their Program Objective Memoranda.

The retention of the above feature of the former PPBS reflects the degree to which the revised PPBS preserved the initiative of the Departments of the Army, Navy, and Air Force. Under the system instituted in the early 1960s, the programming initiative resided in the Office of the Secretary of Defense through Draft Presidential Memoranda (DPMs). These stipulated procurement, force structure and costing in detail. The Military Departments were given an opportunity to comment, but once the DPMs were setled, the Services went directly to the preparation of their detailed budgets. Under the current system, the initial formulation of the defense program continued--as in the past nine years--to be the responsibility of the Military Departments and not of the Office of the Secretary of Defense. Thus, the revised system provided an opportunity for participation of the military professionals in the development of the Secretarial guidance and retained for the Military Departments their basic programming initiative.

The PPBS also was structured to preserve the important role of the Joint Chiefs of Staff in the evaluation of program objectives. In prior years, the JCS had prepared and submitted to the Secretary a Joint Forces Memorandum (JFM) at the time that the POMs were prepared and submitted. The JFM

identified important program objectives and provided an assessment of the risk, in terms of defense strategy, incurred by adopting, or not adopting, certain program objectives. Under the revised PPBS, the Joint Chiefs of Staff have replaced the JFM with a Joint Program Assessment Memorandum (JPAM), which is provided to the Secretary after the POMs are submitted. The JPAM provides JCS advice to the Secretary for his review of the Service POMs, development of Issue Papers, and decisions on specific Service programs. It includes a risk assessment based on an overview of the national military strategy and the force structure recommended in the POMs, as well as recommendations for improvements in the overall defense program through selection of certain programs at alternative POM levels. The JPAM therefore provides the Secretary with more valuable assistance in his consideration of the programs of all three Services. The first JPAM was submitted as part of the present PPBS cycle.

Issue Papers

After the submission of the POMs, the staff of the Secretary of Defense drafted issue papers which were sent for review and comment to the Joint Chiefs of Staff, the Military Departments, the Office of Management and Budget, and National Security Council. The issue papers then were revised in response to the comments and provided to the Secretary of Defense. Based on the advice provided in the JPAM, his review of the POMs, and the issue papers, the Secretary made the basic program decisions that were then incorporated in the Program Decision Memoranda (PDMs). The PDMs were sent to the Joint Chiefs of Staff and the Military Departments for review and comment. Major comments--at the selection of the members of the Joint Chiefs of Staff and the Secretaries of the Military Departments--became the subject of a series of reclama meetings attended by the Secretary and Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff and representatives of the Services. As a result of the written comments and the reclama meetings, the PDMs were modified and issued as Amended Program Decision Memoranda (APDM).

The drafting of the APDMs marked the second point of Presidential involvement in the system. At that point, the Secretary of Defense with the personal assistance of the Chairman of the Joint Chiefs of Staff prepared a status report for the President describing the major features of the Service POM submissions, the major issues that had been raised and their disposition, and an evaluation of the differences among the defense programs available over a range of funding profiles. The status report was submitted to the President for review and guidance. The ADMs were sent to the Military Departments as the basis for the budget proposals that they are now preparing.

After the pre-draft meetings in November 1977, the Joint Chiefs of Staff initiated an evaluation of their role in the revised PPBS and decided to modify the basic documents through which they provided their formal input to the system. This led to several changes made at JCS suggestion. The first of these changes was the replacement of the JFM with the JPAM. This was accomplished in the first cycle of the revised PPBS, as discussed above.

Second Modification

The second modification involved a restructuring of the JSOP documents. To replace the JSOP I and II, the JCS created a Joint Strategic Planning Document (JSPD) to be submitted 60 days in advance of the preliminary draft guidance. The JSPD contains a comprehensive appraisal of the military threat to the United States, a statement of recommended military objectives, recommended military strategy to attain the objectives, and a summary of the JCS planning force levels that could execute, with reasonable assurance, the military strategy. It also will include the JCS views on the attainability of the recommended force levels within fiscal constraints, manpower resources, material availability, technology, and industrial capacity. It will incorporate an initial appraisal of the risk associated with programmed force levels and recommendations for changes in the prior Consolidated Guidance. Thus the JSPD will provide comprehensive recommendations by the Joint Chiefs of Staff tailored to the integrated approach of the revisd defense planning, programming, and budgeting system.

NUMBER 7045.7

Department of Defense Instruction ASD(C)

SUBJECT: The Planning, Programing, and Budgeting System (PPBS)

References: (a) DoD Directive 7000.1, "Resource Management Systems of the Department of Defense," August 22, 1966 (as amended)

(b) DoD Instruction 7045.7, "The Planning, Programming and Budgeting System," October 29, 1969 (hereby cancelled).

(c) DoD Handbook 7045.7-H, "FYDP Codes and Definitions Handbook"

(d) through (h), see Enclosure 1

A. PURPOSE

This Instruction establishes procedural guidance in support of reference (a) for: (a) submission, analysis, review, and approval of new and revised Department of Defense programs and budgets; (b) the processing and approval of resource changes to the Five Year Defense Program (FYDP): (c) the maintenance and updating of the FYDP structure; and (d) the maintenance and publication of the FYDP Codes and Definitions Handbook (7045.7-H) (reference (c)).

B. APPLICABILITY AND SCOPE

1. The provisions of this Instruction apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff and the Defense Agencies (hereinafter referred to collectively as "DoD Components").

2. The Secretary of Defense approved programs for the military functions of the DoD for the prior, current, budget and program years are reflected in the FYDP, and planning, programing, budgeting, execution and accountability for the DoD will be consistent with the FYDP. The program years for cost and manpower are the four succeeding years beyond the budget year, for forces they are the seven years beyond the budget year.

C. DEFINITIONS

The terms used in this Instruction are defined in General Accounting Office publication "Terms Used in the Budgetary Process," PAD-77-9, July 1977.

D. KEY PPBS DOCUMENTS

1. Joint Strategic Planning Document (JSPD)

The JSPD will be submitted for use in the development of the draft Consolidated Guidance (CG). It will contain a concise, comprehensive military appraisal of the threat to U.S. interests and objectives worldwide; a statement of recommended military objectives derived from national objectives; and the recommended military strategy to attain national objectives. A summary of the JCS planning force levels which could successfully execute, with reasonable assurance, the approved national military strategy will be included, as well as views on the attainability of these forces in consideration of fiscal responsibility, manpower resources, material availability, technology, and industrial capacity. The JSPD will also provide an appraisal of the capabilities and risks associated with programmed force levels, based on the planning forces considered necessary to execute the strategy, and will recommend changes to the force planning and programing guidance where appropriate.

2. Consolidated Guidance (CG)

After consideration of the military advice of the JCS, as expressed in the JSPD, the next milestone is the Consolidated Guidance (CG). A draft of the CG is issued first to solicit the comments of the DoD Components and to provide a vehicle for an exchange of views on defense policy between the Secretary of Defense, the President, and the National Security Council. The final version of the CG serves as an authoritative statement of the fundamental strategy, issues, and rationale underlying the Defense Program, as seen by the leadership of the DoD. The CG provides definitive guidance, including fiscal constraints, for the development of the Program Objective Memoranda by the Military Departments and Defense Agencies.

3. Program Objective Memorandum (POM)

Annually, each Military Department and Defense Agency will prepare and submit to the Secretary of Defense a Program Objective Memorandum. POMs will be based on the strategic concepts and guidance as stated in the CG and include an assessment of the risk associated with the current and proposed forces and support programs. POMs will express total program requirements for the years covered in the CG, and must provide rationale for proposed changes from the approved FYDP base. Costs will be within the fiscal guidance issued by the Secretary of Defense. Major issues which are required to be resolved during the year of submission should be identified. Supporting information for POMs will be in accordance with the annual POM Preparation Instructions.

4. Joint Program Assessment Memorandum (JPAM)

The JPAM will be submitted by JCS for consideration in reviewing the Military Departments' Program Objective Memoranda (POMs), developing Issue Papers, and drafting Program Decision Memoranda. It will provide a risk assessment based on the composite of the POM force recommendations and include the views of the Joint Chiefs of Staff on the balance and capabilities of the overall POM force and support levels to execute the approved national military strategy. Where appropriate, the Joint Chiefs of Staff will recommend actions to achieve improvements in overall Defense capabilities within, to the extent feasible, alternative POM funding levels directed by the Secretary of Defense. In addition, the JPAM will develop SALT-constrained forces and provide recommendations on the nuclear weapons stockpiles considered necessary to support these forces, and on the security assistance program.

5. Program Decision Memorandum

a. POMs will be reviewed in accordance with the following:

(1) The OSD Staff will prepare decision (issue) papers on program issues. These "Issue Papers" will be developed in coordination with the DoD Components who will assure completeness and accuracy of the information contained therein. The views of the JCS on the risks involved in the POMs will be considered during preparation of the Issue Papers.

(2) Based on the Issue Papers and JCS risk assessment, the Secretary will issue Program Decision Memoranda (PDMs) which will be transmitted to the DoD Components for analysis and comment as appropriate.

b. Comments on the PDMs may be prepared in a manner prescribed by the submitting activity, but will present the precise program impact

that may be expected as a result of the decision. If comments on the PDMs express a dissenting view, any additional or clarifying information or justification will accompany the statement to allow a reevaluation of the issue.

c. Comments submitted by the JCS will address the impact on total DoD program balance. JCS will provide the Secretary of Defense with an assessment of the risks involved and inherent in the PDMs and an evaluation of strategic implications.

d. Following a staff review of comments on the PDMs, meetings will be held by the Secretary of Defense to discuss major unresolved issues. If appropriate, Amended Program Decision Memoranda (APDMs) will then be issued to incorporate any new decision, or to reiterate the previous decision.

6. Budget Estimates

Annually, each DoD Component will submit its budget estimates to the Secretary of Defense in accordance with reference (d), DoDI 7110.1 and 7110.1-M. The budget estimates will include the prior year, current year, and budget fiscal year (budget year plus one for authorized programs) in accordance with currently established procedures. Budget estimates will be prepared and submitted based on the program as approved in the PDMs/APDMs, as well as economic assumptions related to pay and pricing policies which will be contained either in the APDMs or in separately prescribed detailed budget guidance each year.

7. Budget Decisions

a. In order to maximize the review and analysis time, DoD and OMB will jointly review the budget estimates. Participation in this joint

review will be open to all elements of the DoD Components and OSD staffs. Inputs from participants will be solicited for inclusion in the Decision Package Sets (DPSs), the decision document ultimately signed by the Secretary/Deputy Secretary of Defense. These decisions will address all of the resources in the budget request and be related to the appropriations and budget activity structure of the Department of Defense. The decisions will include the current year, the budget year, the authorization year (budget year + 1) and an estimate of the resource impact on the three succeeding program years.

b. DPSs, as they are approved by the Secretary/Deputy Secretary, will be translated into the Automated Budget Review System to reflect increases and decreases to the submissions. Periodic status reports will be provided to the Secretary/Deputy Secretary as well as the OSD managers and staff and the submitting components. Status will be in terms of Total Obligational Authority, Budget Authority, and Outlays.

c. While the review is progressing, the Defense Resources Board (DRB) will meet periodically to consider the relative ranking priorities of programs ranked by the submitting components. The DRB will first integrate the original component rankings by reviewing and approving OSD staff prepared Priority Change Proposals (PCPs). Those PCPs not approved by the DRB will be discarded. The DRB will then meet with the Secretary who will approve/disapprove the DRB reranking proposals. The Secretary will make changes to the ranking to ensure that the highest priority programs are included within the approved funding level. All such approved ranking changes will be reflected daily in the automated system so that the budget status reporting will be current for both DPS changes and ranking changes.

d. After review of the tentative budget decisions, DoD Components may identify issues that are serious enough to warrant a major issue meeting with the Secretary of Defense. Subsequent decisions made by the Secretary of Defense will be announced in revisions to previously issued DPSs.

E. PLANNING, PROGRAMING AND BUDGETING SYSTEM SCHEDULE

Publication timing of the various PPBS documents is critical. Since the system represents a dialogue between the many participants, the documents must be issued to allow adequate time for analysis and response. Therefore, a schedule of significant events in the PPBS process for the upcoming calendar year will be initiated and staffed by OASD(C) and issued annually by the Secretary of Defense to establish the dates for:

1. Submission by the Joint Chiefs of Staff of independent military strategy and other military advice considered necessary by the JCS. Such advice will be contained in identified JCS documents which are a formal part of the PPBS.

2. Issuance of Consolidated Guidance (CG).

3. Submission and review of DoD Components' Program Objective Memoranda (POMs), including JCS risk assessment, recommendations on overall force balance and processing of Issue Papers.

4. Issuance of Secretary of Defense PDMs and APDMs.

5. Submission of the DoD budget estimates.

6. Other significant items having an impact on the decision-making cycle.

F. GENERAL SYSTEM DESCRIPTION

Each of the documents mentioned below are described in detail in Section D. Enclosure 2 is a general systems flowchart.

1. The PPBS is a cyclic process containing five distinct, but interrelated, phases; planning, programing, budgeting, execution and accountability.

In the first three phases prior decisions are reexamined and analyzed from the viewpoint of the current environment (threat, political, economic, technological, and resource availability) and the decisions are either reaffirmed or modified as necessary.

2. In the planning phase the role and posture of the United States and the DoD in the world environment are examined, with particular emphasis on Presidential policies. The following facets are analyzed: (a) potential and probable enemy capabilities and threat; (b) potential and probable capabilities of our allies; (c) potential U.S. policies and objectives in consideration of (a) and (b); (d) military strategies in support of these policies and objectives; (e) planning force levels that would achieve defense policy and strategy; and (f) planning assumptions for guidance in the following phases of PPBS.

3. The first step in the PPBS cycle is the submission of the Joint Strategic Planning Document (JSPD) containing independent JCS military strategy advice and recommendations, to be considered when subsequent PPBS documents are developed.

4. Next is the publication of the Consolidated Guidance (CG) which will consider the JCS strategy advice, provide guidance for implementation of Presidential policy decisions and military strategic objectives, and document Secretary of Defense guidance for subsequent program formulation.

5. The DoD Components, using the preceding documents as guidance, develop their proposals for the program years. These proposals, expressed in the Program Objective Memoranda (POMs), represent systematic analysis of missions to be achieved, alternative methods of accomplishing the missions, and the effective application of the constrained resources.

6. After the POMs are submitted, the JCS will provide, in the Joint Program Assessment Memorandum (JPAM), a risk assessment based on the

capability of the composite force level and support program for the Armed Forces to execute the strategy outlined in the CG.

7. The programing phase culminates with the issuance of Program Decision Memoranda (PDMs). Based on previous guidance documents, the POMs are analyzed, Issue Papers are developed and staffed, decisions are expressed in PDMs, and, as necessary, reaffirmed or modified in Amended Program Decision Memoranda (APDMs).

8. With the establishment of program levels in the POM/PDM process, the budgeting phase begins with the DoD Components developing detailed budget estimates for the budget year portion of the approved program. These estimates are reviewed and analyzed during the Joint OMB/DoD Budget Review and are approved in budget decision documents.

9. The execution and accountability phases follow the submission of the budget and its enactment into appropriation acts by the Congress. These phases are concerned with: controlling and monitoring the execution of the budget; the accountability and reporting of actual results for use in monitoring program execution; preparing future plans, programs, and budgets; and supplying financial information to DoD managers.

G. FIVE YEAR DEFENSE PROGRAM (FYDP)

1. General

a. The FYDP is a reflection of the Secretary of Defense approved programs for the DoD. It resides in an automated data base which is updated and published at least three times a year. It contains forces, manpower, and total obligational authority (TOA) identified to a program element structure aggregated into ten programs. Program elements generally represent aggregations of organizational entities, therefore reflecting

the primary and support missions of the DoD. Resources are further subdivided by Resource Identification Codes (RICs) which identify force type, manpower type and budget appropriation. See Enclosure 3 for the FYDP concepts and structure. The FYDP is assigned RCS DD-COMP (AR)853.

b. A FYDP Codes and Definitions Handbook (DoD 7045.7-H) is maintained by the ASD(C) and contains the DoD program structure including all approved definitions, codes, and titles used in the FYDP data base as well as program and program element criteria.

c. Program Change Requests (PCRs) will be used to propose out-of-cycle changes to FYDP data that would result in a net change to a DoD Component's resources. Pursuant to Chapter 442 of the Budget Manual (reference (d)), PCRs will be submitted by the gaining organization, to reflect the resource impact of functional transfers. The resource impact of the transfer will be incorporated in the next FYDP update only after having been approved by a PCD. Legal approval for the functional transfer may be accomplished by memorandum or other decision document but must be signed by the Secretary of Defense. PCRs will also be used to propose changes to the FYDP structure definitions and codes which would result in no net change to a DoD Component's resources. See Enclosure 4 for use and preparation of PCRs.

d. Program Change Decisions (PCDs) will be used to reflect Office of the Secretary of Defense decisions on PCRs. See Enclosure 5 for use and preparation of PCDs.

2. Other FYDP Usage

a. The FYDP is used extensively as a data base for many related processes, both internal and external to the Department of Defense, but within the Executive branch. Within the Department, in addition to being

one of the official published results of the PPBS process and an operating tool of the DoD manager, it is also widely used as a source of data for both analysis and as an input to alternative ways of displaying and portraying actual and programmed resources. The internal uses include: The Secretary of Defense posture statement; the Manpower Requirements Report; and Defense Planning and Programming Category Reports.

b. As a result of Congressional requests, a special annual publication of the FYDP, containing the prior, current and budget years and a Procurement Annex containing the prior, current, budget and out-years have been developed and provided to various Congressional oversight committee staffs and the Congressional Budget Office (CBO). Since the FYDP outyear programs reflect internal planning assumptions, all other data beyond the budget year are not releasable outside the Executive Branch.

c. The CBO has developed a Defense Resource Model (DRM) for use as an analytical tool in support of alternative levels of Defense resources. Following the budget submission to Congress, budget year data are extracted from the FYDP, according to CBO specifications which aggregate program elements and resource identification codes to unclassified summary levels, for input to the DRM. Data from the DRM are used by CBO to fulfill the legal requirement for mission oriented displays as stipulated in P.L. 93-344, the Congressional Budget and Impoundment Control Act.

3. Subsystems and Annexes

There are a number of data bases that contain data that are subsidiary to, or reconcilable with, the data in the FYDP. The sponsoring

office is responsible for design, installation and maintenance of subsystems and annexes, their data bases, and for compliance with DoDD 5000.19 (reference (h)). Currently they are:

a. RDT&E and Acquisition Data Base

All procurement line items in the P-1, and all program elements in the R-1 are coded in accordance with the USDR&E mission area structure, to be used as the basis for mission area analysis, mission element need statements, and the POM review of all acquisition activities.

Sponsoring Office - OUSDR&E

RCS

b. FYDP Telecommunications Subsystem

This subsystem provides resource management data by telecommunications category and project, R&D project, procurement line item, construction project, and operating resources (including manpower) for use in planning and the POM review.

Sponsoring Office - OASD(C^3I)

RCS - DD-T(TA)1164

c. RDT&E Annex

The automated RDT&E Annex is the single official reflection of the program elements approved during the review processes. It will be maintained to reflect all applicable decisions and provide consistency with the FYDP.

Sponsoring Office - OASD(C)

RCS - DD-COMP(AR)1092

d. Procurement Annex

The Automated Procurement Annex is the single official reflection of the line item programs approved during the review processes.

It will be maintained to reflect all applicable decisions and provide consistency with the FYDP.

Sponsoring Office - OASD(C)

RCS - DD-COMP(AR)1092

e. Construction Annex

The Automated Construction Annex is the single official reflection of the construction projects approved during the review process. It will be maintained to reflect all applicable decisions and provide consistency with the FYDP.

Sponsoring Office - OASD(C)

RCS - DD-COMP(AR) 1092

H. DECISION IMPLEMENTATION

1. Decisions made by the Secretary of Defense will normally be identified in one of the decision documents described herein. In addition, reprograming actions in accordance with DoDI 7250.10 (reference (e)) will be reflected, as appropriate, in FYDP updating. Decisions will be implemented by the DoD Components by applying the forces, manpower and cost data to the FYDP data file by program element in accordance with DoDI 7045.8 (reference (f)). The Assistant Secretary of Defense (Comptroller) will issue a PCD directing FYDP updates to be submitted. The PCD will include any special instructions, program structure changes, limitations, and controls necessary for the update.

2. The Defense Systems Acquisition Review Council (DSARC), acting as the top level DoD corporate body for system acquisition, provides advice and assistance to the Secretary of Defense. Milestone decisions made through the major weapon system acquisition process (reference (g)) are based upon review of details of one particular program and reflect the readiness of

that system to progress to the next acquisition phase. The program approved in the DSARC process must compete for funds with other programs in the PPBS resource allocation process. The Secretary of Defense milestone decision is based on specific schedule, cost and operational effectiveness estimates which, if changed significantly, might alter the Secretary of Defense milestone decision. PPBS actions by the DoD Components and the OSD staff, that cause the schedule and cost estimates to change significantly enough to call into question the last milestone decision, shall be explained by the DoD Component or OSD staff element proposing the change in the PPBS document.

I. LIMITATIONS

Approval of programs in either the DSARC process or the PPBS process will not constitute authority to either commit or obligate funds.

J. RESPONSIBILITIES

In the PPBS:

1. The Joint Chiefs of Staff are responsible for developing and submitting to the Secretary of Defense independent military advice and recommendations on strategy, and for providing military advice for achieving national security objectives and for risk assessment.

2. The Under Secretary of Defense for Policy (USDP) is responsible for development of policy guidance in connection with the CG.

3. The Assistant Secretary of Defense (Program Analysis and Evaluation) is responsible for the development of planning and programing guidance based on the policy guidance developed by USDP and on the military strategy advice of the JCS, preparing and promulgating the POM Preparation Instruction, preparing and staffing the CG with DoD Components,

coordinating the POM review, preparing and coordinating the PDMs/APDMs.

4. The Assistant Secretary of Defense (Comptroller) is responsible for the overall PPBS procedures and annual issuance of the PPBS calendar, coordinating the annual budget review, as well as the operational matters relating to maintaining the FYDP.

5. The Defense Resources Board is responsible, during both the POM and budget review/decision processes, for resolving as many issues as possible with the DoD Components, assuring adherence to the fiscal and other mandatory guidance, and precluding the reevaluation of decisions in the absence of new information.

6. All DoD Components are responsible for participating as appropriate in meeting the objectives and requirements of the PPBS.

K. REPORTING REQUIREMENTS

Each OSD office and DoD Component is responsible for compliance with the provisions of DoDD 5000.19, (reference (h)) in their respective areas of responsibility.

L. IMPLEMENTATION AND EFFECTIVE DATE

This Instruction is effective upon issuance. Three copies of each DoD Component's implementing documents will be forwarded to the Assistant Secretary of Defense (Comptroller) within one hundred and twenty days of the date of this Instruction.

Enclosures:

1. References (d) through (h)
2. PPBS Flow Chart
3. FYDP Concepts and Structure
4. Use and Preparation of Program Change Requests (PCRs)
5. Use and Preparation of Program Change Decisions (PCDs) and Decision Package Sets (DPSs)

References

(d) DoD Instruction 7110.1, "Guidance for Preparation of Budget Estimates, Operating Budgets, Financial Plans and Apportionment Requests, and Related Support Material," August 23, 1968, and Manual (7110.1-M)

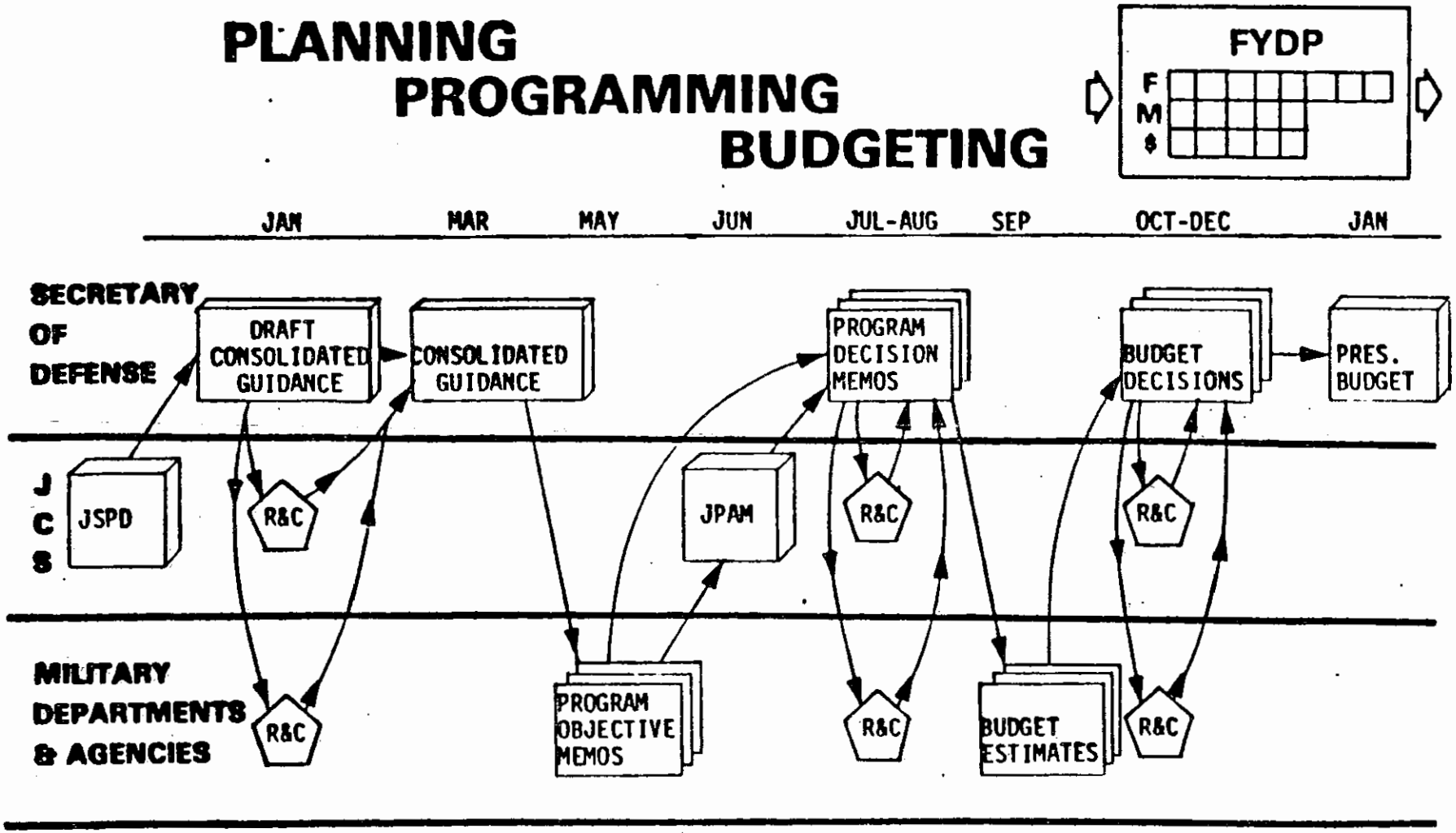
(e) DoD Instruction 7250.10, "Implementation of Reprograming of Appropriated Funds," January 10, 1980

(f) DoD Instruction 7045.8, "Procedures for Updating Program Data in the Five Year Defense Program (FYDP)," to be reissued

(g) DoD Instruction 5000.2, "Major System Acquisition Procedures," March 19, 1980

(h) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976

PLANNING PROGRAMMING BUDGETING



JSPD = Joint Strategic Planning Document
JPAM = JOINT Program Assessment Memorandum
R&C = Review and Comment

FYDP Symbols
F = Forces
M = Manpower
$ = Dollars
= Years

7045.7 (Encl 2)

(Encl 3)

THE FYDP

CONCEPTS AND STRUCTURE

A. GENERAL

The Five Year Defense Program (FYDP) is the official document which summarizes the Secretary of Defense approved programs (prescribed in Program Decision Memoranda, Program Change Decisions, budget decisions, and other SecDef decision documents) for the Department of Defense. The FYDP, which contains PY, CY, BY and BY + 1 through BY + 4 (BY + 7 for forces), is published three times a year and reflects the total resources programmed by the DoD, by fiscal year. An historical FYDP is published annually, following the POM update of the FYDP, and contains prior year resource data consistent with the official accounting records for fiscal years 1962 through the prior year, as applicable.

The FYDP consists of both force-related mission programs with their organic support, and support-related programs, which include those functions which are not organic to other program elements. It is continually being modified to associate maximum resources practicable with the force-related programs, consistent with DoD management needs. Also, efforts are continuing to improve the system by minimizing allocations of costs which support more than one program or program element.

B. PROGRAMS

A program is an aggregation of program elements which reflects a force mission or a support mission of the DoD and contains the resources

needed to achieve an objective or plan. It reflects fiscal year time-phasing of mission objectives to be accomplished and the means proposed for their accomplishment.

The FYDP is comprised of ten major Defense programs as follows:

Program 1 - Strategic Forces

Program 2 - General Purpose Forces

Program 3 - Intelligence and Communications

Program 4 - Airlift/Sealift Forces

Program 5 - Guard and Reserve Forces

Program 6 - Research and Development

Program 7 - Central Supply and Maintenance

Program 8 - Training, Medical, and Other General Personnel Activities

Program 9 - Administration and Associated Activities

Program 0 - Support of Other Nations

The major programs of the FYDP fall within the general organizational areas of responsibility within the Office of the Secretary of Defense, as shown below. However, since resources in these programs may overlap areas of management and functional responsibility, the programs are not considered to be the exclusive responsibility of any one particular organizational element of the Office of the Secretary of Defense.

1. Program 1 - Strategic Forces

Office of Prime Responsibility: Assistant Secretary of Defense (Program Analysis and Evaluation)

Strategic forces are those organizations and associated weapon systems whose force missions encompass intercontinental or transoceanic

inter-theater responsibilities. Program 1 is further subdivided into Strategic Offensive Forces and Strategic Defensive Forces, including operational management headquarters, logistics, and support organizations identifiable and associated with these major subdivisions.

2. Program 2 - General Purpose Forces

Office of Prime Responsibility: Assistant Secretary of Defense (Program Analysis and Evaluation)

General purpose forces are those organizations and associated weapon systems whose force mission responsibilities are, at a given point in time, limited to one theater of operations. Program 2 consists of force-oriented program elements, including the command organizations associated with these forces, the logistics organizations organic to these forces, and the related support units which are deployed or deployable as constituent parts of military forces and field organizations. Also included are other programs, such as the Joint Tactical Communications Program (TRI-TAC), JCS-directed and coordinated exercises, Coast Guard ship support program, war reserve materiel ammunition and equipment, and stock-funded war reserve materiel.

3. Program 3 - Intelligence and Communications

Office of Prime Responsibility: Assistant Secretary of Defense (Communications, Command, Control and Intelligence)

Program 3 consists of intelligence, security, and communications program elements, including resources related primarily to centrally-directed Department of Defense support mission functions, such as mapping, charting, and geodesy activities, weather service, oceanography,

aerospace rescue and recovery, special activities, nuclear weapons operations, space boosters, satellite control, aerial targets, etc. Intelligence and communications functions which are specifically identifiable to a mission in the other major programs will be included within the appropriate program.

4. Program 4 - Airlift/Sealift Forces

Office of Prime Responsibility: Assistant Secretary of Defense (Program Analysis and Evaluation).

Program 4 consists of program elements for airlift, sealift, traffic management, and water terminal activities, both industrially-funded and nonindustrially-funded, including command, logistics, and support units organic to these organizations.

5. Program 5 - Guard and Reserve Forces

Offices of Prime Responsibility: Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics); Assistant Secretary of Defense (Program Analysis and Evaluation).

The majority of Program 5 resources consist of Guard and Reserve training units in support of strategic offensive and defensive forces and general purpose forces. In addition, there are units in support of intelligence and security; airlift and sealift; research and development; central supply and maintenance; training, medical, general personnel activities; administration; and support of other nations.

6. Program 6 - Research and Development

Office of Prime Responsibility: Under Secretary of Defense for Research and Engineering.

Program 6 consists of all research and development programs and

activities that have not yet been approved for operational use. Includes:

a. Basic and applied research tasks and projects of potential military application in the physical, mathematical, environmental, engineering, biomedical, and behavioral sciences.

b. Development, test, and evaluation of new weapon systems, equipment, and related programs.

7. Program 7 - Central Supply and Maintenance

Office of Prime Responsibility: Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics).

Program 7 consists of resources related to supply, maintenance, and service activities, both industrially-funded and nonindustrially-funded, and other activities such as second destination transportation, overseas port units, industrial preparedness, commissaries, logistics and maintenance support, etc. These functions/activities, which are for the most part centrally managed, provide benefits and support necessary for the fulfillment of the DoD programs.

8. Program 8 - Training, Medical, and Other General Personnel Activities

Offices of Prime Responsibility: Assistant Secretary of Defense (Health Affairs); Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics).

Program 8 consists of resources related to training and education, personnel procurement, personnel services, health care, permanent change of station travel, transients, family housing, and other support activities associated with personnel. Excluded from this program is training

specifically related to and identified with another major program. Housing, subsistence, health care, recreation, and similar costs and resources that are organic to a program element, such as base operations in other major programs, are also excluded from this program. These functions/activities, which are for the most part centrally managed, provide benefits and support necessary for the fulfillment of the DoD programs.

9. Program 9 - Administration and Associated Activities

Office of Prime Responsibility: Assistant Secretary of Defense (Comptroller).

Program 9 consists of resources for the administrative support of departmental and major administrative headquarters, field commands, and administrative and associated activities not accounted for elsewhere. Included are activities such as construction planning and design, public affairs, contingencies, claims, audiovisual activities, criminal investigations, etc.

10. Program 0 - Support of Other Nations

Office of Prime Responsibility: Assistant Secretary of Defense (International Security Affairs).

Program 0 consists of resources in support of international activities, including Service support to the Military Assistance Program (MAP), foreign military sales, the NATO infrastructure, etc.

C. PROGRAM ELEMENTS

A program element is a primary data element in the FYDP which generally represents aggregations of organizational entities and

resources related thereto. Program elements represent descriptions of the various missions of the DoD. They are the building blocks of the programing/budgeting system and may be aggregated and re-aggregated in a variety of ways:

1. To display total resources assigned to a specific program.
2. To display weapon systems and support systems within a program.
3. To select specified resources.
4. To display logical groupings for analytical purposes.
5. To identify selected functional groupings of resources.

The program element concept allows the operating manager to participate in the programing decision process since both the inputs and outputs should be stated and measured in program element terms. Each program element may or may not consist of forces, manpower and dollars, depending on the definition of the element.

D. RESOURCE IDENTIFICATION CODES

Resource Identification Codes (RICs) are used to identify the types of resources assigned to each program element. An explanation of the type of RICs follows:

1. Force Codes. The Force Resource Identification Code is a four-digit code used to identify specific hardware items, or weapon systems, by type and model, such as aircraft, missiles, ships, and specific force organizations such as divisions, brigades, battalions, wings, etc.

2. Manpower Codes. The Manpower Resource Identification Code is a four-digit code used to identify officer, enlisted, and civilian manpower in both the active and the guard and reserve establishments. Separate

codes permit the recognition of cadets and ROTC enrollees, and identify civilians as either U.S. direct hire, foreign direct hire, or foreign indirect hire.

3. Appropriation Codes. The Appropriation Resource Identification Code is a four-digit code used to identify all appropriation accounts contained in the President's Budget as well as those of a historical nature applicable to the FYDP prior year period. These codes in most cases relate to Treasury-assigned appropriation symbols. The purpose of the resource identification code is to permit identification of the precise kinds of resources included in each element.

Each DoD Component submitting data to the DoD FYDP has been assigned codes for use in reporting such data in response to guidance for updating of the FYDP. The visibility of these resource identification codes by program element allows selection of specific data for analysis and management summary purposes.

Authority of the Principal Deputy Assistant Secretary of Defense (Comptroller) must be obtained prior to making any changes to the RIC structure.

(Encl 4)

INSTRUCTIONS FOR THE USE AND PREPARATION

OF PROGRAM CHANGE REQUESTS (PCRs)

A. PCRs will be used to request changes requiring a net increase or decrease in a DoD Component's resources as recorded in the latest FYDP, provided the document expressing such a decision, and requiring that increase or decrease, does not provide sufficient detail to permit FYDP updating. A PCR may also be used to request program and program element restructures and/or resource identification codes, or for modification/deletion of such codes in connection with the above actions.

B. PCRs may be originated by DoD Components and submitted to the Secretary of Defense via the ASD(C), over the signature of the head of the Component or his designated representative on DD Form 1570 (Program Change Request) (Att 1 to this Encl) in accordance with the following instructions:

1. PCR Number. DoD Components will assign PCR numbers in consecutive sequence starting with one (1) each calendar year. The Component identifier code as prescribed by DoD 7045.7-H (reference (c)) and a prefix designating the calendar year will precede each number (e.g. N-1-001). Numbers assigned to proposals that are subsequently withdrawn or cancelled will not be reused.

2. Title. DoD Components will assign a brief title to each PCR which adequately describes the subject matter of the request.

3. FYDP "As of" Date. Enter the date of the specific FYDP update on which the proposal is based.

4. Principal Action Officer. Enter the name, organization, and phone number of the individual most knowledgeable of the proposed change.

5. Justification.

a. Functional Transfers

(1) Briefly describe the rationale for the transfer, provide a summary of the functions being transferred, including the organizations involved; and any additional supportive data including a copy of the required approval of the transfer (See paragraph 212.1 and Chapter 442 of the Budget Guidance Manual (reference (d)). A copy of the memorandum of agreement will be attached to the PCR. Detailed displays, in the following format, showing resource net change impact in terms of program elements, manpower, and appropriations will be provided either in the justification section of the PCR or attached to the PCR.

	FY__	FY__	FY__	FY__	FY__
Program Element Code & Title					
Civ Dir Hire	+ 11	+ 12	+ 13	+ 13	+ 13
O&M	+ 220	+ 220	+ 230	+ 230	+ 230
Program Element Code & Title					
Civ Dir Hire	- 11	- 12	- 13	- 13	- 13
O&M	- 210	- 220	- 230	- 230	- 230

Continuation sheets may be used to provide any additional documentation in support of the proposal or to provide any additional clarification deemed appropriate.

(2) The gaining organization is responsible for preparation of PCRs relating to functional transfers.

b. Other PCR Actions Requiring Net Resource Changes. Briefly describe the change which results in the net increase or decrease in the Component's resources. Provide any supportive data or rationale for the change. Detailed resource displays similar in format prescribed for functional transfers in para. B.5.a.(1) above are required.

c. Program Structure Changes. Briefly describe the rationale for the proposal, provide a summary of the resources affected by the change and any additional supportive information that may be of value in assessing the proposal. The following specific information is required:

(1) Proposed Implementation Date. The request must indicate in which FYDP update the proposal, if approved, should be implemented. If a special update is desired, provide detailed justification and explanation as to why the proposal cannot be accommodated during a regularly scheduled update.

(2) Fiscal Years Affected. The FYDP is the single most comprehensive data base in the DoD for prior year information. In order to preserve consistency and to provide comparability with outyear data, structure change proposals should include prior years when the necessary data are available.

(3) Program Element Changes

(a) If new program elements are requested or data are being shifted between/among program elements, net changes in resources for the first unexecuted fiscal year affected will be provided. The format for this display follows and it may be included in the body of the PCR or as an attachment thereto, depending on the number of program elements involved.

FY 82	Military Manpower	Civilian Manpower	Invest. $	Operating $	Forces
PE 1	+ 100	+ 50	+ 100	+ 5,000	N/A
PE 2	+ 2,000	+ 100	N/A	+ 100,000	+ 6
PE 3	+ 300	+ 500	+ 1,000	+ 250,000	N/A
PE 4	- 2,400	- 650	- 1,100	- 355,000	- 6

It is emphasized that the above data are required for the first unexecuted fiscal year only and will be used to assess the impact of the proposal on the resource content of the programs and program elements affected.

(b) Assessment of the organizational impact of the change will be provided. For example, if the proposal will subdivide a DoD Component's funded activities into several programs or program elements, this information should be provided.

(c) Enclosure 3 provides guidance for programs and program elments. All requests for structure change will be evaluated against this guidance. If the proposal deviates significantly from this guidance, detailed justification for such deviation will be provided.

(d) New or revised program element definitions that will result if the proposal is approved will be appended to the PCR. Revised definitions should include a marked-up version of the current definition as well as a final typed version of the proposed revision. (DD Form 1643, Att 2 to this Encl)

(e) If a program element is being deleted or designated as historical, a brief explanation is required.

(f) Program element title changes should be included

in the revised definition, or if the request is for a title change only, it should be so stated and explained in the request.

(4) Resource Identification Code (RIC) Changes. RIC changes (additions, deletions, title changes) should include an explanation and/or existing authorization for the change.

6. Thirty (30) copies of functional transfer PCRs and fifteen (15) copies of all other PCRs will be forwarded to the Director for Program and Financial Control, OASD(C), for processing, staffing and decision. A PCD will be prepared announcing the decision.

PROGRAM CHANGE REQUEST	Request Number
Title	FYDP As of Date
Principal Action Officer	

Description

Justification

SIGNATURE AND DATE

DD FORM 1570

Air-Launched Cruise Missile (ALCM) (AGM-86)	1 1 1 2 2 F

Includes manpower authorizations, peculiar and support equipment, necessary facilities, and the associated costs specifically identified and measurable to the following: The AGM-86 Air-Launched Cruise Missile (ALCM) is a small unmanned, winged air vehicle capable of sustained subsonic flight following launch from an airborne carrier aircraft. The air vehicle is propelled by a turbofan engine, incorporates a nuclear warhead, is internally guided by an inertial system updated by terrain correlation (TERCOM), and can be programed to strike a wide variety of preselected ground targets as a result of its accuracy and yield characteristics.

Wing Headquarters
Airborne Missile Maintenance
Munitions Maintenance
Field Maintenance
Avionics Maintenance
Weapons System Security

Excludes nuclear warhead costs which are borne by the Energy Research and Development Administration. Excludes Research and Development (see PE 64361F).

WWMCCS ADP - NORAD/ADCOM	1 2 3 1 0 F

Includes all resources (R&D, investment, and operations) directly associated with ADP support of the World-Wide Military Command and Control System (WWMCCS), as defined in DoD Directive 5100.30. Includes those resources devoted to planning, designing, developing, procuring, leasing, programing and operating ADP facilities that are a part of or are in direct support of WWMCCS. Includes, but is not limited to, WWMCCS new standard (Honeywell) ADP systems.

Where an ADP center is providing both WWMCCS and non-WWMCCS support, and resources are not readily distinguishable between them, the WWMCCS portion will be determined on the basis of relative workload.

WWMCCS - ADP - CONAD Includes all WWMCCS ADP resources at CONAD/NORAD.

Excludes Intelligence Data Handling System resources (see PE 310250); WWMCCS architecture (see PE 637350); and resources included in program elements which are part of the Consolidated Telecommunications Program.

SAMPLE

INSTRUCTIONS FOR USE AND PREPARATION OF PROGRAM CHANGE DECISIONS (PCDs) AND DECISION PACKAGE SETS (DPSs)

A. PROGRAM CHANGE DECISIONS (PCDs).

1. PCDs will be used to reflect Secretary of Defense decisions on PCRs, to provide detailed guidance for updates of the FYDP and related annexes, and other decisions as deemed appropriate by the Secretary.

2. PCDs are formatted in a manner to make them compatible with PCRs, using SD Form 428 (Program Change Decision) (Att 1 to this Enclosure) in accordance with the following instructions.

a. PCD Number. Enter the request number assigned to the PCR. When the PCD is originated without benefit of PCR input, or responds to 2 or more PCRs, the letter X preceding the year will be assigned (e.g., X-1-001). For FYDP update PCDs, and in special cases as determined by OASD(C), the letter Z will be assigned.

b. Implementing Component. Enter the DoD Component designated to implement the decision. When more than one Component is involved, insert "All" or "See Below." In the latter case, specify the Components that are required to implement the decision.

c. Program Element Code. Enter the code as assigned by DoD 7045.7-H, "FYDP Codes and Definitions Handbook." When more than one element is involved, insert "Various" and identify each program element in the body of the decision.

d. Guidance. Enter relevent DoD issuance or official, as appropriate (e.g., DoDI 7045.7, or ASD (Comptroller)).

e. Discussion/Evaluation/Decision.

(1) Provide a brief summary of the proposed change as originally submitted by the PCR or outline the objective of the proposed change and provide summary background information to explain why the change is needed.

(2) As necessary, include an evaluation of the logic of the proposed change, and the variances or alternatives considered. Include all significant information that might influence the decision.

(3) Include the actual decision, either approved or disapproved or, as appropriate, the approval of an alternative. If an alternative or modification to the original proposal is being approved, coordination with the Components will be effected and the staffing results indicated in the PCD or covering memorandum. If disapproved, the reasons for disapproval will be stated.

(4) The decision generally will be described in program element terms.

(5) The PCD will specify when the change will be incorporated in the FYDP. If OASD(C) determines a special update to the FYDP is justified, the date for that update will be specified in the PCD.

f. Signature and Date. Normally PCDs will be signed by ASD(C) or his designated representative.

B. DECISION PACKAGE SETS (DPS) - SD Forms 428-1 and 428-1c

1. General. The data applied to the DPS, SD Form 428-1, and its continuation sheet, 428-1c, are variable and will not be confined to a

specific pattern. As frequently as possible, the decision will be expressed by use of a single page document, SD Form 428-1.

2. Specific Entries. Enter data in accordance with detailed instructions prescribed by the annual Program/Budget Instructions.

3. Attachments. When an out-year impact (first year beyond the budget year) is apparent, the decision record that accompanies the DPS will express the impact in program element terms.

(Att 1 to Encl 5)

PROGRAM CHANGE DECISION		PCD Number
EMENTING DOD COMPONENT	PROGRAM ELEMENT CODE	GUIDANCE

SIGNATURE AND DATE

CD FORM 498

PAGE OF PAGES

DECISION PACKAGE SET	NUMBER
SUBJECT	DOD COMPONENT

DESCRIPTION

DECISION

DECISION PACKAGE SET *(Continuation)*

NUMBER

CONTINUATION OF CONSIDERATION

THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

MAY 12 1980

MEMORANDUM FOR THE MEMBERS OF THE DEFENSE RESOURCES BOARD

SUBJECT: POM Review

This memo describes in general terms the program review and decision process that will be followed this year. As you will see, it is substantially unchanged from last year. More detailed guidance will be provided later by the ASD(PA&E) who will again take the lead in managing the process. The DRB will continue in its role of examining the major issues raised and presenting recommendations to the Secretary of Defense for decisions. In doing this, the DRB will attempt to eliminate unimportant issues, resolve as many issues as possible with the Services, assure adherence to the fiscal and other mandatory guidance, and preclude the revisiting of decisions in the absence of new information.

Schedule

A schedule is attached. The following explains the sequential steps:

"Thumb-Nail sketches" of Proposed Issues. By May 30th, each of the sponsors of the seven POM Issue Papers will submit to PA&E a brief "thumb-nail-sketch" for each of the issues he proposes to raise in his Issue Paper. Each sketch will outline in the briefest possible way -- 2 or 3 lines -- the alternatives to Service programs that he proposes to include, why (e.g., compliance with SecDef Mandatory Guidance), and an estimate of the financial effects. The ASD(PA&E) will collate these and distribute them to the members of the DRB, who will use them to:

- Cull out any issues judged to be of lesser importance.
- In the case of overlapping proposals, decide how they should be combined and restructured.
- Decide whether modifications of proposed issues -- such as adding or deleting alternatives -- would be desirable.
- Get a preliminary estimate of the balance -- or lack thereof -- between proposals to add and proposals to subtract money, with the aim of adherence to the fiscal guidance at each level.

To accomplish this, I will call such meetings of the DRB as may seem desirable at the time -- though these are not specifically indicated on the schedule.

Draft Issue Papers Distributed for Review. On a staggered schedule starting June 20th, the draft Issue Papers will be distributed not only to the Services for their review and comment, but also to the other members of the DRB (i.e., other than the sponsor) for their information and comments, if they have any.

Final Issue Papers. A week after distribution of the draft Issue Papers, Service (and any DRB) comments will be collected by the ASD(PA&E) and distributed to the sponsors. The sponsors will modify their Issue Papers accordingly, reflecting those comments they accept, and summarizing in each paper those they reject. The ASD(PA&E) will distribute the final versions of the Issue Papers to the DRB members a week later, together with a summary of the fiscal effects of the proposed alternatives.

DRB Meetings. Two or three days after each Issue Paper is distributed, the DRB will meet to discuss the issues and alternatives, and to develop recommendations for the Secretary of Defense. (Those recommendations may also include deletion of issues judged not to be worth the Secretary's time.)

The recommendations will be forwarded to the Secretary in the form of a two-part memorandum. The first part will briefly summarize all the issues on which there is no disagreement within the DRB. The second part will treat those issues on which the DRB is split, and will include 1) the relevant section of the Issue Paper treating that issue, 2) a summary if necessary of any additional information developed since the drafting of the Issue Paper, and 3) a compilation showing which of the appropriate DRB members recommend which of the alternatives.

Last year, the DRB members were sometimes represented at these meetings by relatively junior substitutes. In addition, what had been intended as a deliberative and advisory body too often took on the tone of a majority-rule election, in which some members seemed to feel compelled to "cast a ballot", regardless of their responsibility for or expertise in the issue under discussion.

To avoid that this year, substitutes will be restricted to the members' principal deputies and, while all members are encouraged to contribute to the discussion, Associate Members' recommendations will be reported only in those cases involving their special responsibility or expertise; Principal Members are asked to abstain from making recommendations merely on a pro forma basis.

The primary goals of this phase of the DRB review are 1) to ensure that all elements of the Defense program are in the appropriate rough order, that is, located in the appropriate band, and 2) to ensure that the resulting fiscal levels remain consistent with the Fiscal Guidance.

Follow-Up Actions. The Secretary of Defense, after reviewing the DRB's two part memo (the schedule also allows for a "wrap-up" meeting with the DRB if he wants one), will indicate his decisions and return them to the ASD(PA&E) for incorporation in the Program Decision Memorandums (PDMs) to be sent to the Services.

This year the Services will again begin preparing their budgets immediately on receiving the PDMs, with the understanding that some modifications may be necessary upon receipt of the APDMs.

Service reclamas will be due two weeks after receipt of the PDMs, followed by the customary meetings with the Secretary prior to issuance of the APDMs, the final budget submissions to OSD being due three weeks later on September 19th.

Though it is not the purpose of this memo to describe the procedures to be followed during the subsequent budget review, I want to emphasize that the DRB will continue to direct and supervise that process, assuring a smooth continuity between the program and budget reviews, the adherence to a common set of decision packages, and that decisions, once made, are not revisited in the absence of new information. During this period there will be two concurrent activities: the budget submissions will be "scrubbed" for efficiencies, executability, costing, etc. at all levels, and the relatively coarse prioritization developed at three levels during the program review will be refined to a continuous ordinal list from the minimum level to the enhanced.

Special Provisions for the C^3I Issue Paper

In the past years, the C^3I Issue Paper has, for understandable reasons, contained a great many issues of a highly specialized nature involving matters of only indirect concern to other offices in OSD. To simplify the process of review of such issues, we have established through common agreement a group of C^3I program elements that will be handled on a special basis.

For the program elements within that group, the ASD(C^3I) will be responsible for proposing a modification of the Service proposals in the form of a complete and integrated package. The total cost of that package at the Basic level of the fiscal guidance will equal the aggregate costs of those program elements in the latest FYDP, adjusted pro rata to the degree that the FYDP total does not exactly match the fiscal guidance. Appropriately larger and smaller integrated packages will be developed to correspond to the Enhanced and Minimum fiscal guidance levels.

For that part of the C^3I Issue Paper, "thumb-nail-sketches" will not have to be prepared for consideration by the DRB. Though the members will be able to challenge any part of the ASD(C^3I)'s proposal at the C^3I meeting, it is to be understood that, failing such challenges, the DRB will generally endorse his suggestions.

The remainder of the C^3I Issue Paper will address non-force structure issues proposed by ASD(C^3I) that cover programs outside the agreed group of program elements (i.e., elements in which other OSD offices have a direct involvement). It will also contain any proposals for elements within the agreed group that would, if adopted, exceed the cost limits described above, implying the need for offsetting cost reductions elsewhere in the Defense program. C^3I-related force structure issues will be included in the Strategic, Theater Nuclear, or General Purpose Forces Issue Papers as appropriate.

"Out-of-Court" Settlements

In past years we have been able to resolve some issues "out-of-court" -- by agreement between OSD and a Service without any need for a formal statement of the issue for inclusion in an Issue Paper book, formal comment, recommendations or decision by the Secretary of Defense. Obviously, this can save time and avoid unnecessary effort. I encourage even greater emphasis on "out-of-court" settlements this year. The ASD(PA&E) will be sending you more detailed guidance in this regard.

OMB Participation

The provisions for OMB participation will be similar to last year's; we will be glad to add OMB's alternatives to our issues, or to include any complete OMB issues in our Issue Papers. We welcome such participation not only to improve our program review, but also to minimize the disruption that major programmatic changes can cause if interjected in the late stages of the annual PPBS cycle.

W. Graham Claytor, Jr.

W. Graham Claytor, Jr.

Attachment

CY 1980 PROGRAM REVIEW SCHEDULE

May 16: Service and Defense Agency Program Objective Memorandum (POMs) submitted

May 30 - July 16:

Issue Paper	Issue Paper Sponsor	"Thumb-Nail Sketches" to PA&E	Draft Issue Papers Out for Review	Comments Due	Final Issue Paper Due to DRB	DRB Meeti
1. Strategic Forces	ASD(PA&E)	May 30	June 20	June 27	July 3	Jul
2. Theater Nuclear Forces	ASD(PA&E)	May 30	June 23	June 30	July 7	Jul
3. General Purpose Forces	ASD (PA&E)	May 30	June 24	July 1	July 8	July
4. C^3	ASD(C^3I)	May 30	June 25	July 2	July 9	July
5. RDT&E	USDR&E	May 30	June 26	July 3	July 10	July
6. Manpower & Logistics	ASD(MRA&L)	May 30	June 27	July 3	July 11	July
7. Intelligence	ASD(C^3I)	--	--	--	--	July

July 17	Wrap-up meeting with Secretary of Defense
July 25	Publish Program Decision Memorandums (PDMs)
August 8	Service Reclamas to PDMs submitted
August 18, 19	Service Reclama meetings with Secretary of Defense
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Tab A

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON D.C. 20301

PROGRAM ANALYSIS AND EVALUATION

MAY 16 1980

MEMORANDUM FOR THE DEFENSE RESOURCES BOARD

SUBJECT: POM Review Procedures

This memo provides the procedures and formats to be used in the program review process described in Secretary Claytor's memo of May 12th. In order to make the process flow as smoothly as possible, please identify two key people for your organization: the person who is going to manage the program review for you and his staff point-of-contact. Please forward these names to my staff point-of-contact, LTC Jeffrey Oster, (Rm 2D278, X70221).

Thumb-Nail Sketches will be used by the Defense Resources Board (DRB) to focus the POM review on the major issues by culling out issues of lesser importance. Please submit summaries of your proposed issues -- using the format in Enclosure 1 -- by May 30th.

Issue Papers will be the basis of the DRB's recommendations to the Secretary for changes to the Service-proposed programs. Preparation of the Issue Papers will be the same as last year. Submit the final edition of your draft and final Issue Papers --using the format in Enclosure 2 -- to Mr. Charles Pugh, X70395, room 2E313. To provide time for printing and distribution, please submit them two working days prior to the distribution dates shown in the schedule (Enclosure 3). Include transmittal letters for my signature for forwarding the draft Issue Paper to the Services and the final Issue Paper to the DRB.

Out-of-Court settlements are used for resolving issues without taking up the Secretary's time. These settlements are to be recorded on the form specified in Enclosure 4 and must be agreed to by the sponsoring OSD Office, the Military Department or organizations affected, and the ASD(PA&E). These reports are not to exceed two pages. When agreement is reached, the form is prepared by the initiating office and staffed with the other offices. A file copy of all out-of-court settlements will be retained by PA&E.

Issues must be resolved within each Military Department's fiscal guidance. Thus, any issue requiring additional resources can be settled out-of-court only if a suitable offset is identified. Please publish all out-of-court settlements in a separate section of your Issue Paper to inform the Secretary of your agreements.

Tab B

DoD Fiscal Guidance is to be adhered to throughout the Program Review. To do this, each Issue Paper must provide at least enough program reductions to offset proposed additions. This does not suggest that the aggregate POM funding covered by each Issue Paper will be precisely preserved. The Secretary must have enough flexibility to accept some attractive, but costly proposals and pay for them with lower-priority items. The result of this process may well be a net shifting of funds from one area to another.

Russell Murray, 2nd
Assistant Secretary of Defense
Program Analysis & Evaluation

Tab B

Issue Sponsor, e.g., ASD(PA&E) :

Issue: State as a brief question; e.g., "What is the appropriate mix of prepositioning and airlift programs to increase our capability for rapid deployment of conventional forces?"

Military Department: 2/

Rationale: Explain the major financial or policy significance of the issue.

Cost Summary:

	Costs (FYDP $ Millions)	
	FY 82	FY 82-86 Total
Absolute Costs by Program Levels 3/		
Alternative 1 - POM 4/		
Minimum	100	750
Basic Level	150	1080
Enhanced Level	175	1260
Alternative 2		
Minimum	60	450
Basic Level	130	930
Enhanced Level	175	1260
Cost Changes Relative to POM Minimum and Bands		
Alternative 1 - POM 4/ 5/		
Minimum	100	750
Basic Band	50	330
Enhanced Band	25	180
Alternative 2 6/		
Minimum	- 40	-300
Basic Band	+ 20	+150
Enhanced Band	+ 20	+150

1/ These issue abstracts are to be brief, straightforward statements.
2/ List components involved, including Defense Agencies.
3/ The absolute cost at each program level is the total program cost cumulated to that level. For Alternative 1 in the example above, the FY82 resources in the Minimum total $100M. The absolute cost of the Basic level ($150M) is equal to the Minimum ($100M) plus the Basic band ($50M), while the Enhanced level ($175M) is the sum of the Basic level ($150M) and the Enhanced band ($25M).
4/ Alternative 1 always displays the resources as submitted in the POM.
5/ POM resources are displayed by band in Alternative 1 as the base point for the changes proposed in subsequent alternatives. As can be seen in Footnote 3, band totals equal the difference between two successive program levels.
6/ For each alternative to the POM, the Minimum, Basic, and Enhanced band values are changes relative to the respective band total displayed in Alternative 1 - POM. The example Alternative 2 in FY82 reduces the Minimum by $40M and adds $20M to both the Basic and Enhanced bands.

ISSUE FORMAT

Issue

State as a brief question; e.g., "What is the appropriate mix of prepositioning and airlift programs to increase our capability for rapid deployment of conventional forces?"

Background

Relate issue to U.S. strategy for meeting the threat; e.g., show trends in program funding and capability in the January 7, 1980 FYDP compared with those introduced in the POM; relevant action on the FY 1981 budget.

Alternatives

State specific alternatives for decision. Alternative 1 is always the POM. For all other alternatives, describe the changes proposed to the POM. Associated resource impacts are provided in the "Cost and Manpower Summary" table.

If procurement of major equipment is involved, include a table showing procurement quantities and costs for each alternative by year. In a simple procurement issue, (i.e., no R&D or O&S funds involved and only a single major end-item, for instance, the F-25 tactical fighter) quantities may be included in the "Cost and Manpower Summary" table.

Evaluation of Alternatives

State the impact each alternative (including the POM) would have on U.S. programs and defense capabilities; benefits and costs of each alternative relative to the POM and other alternatives considered.

Enclosure 2

Tab B

Cost and Manpower Summary

	Costs (FYDP $ Millions)					
	FY82	FY83	FY84	FY85	FY86	FY82-86
Absolute Costs by Program Levels 1/						
Alternative 1 - POM 2/						
Minimum	100	125	150	175	200	750
Basic Level	150	185	220	245	280	1080
Enhanced Level	175	215	255	285	330	1260
Alternative 2						
Minimum	60	65	90	105	130	450
Basic Level	130	155	190	210	245	930
Enhanced Level	175	215	255	285	330	1260
Cost Changes Relative to POM Minimum and Bands						
Alternative 1 - POM 2/ 3/						
Minimum	100	125	150	175	200	750
Basic Band	50	60	70	70	80	330
Enhanced Band	25	30	35	40	50	180
Alternative 2 4/						
Minimum	- 40	- 60	- 60	- 70	- 70	-300
Basic Band	+ 20	+ 30	+ 30	+ 35	+ 35	+150
Enhanced Band	+ 20	+ 30	+ 30	+ 35	+ 35	+150

1/ The absolute cost at each program level is the total program cost cumulated to that level. For Alternative 1 in the example above, the FY82 resources in the Minimum total $100M. The absolute cost of the Basic level ($150M) is equal to the Minimum ($100M) plus the Basic band ($50M), while the Enhanced level ($175M) is the sum of the Basic level ($150M) and the Enhanced band ($25M).

2/ Alternative 1 always displays the resources as submitted in the POM.

3/ POM resources are displayed by band in Alternative 1 as the base point for the changes proposed in subsequent alternatives. As can be seen in Footnote 3, band totals equal the difference between two successive program levels.

4/ For each alternative to the POM, the Minimum, Basic, and Enhanced band values are changes relative to the respective band total displayed in Alternative 1 - POM. The example Alternative 2 in FY82 reduces the Minimum by $40M and adds $20M to both the Basic and Enhanced bands.

	Manpower (000)				
	FY82	FY83	FY84	FY85	FY86
Absolute Strengths by Program Levels 1/					
Alternative 1 - POM 2/					
Minimum	10	10	10	10	10
Basic Level	15	15	15	15	15
Enhanced Level	17	17	17	17	17
Alternative 2					
Minimum	5	5	5	5	5
Basic Level	12	12	12	12	12
Enhanced Level	17	17	17	17	17
Strength Changes Relative to POM Minimum and Bands					
Alternative 1 - POM 3/					
Minimum	10	10	10	10	10
Basic ~~Level~~ Band	5	5	5	5	5
Enhanced ~~Level~~ Band	2	2	2	2	2
Alternative 2 4/					
Minimum	- 5	- 5	- 5	- 5	- 5
Basic ~~Level~~ Band	+ 2	+ 2	+ 2	+ 2	+ 2
Enhanced ~~Level~~ Band	+ 3	+ 3	+ 3	+ 3	+ 3

1/ The absolute strength at each program level is the total program strength cumulated to that level. For Alternative 1 in the example above, the FY82 strength in the Minimum is 10K. The absolute strength of the Basic Level (15K) is equal to the Minimum (10K) plus the Basic band (5K), while the Enhanced level (17K) is the sum of the Basic level (15K) and the Enhanced band (2K).

2/ Alternative 1 always displays the resources as submitted in the POM.

3/ POM resources are displayed by band in Alternative 1 as the base point for the changes proposed in subsequent alternatives. As can be seen in Footnote 3, band totals equal the difference between two successive program levels.

4/ For each alternative to the POM, the Minimum, Basic, and Enhanced band values are changes relative to the respective band total displayed in Alternative 1 - POM. The example Alternative 2 in FY82 reduces the Minimum by 5K and adds 2K to the Basic and 3K to the Enhanced band.

CY 1990 PROGRAM REVIEW SCHEDULE

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July 17	Wrap-up meeting with Secretary of Defense
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Enclosure 3

Tab B

OUT-OF-COURT SETTLEMENT FORMAT

ISSUE: (short descriptive title)

DISCUSSION: (Include description of POM Program, why change from POM is desirable, description of changes, and specification of program offsets).

COST AND MANPOWER IMPACTS RELATIVE TO POM

	Cost (FYDP $ Millions) and Manpower (DOD)				
	FY 82	FY 83	FY 84	FY 85	FY 86
CHANGE TO POM FOR ISSUE 1/					
Minimum	+10				
Basic band 2/	+ 8				
Enhanced band 2/	+ 4				
CHANGE TO POM FOR OFFSET 1/					
Minimum	-10				
Basic band 2/	- 8				
Enhanced band 2/	- 4				

TENTATIVE APPROVAL

Sponsoring ASD or Director _____

Military Department/JCS _____

ASD(PA&E) _____

1/ Minimum, Basic band, and Enhanced band resource values are changes to to the respective bands in the POM. The example shown adds $10M to the Minimum, $8M to the Basic band ($18M to the Basic level), and $4M to the Enhanced band ($22M to the Enhanced level). The increases are then offset by equal and opposite adjustments to the minimum and the respective bands as indicated in the instructions.

2/ The Basic band contains the Program Decision Packages (PDPs) between the Minimum and the Basic level and the Enhanced band contains the PDPs between the Basic and Enhanced levels.

THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

SEP 10 1980

MEMORANDUM FOR THE MEMBERS OF THE DEFENSE RESOURCES BOARD

SUBJECT: Prioritization During the Budget Review

During the POM review process, we prioritized the defense program into three bands: Minimum, Basic, and Enhanced. We now have to prioritize the elements within the Basic and Enhanced bands, ending up with a ranking of all Consolidated Decision Package Sets (CDPSs) between the highest priority item in the Basic band and the lowest priority item in the Enhanced band. This will be done through the following series of steps:

- When the Service budget submissions are received, the ASD(C) will distribute component ranking summaries that include a narrative description of each decision package (i.e., each CDPS) to the members of the DRB.

- At the same time, the ASD(PA&E) will interleave the CDPSs of all the Service submissions (which the Services will have arranged in an ordinal ranking) into a tentative DoD-wide prioritized list. This list will be divided into 8 bands, and distributed to the DRB. It will also serve as the preliminary list that the OMB has requested by October 10th.

- DRB members will then submit Priority Change Proposals (PCPs) in accordance with the "ground rules" in the attached sheet. The PCPs will be collected, collated, and distributed by the ASD(PA&E) to the DRB members for their review.

- After considering the PCPs, the DRB will make its recommendations to me in the form of a two-part memo drafted by the ASD(PA&E). One part will summarize those PCPs that meet with no objections from DRB members. The other will report PCPs under contention, indicating which of the DRB members favor and which oppose the PCP. I will indicate my decisions on that memo, as well as any reprioritizations I may want to make apart from those suggested by the DRB.

- The ASD(PA&E) will report my decisions to the DRB members for their information, and to the ASD(C) for incorporation in his master system.

- My final list will be due to OMB about November 25th. In addition to the initial DRB prioritization meetings, I plan to hold at least one meeting with the DRB for a final "fine tuning" of the list.

As was the case last year, all program prioritization decisions will be addressed through the DRB using the PCP process described in this memo, while all budget scrubs will be handled through the DPS process. Throughout the budget review, the master list will be maintained by ASD(C), and will be updated to reflect both scrubs and reprioritizations. Obviously, one set of CDPSs will be common to both halves of the process.

Any suggestions that the DRB members may have for improving the prioritization process described here should be sent to the ASD(PA&E) as early as possible.

Harold Brown

Attachment

GROUND RULES FOR PRIORITY CHANGE PROPOSALS (PCPs)

1. An individual PCP will deal only with moving a CDPS from one band to another, (e.g., from Band 4 to Band 2), not from one specific space on the list to another (e.g., not from 175th on the list to 87th).

2. PCPs should address CDPSs as an integral unit.

3. Proposals to transfer CDPSs from the Basic to Enhanced band or vice versa will be disallowed except in cases where significant new information has come to light since the POM review. Moving a CDPS into the Minimum will not be allowed in any case.

4. PCPs that recommend splitting a CDPS (i.e., proposing one priority for a portion of the CDPS, and another for the rest) will be accepted in only the most unusual circumstances.

5. All PCPs will be submitted using the Priority Change Proposal format that will be provided by ASD(PA&E).

REFERENCES, Continued

(d) DoD Instruction 7000.3, "Selected Acquisition Reports (SARs)," April 4, 1979
(e) DoD Directive 4120.3, "Defense Standardization and Specification Program," February 10, 1979
(f) DoD Instruction 4120.19, "Department of Defense Parts Control System," December 16, 1976
(g) DoD Directive 5160.65, "Single Manager Assignment for Conventional Ammunition," November 26, 1975
(h) DoD Instruction 5000.36, "System Safety Engineering and Management," November 6, 1978
(i) DoD Directive 6050.1, "Environmental Effects in the United States of DoD Actions" July 30, 1979
(j) DoD Directive 4155.1, "Quality Program," August 10, 1978
(k) DoD Directive 3224.3, "Physical Security Equipment: Assignment of Responsibility for Research, Engineering, Procurement, Installation, and Maintenance," December 1, 1976
(l) DoD Directive 5000.3, "Test and Evaluation," December 26, 1979
(m) DoD Directive 4100.35, "Development of Integrated Logistic Support for Systems/Equipments," October 1, 1970
(n) DoD Instruction 5010.19, "Configuration Management," May 1, 1979
(o) DoD Directive 5000.34, "Defense Production Management," October 31, 1977
(p) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976
(q) DoD Directive 4120.21, "Specifications and Standards Application," April 9, 1977
(r) Military Standard 881A, "Work Breakdown Structures for Defense Materiel Items," April 25, 1975
(s) DoD Directive 5000.28, "Design to Cost," May 23, 1975
(t) DoD Instruction 7000.2, "Performance Measurement for Selected Acquisitions," June 10, 1977
(u) DoD Instruction 5000.33, "Uniform Budget/Cost Terms and Definition," August 15, 1977

MISSION ELEMENT NEED STATEMENT (MENS) FORMAT

Prepare MENS in the format shown below. Do not exceed 5 pages, including annexes. Reference supporting documentation.

A. MISSION

1. Mission Areas. Identify the mission areas addressed in this MENS. A need can be common to more than one mission area. When this is the case, identify the multiple mission areas.

2. Mission Element Need. Briefly describe the nature of the need in terms of mission capabilities required and not the characteristics of a hardware or software system.

B. THREAT OR BASIS FOR NEED

Summarize the basis for the need in terms of an anticipated change in the projected threat, in terms of an exploitable technology or in terms of nonthreat related factors (e.g., continuing requirements for new pilots). When the need is based on a threat change, assess the projected threat over the period of time for which a capability is required. Highlight projected enemy force level and composition trends, system capabilities or technological developments that define the quantity or quality of the forecast threat. Include comments by the DIA and provide specific references from which the threat description is derived. Quantify the threat in numbers and capability. If nuclear survivability and endurance are required mission capabilities, include an explicit statement of this fact. When the need is based on exploitation of developing technology, describe the benefits to mission performance.

C. EXISTING AND PLANNED CAPABILITIES TO ACCOMPLISH THIS MISSION

Briefly summarize the existing and planned DoD or allied capabilities to accomplish the mission. This must not be a narrow, one-Service view when looking across a multi-Service or an overlapping mission area, such as air defense. Reference existing documentation, such as force structure documents.

D. ASSESSMENT OF NEED

The most important part of the MENS is the evaluation of the ability of current and planned capabilities to cope with the projected threat. Base the evaluation on one or more of the following factors:

1. Deficiency in the existing capability, such as excessive manpower, logistic support requirements, ownership costs, inadequate system readiness or mission performance.

2. Exploitable technological opportunity.

3. Force size or physical obsolescence of equipment.

4. Vulnerability of existing systems.

E. CONSTRAINTS

Identify key boundary conditions for satisfying the need, such as:

1. Timing of need.

2. Relative priority within the mission area.

3. The order of magnitude of resources the DoD Component is willing to commit to satisfy the need identified. This resource estimate is for initial reconciliation of resources and needs. It is not to be considered as a program cost goal or threshold.

4. Logistics, safety, health, energy, environment, and manpower considerations.

5. Standardization or interoperability with NATO, and among the DoD Components.

6. Potentially critical interdependencies or interfaces with other systems, and technology or development programs.

F. RESOURCE AND SCHEDULE TO MEET MILESTONE I

Identify an approximate schedule and an estimate of resources to be programed along with the approach proposed for developing alternative concepts for presentation to the Secretary of Defense at Milestone I.

DECISION COORDINATING PAPER (DCP) FORMAT

Prepare DCP in the format shown below. Do not exceed 10 pages, including annexes. Reference supporting documentation.

Part I: State the direction needed from the Secretary of Defense, including deviations from the acquisition process contained in DoD Directive 5000.1 (reference (b)) and this Instruction.

Part II: Describe the overall program. The Description and Mission statement contained in the "Congressional Data Sheets" may satisfy this requirement.

Part III: Revalidate the need for the program.

Part IV: Summarize system and program alternatives considered and the reasons why the preferred alternative was selected.

Part V: Summarize the program schedule and acquisition strategy with emphasis on the next phase. The degree of competition should be addressed.

Part VI: Identify and assess issues affecting the Secretary of Defense's milestone decision.

ANNEXES

A. Goals and Thresholds
B. Resources - Preferred Alternative
C. Life-Cycle Cost

	Last Approved by SECDEF [1]		Current Estimate	Recommended to SECDEF At This Milestone [2]	
	Goal	Threshold		Goal	Threshold
	(a)	(b)	(c)	(d)	(e)
COST [3] [4]					
RDT&E [5]					
Procurement					
Flyaway					
SCHEDULE [4] [6]					
Next Milestone					
IOC					
PERFORMANCE [7]					
Operational Availability [8] [9]					
Mission Survivability and Reliability [9] [10]					
Weight					
Range					
Speed					
Sortie Rate [11]					
SUPPORTABILITY AND MANPOWER [7]					
Manning [12]					
Maintenance-related R&M [9] [13]					
Petroleum, Oil, Lubricant Consumption					
Spares [14]					

1 Provide goals and thresholds from last SDDM.

2 Explain any changes from columns (a) and (b) in a footnote.

3 Provide values for total RDT&E and procurement appropriations and for flyaway/rollaway/sailaway cost. Additional cost elements may be appropriate for individual systems. All cost goals and thresholds will be in constant, base year dollars.

4 Add additional stubs as appropriate. The stubs indicated are mandatory.

5 Provide both a total RDT&E program goal and threshold. Fiscal year thresholds shall be displayed in a footnote to this Annex and shall total to the overall RDT&E threshold.

6 Provide projected date for next milestone and for Initial Operational Capability (IOC). Define IOC by footnote. Additional schedule elements may be added, as appropriate.

7 Select appropriate parameters that drive system effectiveness and costs. The stubs indicated are only examples.

8 Use readiness-related R&M parameters that constitute operational availability if more appropriate.

9 Provide goals and thresholds to be achieved by the next milestone. Predicted survivability growth and R&M growth shall be displayed in a footnote to this annex as a series of intermediate thresholds capable of being measured during development, production, and deployment.

10 Include mission maintainability if maintenance will be performed during the mission.

11 Include combat utilization rate if different from peacetime utilization rate.

12 Include both operators and maintenance personnel.

13 Include separate parameters for depot maintenance.

14 Use logistic-related R&M parameters, if appropriate.

DCP ANNEX B
RESOURCES - PREFERRED ALTERNATIVE
(Current Dollars in Millions)

	FY 19__ PRIOR	FY 19__	FY 19__	FY 19__	FY 19__	FY 19__	FY 19__	TO COMPLETION	TOTAL PROGRAM
Acquisition Quantities Development Production Deliveries									
DEVELOPMENT Validation Phase Full-Scale Development Total Development Cost [1] RDT&E Funding (Approved FYDP)									
PRODUCTION System Cost [2] (Long Lead Requirements) Initial Spares Total Procurement Cost [1] Procurement Funding (Approved FYDP)	(A non-add entry for each fiscal year)					( )	( )	( )	( )
MILCON During Development During Production Total MILCON MILCON Funding (Approved FYDP)									
Total Program Acquisition Cost [1] RDT&E, Procurement and MILCON Funding (Approved FYDP) (Difference)									
Estimated Other Resources Requirements [3] During Development During Production									
OPERATING AND SUPPORT O&M MILPERS Procurement [4] Total Operating and Support Cost [1]									
Total Life Cycle Requirements									

1 Definitions should be in accordance with DoD Instruction 5000.33 (reference (u)).
2 Equal to Weapon System Cost as defined in DoD Instruction 5000.33 (reference (u)); for Shipbuilding, Outfitting and Post Delivery Costs will be included.
3 Other Life Cycle related costs (i.e., Installation, Project Manager Office, Civilian Salaries, etc.) funded by other appropriations; e.g., O&M & MILPERS during Development and/or Production phase. Also, Production Base Support (Industrial Facilities), shore-based training facilities, and other system peculiar costs identified as a separate line item, or as a portion of a separate line item, in another part of the Procurement Budget. Identify the content of this entry.
4 Procurement costs associated with operating and owning a weapon system such as modifications, replenishment spares, ground equipment, etc.

DCP ANNEX C
LIFE CYCLE COST

CONSTANT DOLLARS (IN MILLIONS)

ALTERNATIVE	DEVELOPMENT	PRODUCTION	OPERATING AND SUPPORT	TOTAL
A 1				
A 2				
A 3				
o				
o				
o				

CURRENT DOLLARS (IN MILLIONS)

ALTERNATIVE	DEVELOPMENT	PRODUCTION	OPERATING AND SUPPORT	TOTAL
A 1				
A 2				
A 3				
o				
o				
o				

INTEGRATED PROGRAM SUMMARY (IPS) FORMAT

The IPS summarizes the implementation plan of the DoD Component for the complete acquisition cycle with emphasis on the phase the program is entering. Limit the IPS to 60 pages (inclusive of all annexes except Annex B) with no more than two pages required per topic. When further detail is available in a published study or plan, reference these documents in the IPS and provide them for inclusion in the Milestone Reference File (MRF). Do not classify the IPS higher than SECRET. When possible, display data in numerical or tabular format. The following annexes are mandatory:

A. Resources - Cost Track Summary
B. Resources - Funding Profile
C. Resources - Summary of System Acquisition Costs
D. Manpower
E. Logistics

Include the topics indicated below in the IPS. If a specific item cannot be discussed due to the nature or timing of the acquisition process, provide a statement and explanation to that effect.

1. Program History. Summarize previous milestone decisions and guidance, PPBS decisions, and significant Congressional actions affecting the program.

2. Program Alternatives. In addition to the program proposed by the DoD Component in the DCP, briefly describe each DCP alternative program, including its advantages and disadvantages. Do not duplicate data in the IPS annexes.

3. Cost Effectiveness Analysis. Summarize the assumptions, methodology, status, and results of any cost-effectiveness analyses prepared in support of the milestone decision. This section shall contain specific discussions of those aspects of the analyses that relate to the issues identified at the Milestone Planning Meeting. If the analysis supporting the recommended milestone decision is not complete at the time the IPS is submitted, describe the analytical and coordination tasks remaining and provide a schedule for completion of the analysis before the scheduled DSARC meeting.

4. Threat Assessment. Provide an up-to-date summary of the threat, including discussion of CIPs. At Milestones I, II, and III, a reaffirmation of program need shall be included.

5. System Vulnerability. Describe vulnerability to detection, interference, and attack and program actions to minimize these vulnerabilities. Nuclear and nonnuclear survivability and endurance information shall be summarized.

6. Organizational and Operational Concept. Describe the organizational structure associated with the system and the general system operational concept. Describe a typical mission profile or profiles and activity rates (wartime and peacetime).

7. Overview of Acquisition Strategy. Describe the overall strategy to acquire and deploy a system to satisfy the mission need, referring to but not repeating other sections of the IPS. Discuss the rationale for any deviations from acquisition process prescribed in DoD Directive 5000.1 (reference (b)) and this Instruction. Emphasis should be on the next phase of the acquisition process.

8. Technology Assessment. Summarize the degree to which technology planned for use in this program has been demonstrated. Identify technology risks and activities planned to reduce these risks. Discuss nuclear hardening technology and associated risks, as appropriate.

9. Contracting. Provide a summary of information in the contracting plan. At a minimum, include: (a) the overall program contracting plan (introduction and maintenance of competition throughout the system life-cycle and plans for competitive breakout of components by both the government and the contractors); (b) contractor performance under contracts in the current program phase; and (c) major contracts to be awarded in the next program phase (summary of workscope, contract types, sources solicited and selected, scheduled award dates, special terms or conditions, data rights, warranties, estimated cost or price including incentive structures). When appropriate, reference other portions of the IPS or documents in the MRF for additional detail. Do not include contractor sensitive data in this paragraph.

10. Manufacturing and Production. Summarize the system's production plan concentrating on those areas appropriate to the next phase. Refer to DoD Directive 5000.34 (reference (o)). Additionally:

a. At Milestone I. Identify new manufacturing technology needed for each concept considered for demonstration and validation. Also identify deficiencies in the U.S. industrial base and availability of critical materials.

b. At Milestone II. Describe areas of production risk and provisions for attaining a producible design during the Full-Scale Development phase and identify requirements for parts control, long lead procurement, and limited production.

c. At Milestone III. Summarize the results of the production readiness review and address the existence of a manufacturing design. Include nuclear hardening design in the summary, if appropriate. If the review is not complete at the time the IPS is submitted, describe the tasks remaining and provide a schedule for completion prior to the scheduled DSARC meeting.

11. Data Management. Discuss how general engineering and data requirements imposed on contractors shall be selected and tailored to fit the particular needs of the program and the program manager and the degree of configuration management that shall be applied to the program.

a. Application. Identify exceptions to use of approved specification, standards, their related technical and engineering data, special reports, terminology, data elements and codes to be used for program management. Refer to DoD Directive 5000.19 (reference (p)) and to DoD Directive 4120.21 (reference (q)).

b. Work Breakdown Structure (WBS). Identify and explain any deviations from MILSTD 881A (reference (r)).

c. Contractor Data Base. Discuss how the contractor's internal data base shall be validated and used to provide essential information. Discuss also whether or not contractor data products can be used as substitutes for DoD required reports.

d. Levels of Details. Discuss how reporting burdens shall be minimized by using the highest level of the WBS that can serve management needs.

12. Configuration Management. Identify interfacing systems and discuss the degree of configuration management planned for each phase. Also, explain any intended deviations from DoD Directive 5010.19 (reference (n)).

13. Test and Evaluation. Describe test results to date and future test objectives. Based on the Test and Evaluation Master Plan, include a narrative description of the overall test strategy for both Development Test and Evaluation and Operational Test and Evaluation. Refer to DoD Directive 5000.3 (reference (l)).

14. Cost. Address the elements listed below. Make the discussion consistent with Annexes A, B, and C and address such displays in expanded detail, if appropriate.

a. Life-Cycle Cost. Discuss the underlying assumptions pertaining to the life-cycle cost estimates, including the impact of Foreign Military Sales, cooperative development or production, planned production rates, and learning curves for each of the alternatives in the DCP.

b. Cost Control. Discuss cost control plans to include the following items:

(1) Assumptions on which the proposed program cost thresholds were determined.

(2) Proposed Design-to-Cost goals and how they shall be implemented at the contract level. Refer to DoD Directive 5000.34 (reference (o)) and to DoD Directive 5000.28 (reference (s)).

(3) Exceptions to implementation of Cost/Schedule Control Systems Criteria and alternative cost control procedures to be used. Refer to DoD Instruction 7000.2 (reference (t)).

c. Production

(1) Milestone I. Discuss the economics for establishing a second production source for the preferred alternative. Estimate the increased costs or savings from competitive production sources. Production quantities and production rates for this estimate shall be determined at the Milestone Planning Meeting.

(2) Milestones II and III. Provide an analysis of variation in unit cost with production rate which identifies efficient production rates.

d. Programing and Budgeting. Discuss the sources and applications of funds, as necessary, to explain IPS Resource Annex C.

15. Logistics. Summarize information contained in the Integrated Logistics Support Plan and present related management issues and risk areas. Display backup data in Annex E. Refer to DoD Directive 4100.35 (reference (m)). Additionally:

a. At Milestone I

(1) Identify mission requirements (including any NATO member requirements) that significantly impact upon system design features and support concepts.

(2) Identify subsystems and logistic elements that drive support cost and readiness of similar current systems and identify areas for improvement in new system design efforts.

(3) Identify subsystems and major items of equipment that are common to other programs and systems and describe standardization approach.

(4) Define the support concept alternatives to be considered, including the levels of maintenance for each alternative.

(5) Identify major support equipment requiring new development.

(6) Identify new technology items that require advances in repair technology.

(7) Identify all estimated RDT&E funding to be allocated to support planning and analysis by program phase.

b. At Milestones II and III. Update the information provided at the previous milestone. Additionally:

(1) Identify R&M test results to date and the quantitative effect on support resource requirements, such as manpower, spares, depot maintenance, to meet readiness objectives.

(2) Estimate the capability of current and planned support systems to meet logistic objectives, such as resupply time, maintenance turn-around-time, and automatic test equipment production rate and capacity.

(3) Identify contract provisions for logistics support, such as parts control and interim contractor support. Do not repeat information contained in the Contracting section of the IPS.

(4) Identify any subsystems considered for long-term contractor support and the analysis leading to contractor support decisions.

(5) Provide a reference to the document that includes the leadtimes and activation dates for each level of organic support capability.

16. Reliability and Maintainability. Define each R&M parameter that applies to the system proposed in the DCP and summarize R&M achievements of the preceding phase. Describe R&M requirements for the next phase. Additionally:

a. At Milestone I. Establish a tentative design goal (or a range of values) at the system level for each applicable R&M parameter. These goals shall be responsive to projected needs of the mission area and realistic in comparison to measured R&M values of similar systems.

b. At Milestone II

(1) Show that operational R&M problems, typical of similar systems, have been addressed in design, by careful selection of GFE, and by tailoring operating and support concepts.

(2) Identify major GFE elements of the new system and provide some indication of how reliable and maintainable they are in similar applications. State the source of this information.

(3) Establish a specific goal and threshold for each applicable R&M parameter to be attained prior to Milestone III.

(4) Display predicted R&M growth as a series of intermediate points associated with thresholds for full-scale development.

c. At Milestone III. Display predicted R&M growth as a series of intermediate points associated with thresholds for production and deployment.

17. Quality. Summarize the independent quality assessments required by DoD Directive 4155.1 (reference (j)) and provide the status of action taken or in process as a result of the recommendations contained in the independent quality assessments.

18. Manpower. Specify the system activity level used to estimate and compute the system manpower requirements presented in the annex. Indicate whether this activity represents a combat surge, sustained combat, pre-combat readiness, or other posture (specify). Also specify the available hours per person, per month used to compute numbers of people from work-load estimates (not required at Milestone I). List any other critical assumptions that have a significant bearing on manpower requirements. Discussion of manpower requirements shall be consistent with Annex D and provide supporting detail as appropriate. Additionally:

a. At Milestone I

(1) Summarize manpower sensitivity to alternative employment concepts being considered.

(2) Identify parameters and innovative concepts to be analyzed during the next phase such as: new maintenance concepts and organization; new concepts or technologies to improve personnel proficiency and performance.

b. At Milestone II

(1) Summarize the significant manpower implications of trade-offs conducted among hardware design, support characteristics, and support concepts.

(2) Explain briefly significant manpower differences in comparison with a reference system, considering design, support concept, and employment objective. The reference system should be one that is being replaced by the new system, performs a similar function, or has similar technological characteristics.

(3) Quantify the sensitivity of manpower requirements to the proposed maintenance related reliability and maintainability goals and to system activity rates.

(4) Describe the sources of manpower for the new system. Summarize projected requirements versus projected DoD Component assets in critical career fields. Identify new occupations that may be required.

(5) Include schedules for:

(a) Further trade-off analyses among design and support elements impacting manpower,

(b) Job task identification,

(c) The manpower analyses planned during full-scale development, and

(d) Planned T&E to verify the manpower estimates and underlying assumptions.

c. At Milestone III

(1) Explain changes from manpower estimates presented at the previous milestone. Quantify manpower sensitivity to the maintenance related reliability and maintainability levels demonstrated, to those proposed, and to system activity levels (including wartime surge).

(2) Identify shortfalls in meeting requirements by occupation. Assess the impact on system readiness of failure to obtain required personnel. Identify new occupations not yet approved and programed into DoD Component personnel and training systems.

(3) Summarize plans for evaluating manpower requirements during follow-on test and evaluation.

19. Training

a. At Milestone I. Identify any significant differences in the training implications of the alternative system considered.

b. At Milestone II and III

(1) Summarize plans for attaining and maintaining the required proficiency of operating and support personnel, quantifying the scope and duration of formal training, time in on-the-job and unit training, use of simulators and other major training devices in formal and unit training and use of other job performance and training aids. Identify anticipated savings from use of simulators or other training devices.

(2) Provide a summary by fiscal year and occupation of all formal training requirements for the proposed system, identifying numbers of personnel trained and training costs (including facility modifications). Separately identify the net impact on special emphasis training programs such as undergraduate flight training.

c. At Milestone III Also

(1) Summarize plans and additional resources required to train the initial component of operating and support personnel for unit conversion to fielded systems.

(2) Summarize plans for training reserve component personnel whose mission requires operation or support of the system.

(3) Reference plans for validation of proficiency criteria and personnel performance.

20. Facilities. Describe any new government or industry facilities required for production or support of the system. Summarize how these facilities are to be made available. Identify cost and schedule constraints, such as training, testing or maintenance, imposed by facilities limitations.

21. Energy, Environment, Health and Safety. Summarize the environmental and energy impacts of developing, producing, and operating the DCP systems alternatives.

a. Specifically, for energy considerations:

(1) At Milestone I. Establish tentative design goals, or range of values, for energy efficiency and substitution at the system level that are responsive to projected needs of the mission area. These goals should be shown in comparison to energy efficiency and substitution capability of similar systems.

(2) At Milestone II. Establish firm energy related goals when appropriate and state trade-offs made between the design, operating concepts, simulators, and any substitution objectives.

(3) At Milestone III. Review energy consumption projections and efficiencies and their sensitivities to system populations.

b. Additionally, prior to the Milestone II and III decisions, summarize the results of system health and safety analyses and assessments and specify actions pending on any unresolved significant system health or safety hazards. Cite management decisions, if any, to accept the risks associated with significant identified hazards.

c. List environmental documentation prepared in accordance with DoD Directive 6050.1 (reference (i)).

22. Computer Resources. Address the following factors:

(a) Interface requirements.

(b) Computer programs and documentation required to support the development, acquisition, and maintenance of computer equipment and other computer programs.

(c) Plans for maintenance and update of software after initial system operating capability has been achieved.

23. International Programs. Summarize action taken with regard to NATO RSI considerations listed in paragraph E.14. of the basic Instruction and identify approved, pending, and potential Foreign Military Sales.

ESSOBIT - COST TRACE SUMMARY [1]
(Millions of Dollars)

	FY Constant (Base Year) $			Escalated $
	Planning/ Development Estimate [2]	SDDM (Date) [3]	Current Estimate [4]	Current Estimate [4]
DEVELOPMENT PHASE				
RDT&E				
Validation Phase				
Full Scale Development				
Contractors (Provide one level of WBS indenture based on program requirements)				
In-House (Provide one level of WBS indenture based on program requirements)				
Contingency (Service)				
TOTAL RDT&E APPROPRIATION				
MILCON				
O&M [5]				
MILPERS [5]				
TOTAL DEVELOPMENT PHASE				
PRODUCTION PHASE				
PROCUREMENT				
System Cost [7]				
Flyaway (Provide one level of WBS indenture based on program requirements)	( ) [6]	( ) [6]	( ) [6]	( ) [6]
Other System Costs				
Initial Spares				
Other Line Item Procurement [8]				
TOTAL PROCUREMENT APPROPRIATION				
MILCON				
O&M [5]				
MILPERS [5]				
TOTAL PRODUCTION PHASE				
TOTAL OPERATING & SUPPORT PHASE				
TOTAL LIFE CYCLE REQUIREMENTS				
AVERAGE ANNUAL SYSTEM O&S COSTS No. of Systems: No. of Years:				

1 Apply footnotes as required to explain the chart. Adjustments to format are authorized to accommodate program; stub entries will be decided on at the initial Milestone Planning Meeting. Definitions should be in accordance with DoD Instruction 5000.33 (reference (u)).

2 Identify basis for estimate and date of SDDM.

3 Add columns as necessary for each SDDM revision.

4 The preferred alternative or the latest approved baseline cost estimate contained in the SDDM will be shown in both constant and current (escalated) estimate columns.

5 Other Life Cycle related costs (i.e., Installation, Project Manager Office, Civilian Salaries, etc.) funded by O&M and MILPERS during Development and/or Production phase.

6 Enter Quantity.

7 Equal to Weapon System Cost as defined in DoD Instruction 5000.33 (reference (u)).

8 Production Base Support (Industrial Facilities), shore-based training facilities, and other system peculiar costs identified as a separate line item, or as a portion of a separate line item, in another part of the Procurement Budget. Identify the content of this entry.

NOTE: Reasons for significant variations in estimate should be explained by footnote (e.g., schedule slippage, Congressional funding, etc.).

Annex to be completed for each alternative:
1) In Constant (base) year dollars
2) In Escalated dollars using current FYDP rates and ground rules

IPS ANNEX B
RESOURCES - FUNDING PROFILE [1]
(Dollars in Millions)

	FY 19__ PRIOR	FY 19__	FY 19__	FY 19__	FY 19__	FY 19__	FY 19__	TOTAL PROGRAM
Acquisition Quantities to be Procured [2]								
Development								
Production								
Deliveries								
DEVELOPMENT PHASE								
RDT&E								
Validation Phase								
Full Scale Development Phase								
Other System Costs								
TOTAL RDT&E APPROPRIATION								
MILCON								
O&M [3]								
MILPERS [3]								
TOTAL DEVELOPMENT PHASE								
PRODUCTION PHASE								
PROCUREMENT [4]								
System Cost [5]								
Flyaway, Rollaway, Sailaway								
Other System Costs								
Initial Spares								
Other Line Item Procurement [6]								
TOTAL PROCUREMENT APPROPRIATION								
MILCON								
O&M [3]								
MILPERS [3]								
TOTAL PRODUCTION PHASE								
OPERATING AND SUPPORT PHASE								
MILPERS								
O&M								
Procurement [7]								
TOTAL OPERATING AND SUPPORT PHASE								

1 Apply footnotes as required to explain the chart. Adjustments to format are authorized to accommodate program; stub entries will be decided on at the initial Milestone Planning Meeting. Definitions should be in accordance with DoD Instruction 5000.33 (reference (u)). Use as many columns as necessary to show every year of acquisition funding and operation and support funding until steady state operations are achieved.

2 Identify the number of Development and Production units to be acquired by fiscal year.

3 Other Life Cycle related costs (i.e., Installation, Project Manager Office, Civilian Salaries, etc.) funded by other appropriations; e.g., O&M and MILPERS during Development and/or Production phase.

4 Enter the costs by appropriation; e.g., Aircraft Procurement, Missile Procurement, Ships Construction Navy, or Other Procurement. If more than one applies, identify it separately.

5 Equal to Weapon System Cost as defined in DoD Instruction 5000.33 (reference (u)).

6 Production Base Support (Industrial Facilities), shore-based training facilities, and other system peculiar costs identified as a separate line item, or as a portion of a separate line item, in another part of the Procurement Budget. Identify the content of this entry.

7 Procurement costs associated with operating and owning a weapon system such as modifications, replenishment spares, ground equipment, etc.

IPS ANNEX C
RESOURCES - SUMMARY OF SYSTEM ACQUISITION COSTS [1]

SOURCES OF FUNDING	CURRENT DOLLARS (MILLIONS)		
Department of the Army		$XXXXX	
Program Element XXXXX	$XXXXX		
Program Element XXXXX	XXXXX		
Department of the Navy		XXXXX	
Program Element XXXXX	$XXXXX		
Department of the Air Force		XXXXX	
Program Element XXXXX	$XXXXX		
Defense Agencies		XXXXX	
Program Element XXXX	$XXXXX		
Other U.S. Government		XXXXX	
Other Foreign		XXXXX	
TOTAL FUNDING			$XXXXX

APPLICATIONS	CURRENT DOLLARS (MILLIONS)	
Major System Equipment	$XXXXX	
System Project Manager	XXXXX	
System Test and Evaluation	XXXXX	
Peculiar Support Equipment	XXXXX	
Training	XXXXX	
Data	XXXXX	
Operational Site Acquisition	XXXXX	
Industrial Facilities	XXXXX	
Common Support Equipment	XXXXX	
Initial Spares and Repair Parts	XXXXX	
TOTAL FUNDING		$XXXXX

1 Refer to DoD Instruction 5000.33 (reference (u)).

IPS ANNEX D
MANPOWER

The IPS will have a one page Manpower annex including the following:

A. Current manpower estimate for military force structure:[1]

	UNIT MANNING [3]			PROGRAM TOTALS [5]		
UNIT TYPE [2]	PROGRAM ALTERNATIVE	REFERENCE SYSTEM	NO. OF UNITS [4]	ACTIVE MILITARY	RESERVE COMPONENT	OTHER

B. Contractor support and depot workload (Annual manhours per end item deployed)[6]:

	DSARC System	Reference System
Contractor Support (below depot)		
Depot Level Workload		

C. Net Change in Total Force Manpower associated with the proposed system deployment:

	Active Forces	Reserves	DoD Civilians
Number of Authorizations			

1 Not required at Milestone 1.
2 List each unit type that will operate the system/primary system elements, including unit types that provide imtermediate maintenance of system components. Examples of unit types are "Tank Battalion," "Munitions Maintenance Squadron," "Avionics Intermediate Maintenance Department."
3 For each unit type, show the manning required to satisfy the most demanding mission (normally combat employment, but may be pre-combat readiness for certain naval vessels and systems on alert). Show total unit manning for operating units, organizational level direct support units, and dedicated intermediate support units. For units that provide intermediate level support to many primary systems, such as naval shore based intermediate maintenance departments, show manning equivalent of the man years of work attributable to program the alternative. Denote manning equivalents with an asterisk.

4 Number of units of each type in the planned force structure for the program alternative.

5 Multiply number of units by unit manning, and equivalent manning by quantity of systems deployed, to obtain total manning required for units operating and/or supporting the program alternative system. Show how these requirements are expected to be satisfied as: active military authorizations, reverse component authorizations, and/or other to be identified in footnote. Unprogramed requirements must be shown as "other."

6 Annual man years of below-depot contractor support divided by the planned quantity of the system in the force structure, and the annual man years for depot level maintenance of the system and its components divided by the planned quantity of the system in the force structure. Not required at Milestone I.

IPS ANNEX E
LOGISTICS

The IPS will have a one-page Logistics Annex. The following provides general format guidance, but should be tailored to meet the needs of each new system.

	New System[1] Alt. 1	Alt. 2	Alt. 3	Current System[2]
1. System Readiness Objectives				
Peacetime Readiness 3				
Wartime Employment 4				
2. Design Parameters				
Reliability 5				
Maintainability 6				
Built-in-test Effectiveness 7				
3. Logistics Parameters				
Resupply Time				
Spares Requirement 8				

1 Include one column for each program alternative. For each parameter provide an estimate at system maturity based on analyses and tests to date.
2 Identify a comparable system in current operation.
3 Appropriate peacetime measures such as Operational Readiness at peacetime utilization rate, supply and maintenance downtime rates.
4 Appropriate wartime measure for the system such as sortie generation rate, operational availability at combat utilization rate, station coverage rate.
5 Appropriate logistic-related reliability parameters such as mean time between maintenance actions or removals.
6 Appropriate maintainability measures for the system such as mean time to repair, maintenance manhours per maintenance action.
7 If applicable to the system, include fault detection, fault isolation, and false alarm rates.
8 Estimate of spares investment required to meet system readiness objectives at stated logistic-related reliability levels. May be stated as requirement per site or operating unit, or for entire fleet, as appropriate.

DOD POLICY ISSUANCES RELATED TO ACQUISITION OF MAJOR SYSTEMS

A. DEFENSE ACQUISITION REGULATION
(FORMERLY ARMED SERVICES PROCUREMENT REGULATION)

B. ADMINISTRATION - GENERAL

4105.55	(D)	Selection and Acquisition of Automatic Data Processing Resources
4275.5	(D)	Acquisition and Management of Industrial Resources
5000.4	(D)	OSD Cost Analysis Improvement Group
5000.16	(D)	Joint Logistics and Personnel Policy and Guidance (JCS Publication No. 3)
5000.23	(D)	System Acquisition Management Careers
5000.29	(D)	Management of Computer Resources in Major Defense Systems
5100.40	(D)	Responsibility for the Administration of the DoD Automatic Data Processing Program
5220.22	(D)	Department of Defense Industrial Security Program
5500.15		Review of Legality of Weapons Under International Law
7920.1	(D)	Life Cycle Management of Automated Information Systems (AIS)
7920.2	(D)	Major Automated Information System Approval Process

C. ADMINISTRATION - STANDARDIZATION OF TERMINOLOGY

5000.8		Glossary of Terms Used in the Areas of Financial, Supply and Installation Management
5000.9	(D)	Standardization of Military Terminology
5000.11	(D)	Data Elements and Data Codes Standardization Program
5000.33		Uniform Budget/Cost Terms and Definition

D. COMMUNICATION/INFORMATION MANAGEMENT

5000.19	(D)	Policies for the Management and Control of Information Requirements
5000.20	(D)	Management and Dissemination of Statistical Information
5000.22		Guide to Estimating Cost of Information Requirements
5000.32		DoD Acquisition Management Systems and Data Requirements Control Program
5230.3	(D)	Information Releases by Manufacturers
C-5230.3	(D)	Public Statements on Foreign and Military Policy and on Certain Weapons (U)
5230.4	(D)	Release of Information on Atomic Energy, Guided Missiles and New Weapons
5230.9	(D)	Clearance of Department of Defense Public Information
5400.4	(D)	Provision of Information to Congress
5400.7	(D)	Availability to the Public of Department of Defense Information

E. CONTRACT MANAGEMENT

1100.11	(D)	Equal Employment Opportunity, Government Contracts
4000.19	(D)	Basic Policies and Principles for Interservice, Interdepartmental and Interagency Support
4105.60		Department of Defense High Dollar Spare Parts Breakout Program
4105.62	(D)	Selection of Contractual Sources for Major Defense Systems
4140.41		Government-Owned Materiel Assets Utilized as Government-Furnished Materiel for Major Acquisition Programs
4160.22	(D)	Recovery and Utilization of Precious Metals

5010.8	(D)	DoD Value Engineering Program
7800.1	(D)	Defense Contract Financing Policy

F. INTEGRATED LOGISTICS

4100.35	(D)	Development of Integrated Logistic Support for Systems/Equipments
4130.2	(D)	The Federal Catalog System
4140.19		Phased Provisioning of Selected Items for Initial Support of Weapons Systems, Support Systems, and End Items of Equipment
4140.40	(D)	Basic Ojectives and Policies on Provisioning of End Items of Materiel
4140.42		Determination of Initial Requirements for Secondary Item Spare and Repair Parts
4151.7		Uniform Technical Documentation for Use in Provisioning of End Items of Materiel
4151.15		Depot Maintenance Programming Policies
5100.63		Provisioning Relationships Between the Military Departments/Defense Agencies and Commodity Integrated Materiel Managers

G. INTERNATIONAL COOPERATION

2000.3	(D)	International Interchange of Patent Rights and Technical Information
2000.9	(D)	International Co-Production Projects and Agreements Between the U.S. and other Countries or International Organizations
2010.6	(D)	Standardization and Interoperability of Weapon Systems and Equipment within the North Atlantic Treaty Organization (NATO)
2010.7	(D)	Policy on Rationalization of NATO/NATO Member Telecommunication Facilities
2015.4		Mutual Weapon Development Data Exchange Program (MWDDEP) and Defense Development Exchange Program (DDEP)
2035.1	(D)	Defense Economic Cooperation with Canada

2045.2		Agreements with Australia and Canada for Qualification of Products of Non-Resident Manufacturers
2100.3	(D)	United States Policy Relative to Commitments to Foreign Governments Under Foreign Assistance Programs
2140.1		Pricing of Sales of Defense Articles and Defense Services to Foreign Countries and International Organizations
2140.2	(D)	Recoupment of Nonrecurring Costs on Sales of USG Products and Technology
3100.3	(D)	Cooperation with Allies in Research and Development of Defense Equipment
3100.4	(D)	Harmonization of Qualitative Requirements for Defense Equipment of the United States and Its Allies
3100.8		The Technical Cooperation Program (TTCP)
4155.19		NATO Quality Assurance
5100.27	(D)	Delineation of International Logistics Responsibilities
5230.11	(D)	Disclosure of Classified Military Information to Foreign Governments and International Organizations
5230.17	(D)	Procedures and Standards for Disclosure of Military Information to Foreign Activities
5530.3	(D)	International Agreements

H. PLANS - CONSERVATION OF RESOURCES

4170.9		Defense Contractor Energy Shortages and Conservation
6050.1	(D)	Environmental Effects on the United States of DoD Actions

I. PLANS - MATERIAL AVAILABILITY, WAR RESERVE AND MOBILIZATION

3005.5	(D)	Criteria for Selection of Items for War Reserve
4005.1	(D)	DoD Industrial Preparedness Production Planning
4005.3		Industrial Preparedness Production Planning Procedures
4005.16	(D)	Diminishing Manufacturing Sources and Material Shortages (DMSMS)
4100.15	(D)	Commercial or Industrial-Type Activities
4151.16	(D)	DoD Equipment Maintenance Program
4210.1		Department of Defense Coded List of Materials
4210.7		Controlled Materials Requirements
4210.8		Department of Defense Bills of Materials
4410.3		Policies and Procedures for the DoD Master Urgency List (MUL)
4410.4	(D)	Military Production Urgencies System
5160.54	(D)	Industrial Facilities Protection Program - DoD Key Facilities List
5220.5	(D)	Industrial Dispersal

J. PRODUCTION, QUALITY ASSURANCE, TEST AND EVALUATION

4155.1	(D)	Quality Program
4200.15		Manufacturing Technology Program
5000.3	(D)	Test and Evaluation
5000.34	(D)	Defense Production Management
5000.38	(D)	Production Readiness Reviews
5010.20	(D)	Work Breakdown Structures for Defense Materiel Items

5160.65	(D)	Single Manager Assignment for Conventional Ammunition

K. RESOURCE MANAGEMENT

7000.1	(D)	Resource Management Systems of the Department of Defense
7000.2		Performance Measurement for Selected Acquisitions
7000.3		Selected Acquisition Reports (SAR)
7000.10		Contract Cost Performance, Funds Status and Cost/Schedule Status Reports
7000.11		Contractor Cost Data Reporting (CCDR)
7041.3		Economic Analysis and Program Evaluation for Resource Management
7045.7		The Planning, Programming and Budgeting System
7200.4	(D)	Full Funding for DoD Procurement Programs

L. TECHNICAL MANAGEMENT - GENERAL

1130.2	(D)	Management and Control of Engineering & Technical Services
4630.5	(D)	Compatibility and Commonality of Equipment for Technical Command and Control, and Communications
5010.12		Management of Technical Data
5010.19	(D)	Configuration Management
5100.30	(D)	Worldwide Military Command and Control Systems (WWMCCS)
5100.36	(D)	Department of Defense Technical Information
5100.38		Defense Documentation Center for Scientific and Technical Information (DDC)
5100.45		Centers for Analysis of Scientific and Technical Information
5200.20	(D)	Distribution Statements on Technical Documents
5200.21		Dissemination of DoD Technical Information

7720.13		Research and Technology Work Unit Information System
7720.16		Research and Development Planning Summary (DD Form 1634) for Research and Development Program Planning Review

M. TECHNICAL MANAGEMENT - DESIGN PARAMETERS

3224.1	(D)	Engineering for Transportability
4100.14		Packaging of Materiel
4120.3	(D)	Defense Standardization and Specification Program
4120.11	(D)	Standardization of Mobile Electric Power Generating Sources
4120.18	(D)	Metric System of Measurement
4120.19		Department of Defense Parts Control System
4120.20		Development and Use of Non-Government Specifications and Standards
4120.21	(D)	Specifications and Standards Application
4140.43	(D)	Department of Defense Liquid Hydrocarbon Fuel Policy for Equipment Design, Operation, and Logistics Support
4151.1	(D)	Use of Contractor and Government Resources for Maintenance of Materiel
4151.9		Technical Manual (TM) Management
4151.11		Policy Governing Contracting for Equipment Maintenance Support
4151.12		Policies Governing Maintenance Engineering within the Department of Defense
4500.37		Ownership and Use of Containers for Surface Transportation and Configuration of Shelters/ Special-Purpose Vans

4500.41		Transportation Container Adaptation and Systems Development Management
C-4600.3	(D)	Electric, Counter-Counter Measures (ECCM) Policy (U)
4630.5	(D)	Compatability and Commonality of Equipment for Tactical Command and Control and Communications
5000.28	(D)	Design-to-Cost
5000.36		System Safety Engineering and Management
5000.37		Acquisition and Distribution of Commercial Products
5100.50	(D)	Protection and Enhancement of Environmental Quality
5148.7	(D)	The Joint Tactical Communications (TRI-TAC) Program
6055.2		Personal Protective Equipment

December 26, 1979
NUMBER 5000.3

USDR&E

Department of Defense Directive

SUBJECT: Test and Evaluation

Reference: (a) DoD Directive 5000.3, "Test and Evaluation," April 11, 1978 (hereby canceled)
(b) DoD Directive 5000.1, "Major System Acquisitions," January 18, 1977
(c) DoD Directive 5000.2, "Major System Acquisition Process," January 18, 1977
(d) DoD Directive 3200.11 "Use, Management and Operation of Department of Defense Major Ranges and Test Facilities," June 18, 1974
(e) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a) and establishes policy for the conduct of test and evaluation in the acquisition of defense systems; designates the Director Defense Test and Evaluation (DDTE) as having overall responsibility for test and evaluation matters within the Department of Defense; defines responsibilities of the DDTE, organization of the Joint Chiefs of Staff (OJCS) and DoD Components; and provides guidance for the preparation and submission of Test and Evaluation Master Plans.

B. APPLICABILITY AND SCOPE

1. The provisions of this Directive apply to the Military Departments and the Defense Agencies (hereafter referred to as "DoD Components"), the Office of the Secretary of Defense (OSD), the OJCS, and the Unified and Specified Commands. As used herein, the term "Military Services" refers to the Army, Navy, Air Force, and Marine Corps.

2. These provisions encompass major defense system acquisition programs, as designated by the Secretary of Defense under DoD Directive 5000.1 (reference (b)), and apply to all DoD Components that are responsible for such programs. In addition, the management of system programs not designated as major system acquisitions shall be guided by the principles set forth in this Directive.

C. DEFINITIONS

Terms used in this Directive are defined in enclosure 1.

D. POLICIES AND RESPONSIBILITIES

1. General

a. Test and evaluation (T&E) shall begin as early as possible and be conducted throughout the system acquisition process to assess and reduce acquisition risks and to estimate the operational effectiveness and operational suitability of the system being developed. Meaningful critical issues, test objectives, and evaluation criteria related to the satisfaction of mission need shall be established before tests begin.

b. Successful accomplishment of T&E objectives will be a key requirement for decisions to commit significant additional resources to a program or to advance it from one acquisition phase to another. Acquisition schedules, financial plans, and contractual arrangements shall be based on this principle.

c. Dependence on subjective judgment concerning system performance shall be minimized during testing. To the extent permitted by resource constraints and the need for realistic test environments, appropriate test instrumentation will be used to provide quantitative data for system evaluation.

2. Development Test and Evaluation (DT&E). DT&E is that T&E conducted to assist the engineering design and development process and to verify attainment of technical performance specifications and objectives. DT&E is normally accomplished or managed by the DoD Component's materiel development agency. It includes T&E of components, subsystems, hardware/software integration, related software, and prototype or full-scale engineering development models of the system. T&E of compatibility and interoperability with existing or planned equipment and systems are also included.

a. During the system acquisition phase before the decision Milestone I, DT&E shall be accomplished, when appropriate, to assist in selecting preferred alternative system concepts.

b. Before the Milestone II decision, adequate DT&E shall be accomplished to identify the preferred technical approach, including the identification of technical risks and feasible solutions.

c. Before the Milestone III decision, adequate DT&E shall be accomplished to ensure that engineering is reasonably complete (including survivability/ vulnerability, compatibility, transportability, interoperability, reliability, maintainability, safety, human

factors, and logistic supportability), that all significant design problems have been identified, and that solutions to these problems are in hand.

d. After the Milestone III decision, DT&E shall be an integral part of the development, acceptance, and introduction of system changes to improve the system, react to new threats, and reduce life cycle costs.

e. For systems that interface with equipment of another DoD Component or that may be acquired by more than one DoD Component, multiservice DT&E may be required. Such testing shall include appropriate participation and support by all affected DoD Components.

f. The DoD Component's developing agency shall structure acquisition programs, make information available, and arrange for the DoD Component's independent operational test and evaluation (OT&E) agency's participation in development testing, as appropriate, to support OT&E objectives.

3. Operational Test and Evaluation (OT&E). OT&E is that T&E conducted to estimate a system's operational effectiveness and operational suitability, identify needed modifications, and provide information on tactics, doctrine, organization, and personnel requirements. Acquisition programs shall be structured so that OT&E begins as early as possible in the development cycle. Initial operational test and evaluation (IOT&E) must be accomplished prior to the Milestone III decision.

a. In each DoD Component there shall be one major field agency, separate and distinct from the materiel developing/procuring agency and from the using agency, responsible for managing operational testing and for reporting test results and its independent evaluation of the system under test directly to the Military Service Chief or Defense Agency Director.

b. OT&E shall be accomplished in an environment as operationally realistic as possible. Typical operational and support personnel will be used to obtain a valid estimate of the users' capability to operate and maintain the system when deployed under both peacetime and wartime conditions.

c. During the system acquisition phase before the Milestone I decision OT&E will be accomplished, as appropriate, to assess the operational impact of candidate technical approaches and to assist in selecting preferred alternative system concepts.

d. Before the Milestone II decision OT&E will be accomplished, as necessary, to examine the operational aspects of the selected alternative technical approaches and estimate the potential operational effectiveness and suitability of candidate systems. Decisions made at Milestone

II to commit funds for production long lead items or limited production must be supported by OT&E results.

e. Before the Milestone III decision, adequate OT&E shall be accomplished to provide a valid estimate of the system's operational effectiveness and suitability. The items tested must be sufficiently representative of the expected production items to ensure that a valid assessment can be made of the system expected to be produced.

f. After the Milestone III decision during initial production and deployment of the system, the DoD Component's OT&E agency will manage follow-on OT&E (FOT&E), as necessary, to ensure that the initial production items meet operational effectiveness and suitability thresholds and to evaluate system, manpower, and logistic changes to meet mature system readiness and performance goals.

g. When systems have an interface with equipment of another DoD Component or may be acquired by more than one DoD Component, multiservice OT&E shall be accomplished. Such testing shall include participation and support by all affected DoD Components. An independent evaluation shall be submitted by the OT&E agency of each participating DoD Component.

h. Throughout the system acquisition process, the DoD Component's OT&E agency shall:

(1) Ensure that OT&E is effectively planned and accomplished during all acquisition phases.

(2) Participate in initial system acquisition planning and test design to ensure adequacy of the planned schedules, testing, and resources to meet OT&E objectives and to ascertain which portions of DT&E can contribute to the accomplishment of OT&E objectives.

(3) Monitor, participate in as appropriate, and review the results of DT&E to obtain information applicable to OT&E objectives.

(4) Ensure that the operational testing and applicable development testing, and data collected, are sufficient and credible to support its analysis and evaluation needs.

(5) Provide an independent evaluation of OT&E results at key decision milestones. The Milestone III evaluation shall include recommendations regarding the system's readiness for operational use.

(6) Bring directly to the attention of its Military Service Chief, or Defense Agency Director, issues which impact adversely upon the accomplishment of adequate OT&E.

4. Combining Development and Operational Testing. Planning for DT&E and OT&E shall be coordinated at the test design stages so that

each test phase uses resources efficiently to yield the data necessary to satisfy common needs of the materiel developing agency and the OT&E agency. Development and operational tests may be combined when clearly identified and significant cost and time benefits will result, provided that the necessary resources, test conditions, and test data required by both the developing agency and the OT&E agency can be obtained. Participation by the OT&E agency in the planning and execution of tests must be sufficient to ensure that the testing conducted and data collected are sufficient and credible to meet the OT&E agency's requirements. When a combined testing program is chosen, it will normally include dedicated operational test events, and the final period of testing prior to the Milestone III decision will emphasize appropriate separate operational testing managed by the DoD Component's OT&E agency. In all cases, the OT&E agency shall provide a separate and independent evaluation of the test results.

5. T&E for Major Ships of a Class. The long design, engineering, and construction period of a major ship will normally preclude completion of the lead ship and accomplishment of tests thereon prior to the decision to proceed with follow-on ships. In lieu thereof, successive phases of DT&E and OT&E shall be accomplished as early as feasible at land-based or sea-based test installations and on the lead ship to reduce risk and minimize the need for modification to follow-on ships.

a. When combat system complexity warrants, there shall be one or more combat system test installations constructed where the weapon, sensor, and information processing subsystems are integrated in the manner expected in the ship class. These test installations may be land-based, sea-based, or both, depending on test requirements. Adequate DT&E and OT&E of these integrated subsystems shall be accomplished prior to the first major production decision on combat systems. To the degree feasible, first generation subsystems shall be approved for Service use prior to the initiation of integrated operational testing. When subsystems cannot be Service-approved before this integrated operational testing, their operational suitability and effectiveness shall be examined at the test installation as early as possible in the acquisition cycle.

b. For new ship types that incorporate major technological advances in hull or nonnuclear propulsion design, a prototype incorporating these advances shall be employed. If the major technological advances affect only certain features of the hull or nonnuclear propulsion design, the test installation need incorporate only those features. Adequate T&E on such prototypes shall be completed before the first major production decision on follow-on ships.

c. The prototyping of Navy nuclear propulsion plants will be accomplished in accordance with the methods in use by the Department of Energy (DoE).

d. For all new ship classes, continuing phases of OT&E on the lead ship shall be conducted at sea as early in the acquisition process as possible for specified systems or equipment and, if required, for the full ship to the degree feasible.

e. A description of the subsystems to be included in any test installation or test prototype, the schedules to accomplish T&E, and any exceptions to the above policies shall be provided in the initial and any subsequent milestone decision documentation for approval by the Secretary of Defense.

6. Test and Evaluation of Computer Software. The provisions of this Directive apply to the software components of defense systems as well as to hardware components.

a. Quantitative and demonstrable performance objectives and evaluation criteria shall be established for computer software during each system acquisition phase. Testing shall be structured to demonstrate that software has reached a level of maturity appropriate to each phase. Such performance objectives and evaluation criteria shall be established for both full-system and casualty mode operations. For embedded software, performance objectives and evaluation criteria shall be included in the performance objectives and evaluation criteria of the overall system.

b. Decisions to proceed from one phase of software development to the next will be based on quantitative demonstration of adequate software performance through appropriate T&E.

c. Before release for operational use, software developed for either new or existing systems shall undergo sufficient operational testing as part of the total system to provide a valid estimate of system effectiveness and suitability in the operational environment. Such testing shall include combined hardware/software and interface testing under realistic conditions, using typical operator personnel. The evaluation of test results shall include an assessment of operational performance under other possible conditions which were not employed, but which could occur during operational use.

d. The OT&E agencies shall participate in the early stages of software planning and development to ensure that adequate consideration is given to the system's operational use and environment, and early development of operational test objectives and evaluation criteria.

7. T&E for One-of-a-Kind Systems. Some programs, particularly space, large-scale communications, and electronic system programs, involve procurement of a few items over an extended period. For these programs, the principles of DT&E of components, subsystems, and prototype or first production models of the system shall be applied. Compatibility and interoperability with existing or planned equipment shall be tested during DT&E and OT&E. OT&E shall be accomplished prior to the production decision or initial acceptance of the system to

provide a valid estimate of operational effectiveness and operational suitability. Subsequent OT&E may be conducted to refine estimates and ensure deficiencies are corrected.

8. Production Acceptance Test and Evaluation (PAT&E). PAT&E is T&E of production items to demonstrate that procured items fulfill the requirements and specifications of the procuring contract or agreements. Each DoD Component is responsible for accomplishing PAT&E.

9. T&E Master Plan (TEMP). The DoD Component shall prepare and submit, before Milestone I and each subsequent decision milestone, a TEMP for OSD approval. This broad plan shall relate test objectives to required system characteristics and critical issues, and integrate objectives, responsibilities, resources, and schedules for all T&E to be accomplished. Guidelines for preparation and submission of the TEMP are at enclosure 2.

10. Changes to TEMPs. The DoD Component shall ensure that any significant changes made in the test program after approval are reported promptly to the DDTE, with the reason for change.

11. Acquisition Milestone Decisions. The DDTE provides T&E assessments to support system acquisition milestone decisions. The DoD Components shall, in addition to providing the information specified in DoD Directive 5000.2 (reference (c)) and TEMPs in accordance with enclosure 2, provide the following additional information to the DDTE for use in making T&E assessments. When testing has been accomplished, appropriate test reports shall be provided as early as possible prior to milestone decision points. Other available supporting information including system operational concepts, how tests were accomplished, and test limitations shall be provided upon request of the DDTE. In addition, the DoD Component shall inform the DDTE of significant progress toward, or problems with, meeting significant test objectives during the conduct of test programs.

12. Joint T&E (JT&E) Program. When required and as initiated by the DDTE, JT&E will be conducted. In addition to examining the capability of developmental and deployed systems to perform their intended mission, JT&Es may also be conducted to provide information for technical concepts evaluation, system requirements, system improvements, systems interoperability, force structure planning, developing or improving testing methodologies, and obtaining information pertinent to doctrine, tactics, and operational procedures for joint operations. Testing shall be accomplished in realistic operational conditions, when feasible and essential to the evaluation. Responsibility for managing the practical aspects of each JT&E will be delegated to a specific DoD Component, and supported by forces and material from participating Components.

13. Participation by the Joint Chiefs of Staff (JCS) in JT&E Programs. As the proponent for joint procedures and interoperability

of deployed forces, the JCS have a requirement for JT&E results that provide information on joint doctrine, tactics, and operational procedures. Joint testing objectives will be addressed, when feasible, in conjunction with scheduled JCS exercises to minimize resource impact and provide economies. When JT&E and JCS exercises are integrated, the JCS will participate, as appropriate, in testing involving joint force interoperability to ensure compatibility of exercise and JT&E objectives.

a. The JCS shall annually coordinate, for submission to the DDTE, JT&E nominations by the Joint Staff, the Military Services, and the Commanders in Chief (CINC) of the Unified and Specified Commands. This does not preclude direct nominations to the DDTE from the Military Services or CINCs for JT&E activities that are inappropriate for JCS consideration or out of phase with the JCS nominations.

b. The list of nominations shall be prioritized for each fiscal year. To the extent feasible, it shall identify the participating Military Services, identify tests with potential for integration with JCS exercises, and recommend a lead Service or CINC to conduct the JT&E.

c. Control and OSD sponsorship of JT&E will be exercised by the DDTE. The DDTE, in coordination with the JCS, will task the selected lead Service or, through the JCS, the selected CINC to conduct the test, incorporate the test into joint exercises, as appropriate, appoint a Joint Test Director, develop the test plans, and provide reports, as required.

d. The Military Services, CINCs (if appropriate), and the Joint Staff shall participate in or monitor the JT&E definition and test design efforts, and coordinate the results of these before the commitment of resources.

E. WAIVERS

Waiver of the provisions of this Directive may be granted only by the Secretary of Defense.

F. EXCLUSIONS

Nuclear subsystem T&E governed by joint DoD/DoE agreements are excluded from the provisions of this Directive.

G. RESPONSIBILITIES OF THE DIRECTOR DEFENSE TEST AND EVALUATION

The Director Defense Test and Evaluation shall:

1. Review T&E policy and procedures applicable to the Department of Defense as a whole and recommend changes to the Secretary of Defense.

2. Coordinate T&E instructions to the DoD Components and resolve T&E management problems between DoD Components.

3. Monitor the T&E planned and conducted by the DoD Components for major acquisition programs and for other programs, as necessary.

4. Manage the consideration and review of TEMPs within OSD, and review and comment on system T&E aspects of DCPs and other documents concerned with system acquisition T&E.

5. For major system acquisition programs, provide to the Defense Acquisition Executive, the Defense System Acquisition Review Council (DSARC), the Worldwide Military Command and Control System Council, as appropriate, and the Secretary of Defense an assessment of the adequacy of testing accomplished, an evaluation of test results, and an assessment of the adequacy of testing planned for the future to support system acquisition milestone decisions.

6. Initiate and sponsor technically and operationally oriented JT&E with specific delegation to appropriate DoD Components of all practical JT&E aspects.

7. Fulfill OSD responsibilities for the Major Range and Test Facility Base (MRTFB) in accordance with DoD Directive 3200.11 (reference (d)).

8. Monitor, to the extent required to determine the applicability of results to system acquisitions or modifications, that T&E:

a. Directed by the JCS that relates to the Single Integrated Operational Plan (SIOP) as it affects system technical characteristics.

b. Conducted primarily for development or investigation of tactics, organization, or doctrinal concepts that affect system technical characteristics.

9. Review those program elements that relate to DoD Component independent test agency, test facility, and test resource budgets.

H. INFORMATION REQUIREMENTS

The reporting requirements prescribed by this Directive are exempt from formal approval and control in accordance with subparagraph VII.D. of enclosure 3 to DoD Directive 5000.19 (reference (e)).

I. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward two copies of implementing documents to the Under Secretary of Defense for Research and Engineering within 120 days.

W. Graham Claytor, Jr.
Deputy Secretary of Defense

Enclosures - 2
1. Definitions
2. Test and Evaluation Master Plan (TEMP) Guidelines

DEFINITIONS[1]

Acquisition Risk. The chance that some element of an acquisition program produces an unintended result with adverse effect on system effectiveness, suitability, cost, or availability for deployment.

Availability. A measure of the degree to which an item is in an operable and commitable state at the start of a mission when the mission is called for at an unknown (random) time.

Combat System Test Installation. A collection of subsystems including weapons, sensor, and information processing equipment, together with their interfaces installed, for the purposes of early testing before the availability of a first production item, at a fixed or mobile test facility designed to simulate the essential parts of the production item.

Critical Issues. Those aspects of a system's capability, either operational, technical, or other, that must be questioned before a system's overall worth can be estimated, and that are of primary importance to the decision authority in reaching a decision to allow the system to advance into the next acquisition phase.

Evaluation Criteria. Standards by which achievement of required operational effectiveness/suitability characteristics, or resolution of technical or operational issues may be judged. At Milestone II and beyond, evaluation criteria must include quantitative goals (the desired value) and thresholds (the value beyond which the characteristic is unsatisfactory).

JT&E Program. An OSD program for JT&E, sponsored by the DDTE, structured to evaluate or provide information on system performance, technical concepts, system requirements or improvements, systems interoperability, improving or developing testing methodologies, or for force structure planning, doctrine or procedures.

Logistic Supportability. The degree to which the planned logistics (including test equipment, spares and repair parts, technical data, support facilities, and training) and manpower meet system availability and wartime usage requirements.

Long Lead Items. Those components of a system or piece of equipment that take the longest time to procure and, therefore, may require an early commitment of funds in order to meet acquisition schedules.

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[1]Terms defined in JCS Pub. 1, "Department of Defense Directory of Military and Associated Terms," are not included except for the term "Vulnerability," for which supplementary information is provided concerning its specific application in this Directive.

Maintainability. The ability of an item to be retained in or restored to specified condition when maintenance is performed by personnel having specified skill levels, using prescribed procedures and resources, at each prescribed level of maintenance and repair.

Multiservice T&E. T&E conducted by two or more DoD Components for systems to be acquired by more than one DoD Component, or for a DoD Component's systems that have interfaces with equipment of another DoD Component.

Operational Effectiveness. The overall degree of mission accomplishment of a system used by representative personnel in the context of the organization, doctrine, tactics, threat (including countermeasures and nuclear threats) and environment in the planned operational employment of the system.

Operational Suitability. The degree to which a system can be satisfactorily placed in field use, with consideration being given availability, compatibility, transportability, interoperability, reliability, wartime usage rates, maintainability, safety, human factors, manpower supportability, logistic supportability, and training requirements.

Pilot Production Item. An item produced from a limited production run to demonstrate the capability to mass produce the item for operational use.

Pre-Production Prototype. An article in final form employing standard parts, representative of articles to be produced subsequently in a production line.

Realistic Test Environment. The conditions under which the system is expected to be operated and maintained, including the natural weather and climatic conditions, terrain effects, battlefield disturbances, and enemy threat conditions.

Reliability. The duration or probability of failure-free performance under stated conditions.

Reliability, Mission. The ability of an item to perform its required functions for the duration of a specified mission profile.

Required Operational Characteristics. System parameters that are primary indicators of the system's capability to be employed to perform the required mission functions, and to be supported.

Required Technical Characteristics. System parameters selected as primary indicators of achievement of engineering goals. These may not be direct measures of, but should always relate to the system's capability to perform the required mission functions, and to be supported.

Survivability. The degree to which a system is able to avoid or withstand a hostile environment without suffering an abortive impairment of its ability to accomplish its designated mission.

Vulnerability. For weapon system acquisition decisions, three considerations are critical in assessing system vulnerability: susceptibility--a system limitation or weakness (may not be exploitable); accessibility--the openness of a system to exploitation by a countermeasures technique; and feasibility--the practicality and probability of an adversary exploiting a susceptibility in combat.

TEST AND EVALUATION MASTER PLAN (TEMP) GUIDELINES

A. SCOPE AND APPLICABILITY

The provisions of these Guidelines encompass major defense system acquisition programs as designated by the Secretary of Defense and certain other important programs for which a TEMP is specifically requested by the DDTE and apply to all DoD Components responsible for such programs.

B. POLICIES AND PROCEDURES

1. The TEMP is the primary document used in the OSD review and decision process to assess the adequacy of the planned testing and evaluation. As such, the TEMP must be of sufficient scope and content to explain the entire T&E program.

2. Each TEMP submitted to OSD should be a summary document of not more than 30 pages, detailed only to the extent necessary to show the rationale for the kind, amount, and schedules of the testing planned. It must, however, relate the T&E effort clearly to technical risks, operational issues and concepts, system performance, reliability, availability, maintainability and logistic requirements, and major decision points. It should also explain the relationship of the various simulations, subsystem tests, integrated system development tests and initial operational tests which, when analyzed in combination, provide confidence in the system's readiness to proceed into the next acquisition phase or into fully capable service. The TEMP must address the T&E to be accomplished in each program phase, with the next phase addressed in the most detail. TEMPs supporting the production and initial deployment decision must include the T&E planned to verify correction of deficiencies, production acceptance testing, and follow-on OT&E.

3. Five copies of a draft TEMP will normally be submitted to the DDTE for OSD review and comment concurrent with submission of the "For Comment" DCP to the Acquisition Executive prior to the planned Decision Milestone I date. This draft will be revised if necessary after review by the DoD Component Acquisition Executive and submitted for OSD coordination at least 15 working days before the DSARC meeting (or decision milestone date if a DSARC meeting is not planned). The TEMP will be updated and submitted in accordance with these procedures before Milestones II and III. OSD approval of the TEMP, or redirection, will be provided following decision milestones.

C. CONTENT OF TEMP

Every TEMP submitted to OSD should contain the same kind of information, and the following format should be used as a guide. If more detail for internal use is desired, DoD Components may supplement the

TEMP with detachable annexes. At DoD Component discretion, Part I may be preceded by a page of administrative information (listing of responsible persons and offices involved in the procurement).

Part I - Description

1. Mission. Summarize the operational need, mission to be accomplished, and planned operational environment (conditions, natural and induced, in which it will operate). This section should relate directly to the Mission Element Need Statement (MENS) and planned system operational concept.

2. System. Briefly describe the system and how it works, to include:

a. Key functions of the system that permit it to accomplish its operational mission. Include, if practical, a mission/function matrix relating the primary functional capabilities that must be demonstrated by testing to the mission(s) to be performed and concept(s) of operation.

b. Interfaces with other systems that are required to accomplish the mission.

c. Unique characteristics of the system that make it different or better than alternative systems, or that lead to special test requirements (such as hardness to nuclear effects).

3. Required Operational Characteristics. List the key operational effectiveness and suitability characteristics, goals, and thresholds.

4. Required Technical Characteristics. List the key technical characteristics, performance goals, and thresholds.

Note: The characteristics listed in 3. and 4. above should include, but not be limited to, the characteristics identified in the Decision Milestone documentation. Clearly define these characteristics, particularly in the areas of reliability, availability, and maintainability. Indicate the program milestones at which the thresholds will be or have been demonstrated. If an interservice or international program, highlight any characteristics resulting from this circumstance. Prior to Milestone II, while tradeoffs of characteristics are underway, it may not be possible to establish firm goals or thresholds. In this case, those aspects of performance critical to the ability of the system to accomplish its mission should be identified.

5. Critical T&E Issues

a. Technical Issues. Briefly describe key areas of technological or engineering risk that must be addressed by testing.

b. Operational Issues. Briefly describe key operational effectiveness or suitability issues that must be addressed by testing.

Part II - Program Summary

1. Management. Outline the program and T&E management responsibilities of participating organizations. Highlight arrangements between participants for test data sharing, responsibilities for test management decisions, and management interfaces for multiservice T&E efforts. Discuss the adequacy of the planned test periods and schedule to provide confidence in test results.

2. Integrated Schedule. Display on one page (a foldout, if necessary) the integrated time sequencing of T&E for the entire program and related key events in the acquisition decision-making process. Include events such as program decision milestones, key subsystem demonstrations, test article availability, first flights, critical support resource availability, critical full-up system demonstrations, key OT&E events, first production deliveries, and initial operational capability date.

Part III - DT&E Outline. Discuss all DT&E in sufficient detail so that test objectives are related to the system operational concept and are clearly identified for each phase. Relate the planned testing to the critical technical issues appropriate to each phase. The near-term portion of the plan should contain the most detail; the long-range portions should be as specific as possible. The following information should be included.

1. DT&E to Date. Provide a summary of the DT&E already conducted based on the best available information. This section should set the stage for discussion of planned DT&E. Briefly describe test articles (for instance brassboard, advanced development model), with emphasis on how they differ from the planned production articles. Emphasize DT&E events and results related to required performance characteristics, critical issues, and requirements levied by earlier OSD decisions. Highlight technical characteristics or specification requirements that were demonstrated (or failed to be demonstrated). When simulations are a key part of the DT&E effort, describe how the simulations are confirmed.

2. Future DT&E. Discuss all remaining DT&E planned, beginning with the date of the current TEMP revision and extending through completion of planned production and modifications. Address separately each remaining phase of DT&E, including the following for each phase:

a. Equipment Description. Summarize the equipment's functional capability and how it is expected to differ from the production model.

b. DT&E Objectives. Summarize the specific DT&E objectives to be addressed during this phase. The objectives identified should be the discrete major goals of the DT&E effort, which, when achieved, will provide solutions to critical technical issues and demonstrate that the engineering effort is progressing satisfactorily. Broad, general objectives, such as "demonstrate that the design and development process is complete," are of no value. If the Secretary of Defense decision memorandum requires demonstration of specific technical characteristics in a given phase, identify those characteristics.

c. DT&E Events/Scope of Testing/Basic Scenarios. Summarize the key DT&E events planned to address the objectives. In addition, describe in sufficient detail the scope of testing and basic test scenarios so that the relationship between the testing and the objectives, and the amount and thoroughness of testing, are clearly apparent. Include subsystem tests and simulations when they are key elements in determining whether or not objectives will be achieved. Discuss reliability, availability, and maintainability testing, and define terms.

3. Critical DT&E Items. Highlight all items the availability of which are critical to the conduct of adequate DT&E prior to the next decision point. For example, if the item is not available when required, the next decision point may be delayed. If appropriate, display these critical items on the integrated schedule.

Part IV - OT&E Outline

Discuss all planned OT&E, from the earliest IOT&E through the FOT&E during initial production and deployment which addresses operational effectiveness and suitability and identifies deficiencies in the production system, in similar format and detail as that described in the DT&E outline (Part III). In the OT&E to Date section, which sets the stage for discussion of the planned OT&E, relate the test conditions and results to the operational effectiveness and suitability, as appropriate, of the systems being acquired. In this section and in Future OT&E, be sure to discuss the degree to which the test environment, including procedures and threat simulations, is representative of the expected operational environment. Also discuss the reliability testing concept, and the training and background of operational test personnel. In OT&E Objectives, present the major objectives that, when achieved, will establish the operational effectiveness and suitability of the system. Either present the objectives in terms of, or relate the objectives to, the system's operational effectiveness and suitability. In OT&E Events/Scope of Testing/Basic Scenarios, relate the testing to be performed to the OT&E objectives (for instance, specify test outcomes that satisfy the objectives). When development and operational testing are combined, some of Parts III and IV may be combined, as appropriate.

Part V - Production Acceptance Test and Evaluation (PAT&E)

Briefly describe the PAT&E planned to demonstrate that items procured fulfill the requirements and specifications of the procuring contract or agreements.

Part VI - Special Resource Summary

Provide a brief summary of the key resources for DT&E, OT&E, and PAT&E that are unique to the program.

1. Test Articles. Identify the actual number of articles, including key support equipments, of the system required for testing in each phase and for each major type of T&E (DT&E, OT&E, PAT&E). If key subsystems (components, assemblies, or subassemblies) are to be tested individually, identify each such subsystem and the quantity required. Specifically identify prototypes, pilot production, and production models.

2. Special Support Requirements (instrumentation, targets, threat simulations, test sites, facilities). Identify the special support resources required for T&E, and briefly describe the steps being taken to acquire them.

October 30, 1980
NUMBER 5000.4

Department of Defense Directive

ASD(PA&E)

SUBJECT: OSD Cost Analysis Improvement Group

References:
(a) DoD Directive 5000.4, "OSD Cost Analysis Improvement Group" June 13, 1973 (hereby canceled)
(b) DoD Directive 5000.1, "Major System Acquisitions," March 19, 1980
(c) DoD Instruction 5000.2, "Major System Acquisition Procedures," March 19, 1980
(d) DoD Directive 2010.6, "Standardization and Interoperability of Weapon Systems and Equipment Within the North Atlantic Treaty Organization," March 5, 1980
(e) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976
(f) DoD Directive 5000.11, "Data Elements and Data Codes Standardization Program," December 7, 1964
(g) DoD Instruction 5000.33, "Uniform Budget/Cost Terms and Definitions," August 15, 1977

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a), updating the permanent charter for the OSD Cost Analysis Improvement Group (CAIG).

B. APPLICABILITY

The provisions of this Directive apply to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (JCS), and the Defense Agencies (herein called "DoD Components").

C. ORGANIZATION

1. Membership. The OSD CAIG shall be composed of:

a. A Chair appointed by the permanent members of the Defense Systems Acquisition Review Council (DSARC), as defined in references (b) and (c).

b. One member appointed by each DSARC permanent member. The Chair shall be in addition to these CAIG members.

c. One member appointed by the Secretary of each Military Department.

d. Ad hoc representatives, as appointed by the CAIG Chair, for special purposes.

e. An Executive Group, made up of the Chair and the OSD/JCS members.

2. Responsiblities. The OSD CAIG shall act as the principal advisory body to the DSARC on matters related to cost. Members of the CAIG shall represent their functional areas in accord with the standing organizational role and mission of their office. The specific responsibilities include:

a. Providing the DSARC with a review and evaluation of independent and program office cost estimates prepared by the DoD Components for presentation at each DSARC. These cost reviews shall consider all elements of system life cycle costs, including research and development, investment, and operating and support.

b. Providing the DSARC with an independent analysis of cost implications of proposed coproduction programs in support of North Atlantic Treaty Organization standardization and interoperability (DoD Directive 2010.6 (reference (d)).

c. Establishing criteria and procedures (enclosure 1) concerning the preparation and presentation of cost estimates on defense systems to the DSARC and CAIG.

d. Maintaining an integrated cost analysis research program, with one of its primary functions to identify to OSD and the DoD Components where efforts are needed to improve the technical capability of the Department of Defense to make cost estimates of all major equipment classes.

e. Developing useful methods of formulating cost uncertainty and cost risk information and introducing them into the DSARC process.

f. Working with the DoD Components to determine what costs are relevant for consideration as part of the DSARC process, and developing techniques for identifying and projecting these costs.

g. Developing and implementing policy to provide for the appropriate collection, storage, and exchange of information concerning improved cost estimating procedures, methodology, and data necessary for cost estimating between OSD staffs, DoD Components, and outside organizations. The collection of information shall be consistent with the provisions of DoD Directive 5000.19 (reference (e)). Existing DoD standard data elements shall be used for all data requirements, when possible, in accordance with DoD Directive 5000.11 (reference (f)).

h. Providing an assessment or recommendations to the DSARC of all cost objectives before their inclusion in approved Secretary of Defense Decision Memoranda or similar documents that give direction to a DoD Component for the acquisition of a major defense system.

i. Helping to resolve issues that arise over the comparability and completeness of cost data to be reported on new cost data collection systems.

j. Accomplishing other tasks and studies, when requested by the DSARC principals.

3. Administration

a. Members shall be assembled for regular and executive meetings held at the call of the Chair.

b. Minutes shall be prepared for each CAIG meeting, executive and regular.

c. For each DSARC, a report shall be prepared that summarizes the CAIG's review and evaluation of DoD Component independent and program office cost estimates. Only the CAIG executive group shall assist in the preparation of these reports.

d. Special reports shall be prepared to document the results of other CAIG efforts.

D. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward two copies of implementing documents to the Assistant Secretary of Defense (Program Analysis and Evaluation) within 120 days.

W. Graham Claytor, Jr.
Deputy Secretary of Defense

Enclosure - 1
Criteria and Procedures for the Preparation and Presentation of Cost Analyses to the OSD CAIG

CRITERIA AND PROCEDURES FOR THE PREPARATION AND PRESENTATION OF COST ANALYSES TO THE OSD CAIG

A. OBJECTIVE AND ORGANIZATIONAL RESPONSIBILITY

1. The basic objective of the DoD Component presentations to CAIG is to explain in detail how the independent and program office cost estimates were prepared to permit the CAIG to provide the DSARC with a cost assessment.

2. The independent analysis should be prepared by an organization separate from the control and direction of the program or project office that is directly responsible for the acquisition of the defense system being reviewed.

B. SCOPE OF INDEPENDENT ANALYSIS

1. An independent cost analysis should be prepared for each alternative that will be presented to the DSARC. A complete description of these alternatives should be provided as part of the back-up documentation.

2. The independent analysis should provide a projection for all elements of life cycle costs to include the following:

a. Research and Development (R&D). The cost of all R&D efforts should be estimated regardless of the funding source or management control. Nonrecurring and recurring R&D costs for prototypes and engineering development hardware should be shown separately, where appropriate.

b. Investment. The investment costs should include the costs of the prime hardware and its major subcomponents; support costs such as training, peculiar support, and data; initial spares, and military construction costs (if any). The cost of all related procurements (such as, modifications to existing aircraft or ship platform) should also be estimated, regardless of funding source or management control. Nonrecurring and recurring costs for the production of prime hardware should be shown separately, where appropriate.

c. Operating and Support (O&S). All elements of O&S cost should be estimated. These elements are defined in CAIG-issued O&S guidelines.

3. Use of existing assets or assets being procured for another purpose must not be treated as a free good. The "opportunity cost" of these assets should be estimated, where appropriate, and considered as part of the program cost.

4. When program alternatives have different useful operational lives, the costs should be expressed as an equivalent annual cost or put into some other comparable form.

5. The independent cost analysis should separately show both prior year expenditures and projected costs by cost element.

6. Disposal costs should be included where the cost of demilitarization, detoxification, or long time waste storage problems are different between alternatives.

C. ANALYTICAL METHODS

1. The techniques used to make the independent cost estimate shall take into account the stage of the acquisition cycle that the defense system is in when the estimate is made (such as, advance development, engineering development, or production). Until actuals are available, the use of parametric costing techniques is the preferred approach to the development of the cost estimates. It is expected that heavy reliance will be placed on parametric, as well as analog and engineering methods, for DSARC I and II reviews, while projections of cost actuals will be predominantly used for preparing independent estimates for DSARC III reviews. A comparison of several cost estimating methods is encouraged.

2. When cost estimating relationships (CERs) already available or newly developed are used to make the cost estimates, the specific form of the CER, its statistical characteristics, the data base used to develop the CER, and the assumptions used in applying the CER are to be provided as back-up. Limitations of the CER as well as other CERs considered but not used shall be discussed. Adjustments for major changes in technology, new production techniques, different procurement strategy, production rate, or business base should be highlighted and explained.

3. For estimates made by analogy or engineering costing techniques, the rationale and procedures used to prepare such an estimate must be documented. This should include actual workload and cost experience used to make the estimate and the method by which the information was evaluated and adjusted to make the current cost estimate. If an analog estimate is made using complexity factors, the basis for the complexity analysis including backgrounds of the individuals making the ratings, the factors used (including the ranges of values), and a summary of the technical characteristics and cost driving elements shall be provided to the CAIG.

4. Actual cost experience on prototype units, early engineering development hardware, and early production hardware for the program under consideration should be used to the maximum extent possible. If development or production units have been produced, the actual cost information is to be provided as part of the back-up.

5. Quantifications of uncertainty by the use of frequency distributions or ranges of cost are encouraged. The probability distributions and assumptions used in preparing all range estimates should be provided.

6. If allowances for contingencies are used, an explanation of how the contingency was determined should be provided. This should include an assessment of the circumstances that must occur for such a contingency to be required.

7. The sensitivity of projected costs to critical program assumptions should be examined. This should include factors such as learning curve assumptions, technical risk or failures (requiring more development effort), changes in performance characteristics, schedule alterations, and variations in testing requirements.

8. Program estimates involving multinational acquisitions will include the impact on costs to the U.S. Government of coproduction, license fees, royalties, transportation costs, and expected foreign exchange rates, as appropriate.

D. PRESENTATION OF COST RESULTS

1. A brief overview of the program to include a description of the hardware involved, program status, procurement strategy (such as, contracting approach, R&D, and production schedules) should be presented.

2. A brief description of each alternative to be preseuted at the DSARC should be discussed, with the preferred alternative highlighted.

3. The Program Manager or representative should present the CAIG with estimates for each alternative under consideration and explain how they were derived.

4. The independent cost estimates for each alternative should be presented, with an explanation of how they were derived; a comparison by cost category will be made with the Program Manager's estimate, and significant differences examined in detail.

5. The R&D and investment estimates should be shown in both constant and current dollars. O&S estimates should be shown in constant dollars. The constant dollars should be as close as possible to the present budget year. The cost category breakout should be the same at the summary levels as those reported in the Integrated Program Summary (IPS), Annex B (DoD Instruction 5000.2 (reference (c))).

6. When CERs are presented to the CAIG as part of the presentation, use of graphs to present both the basic data and resulting CER is encouraged.

7. The status of Contractor Cost Data Reporting (CCDR) Data Plan, or, if implemented, the status of CCDR reporting and the processing of the cost data on the weapon system being reviewed shall be presented to the CAIG. If the actual costs of the prototype and full-scale development hardware are used as the basis for the projections, the supporting cost-quantity curves should be presented.

8. For purposes of comparing independent estimates with the Program Manager's estimates, the same assumptions, such as, funding schedule, delivery schedule, escalation, and outlay rates, should be used. If the independent analysis team does not believe the Program Manager's assumptions are valid, this fact should be identified and its impact calculated.

9. If the Program Manager's estimate is validated and found to be reasonable, the basis for reaching this conclusion must be presented to the CAIG.

10. A cost track in constant "base year" dollars will be shown between the Program Manager's preferred alternative estimate and the cost estimates approved at previous DSARCs with an explanation of major program changes. The same format as the cost track summary required in the IPS, Annex A (DoD Instruction 5000.2 (reference (c))), may be used.

11. Wherever possible, comparisons will be made on a constant dollar unit cost basis--flyaway, procurement unit, and program acquisition unit as defined in DoD Instruction 5000.33 (reference (g)). Procurement quantities will be identified on all presentations. Subsystem breakouts will be shown in a similar fashion.

12. A comparison will be made of the Program Manager's and the independent estimates for the preferred alternative to all approved Design-to-Cost goals and Decision Coordination Paper (DCP) cost thresholds.

13. O&S costs for each alternative will be compared with one or more existing, reference systems--preferably including the one to be replaced by the new weapon. The following will be addressed:

a. Potential significant force structure, employment, or maintenance changes that are not part of the approved program, regardless of the DoD Component's position on funding such changes.

b. Annual costs for the operational force and for a typical force unit (battalion, squadron) operating the system.

c. Major elements of O&S costs expressed in terms of their basic rates of consumption, such as, petroleum-oil-lubricants in gallons per operating time or distance, personnel end-strength by category and skill, spares consumption per operating hour, or depot cost per overhaul or operating hour.

14. A time-phased life cycle estimate for each alternative under consideration should be presented. Comparison of these numbers with the latest Five-Year Defense Program should be shown and differences explained. Comparison of these numbers with the DoD Component Program Objective Memoranda or Approved Program Decision Memoranda shall also be presented, if appropriate.

E. PROCEDURES FOR A CAIG PRESENTATION

1. The "For Comment" draft DCP and IPS provided to OSD 90 days prior to each DSARC will provide the latest cost data and funding profiles available at that time for each alternative. The final DCP and IPS, required to be provided to OSD 15 working days prior to each DSARC, will contain the cost data to be presented to the CAIG and the DSARC.

2. Thirty days prior to the CAIG meeting, the CAIG action officer will meet with the DoD Component representatives and agree on the agenda for the CAIG presentation.

3. The presentation of the DoD Component's independent cost analysis and program office estimates shall be made to the CAIG at least 15 working days prior to all DSARCs unless specifically waived by the CAIG Chair. Copies of the briefing charts, the briefing text (if one is used) and a summary report of the estimates shall be made available at the time of the presentation to the CAIG. At least 20 working days prior to the DSARC, the DoD Component shall provide the CAIG, on an informal basis, two copies of the information and analysis that will be used as the basis for the CAIG briefing.

4. The specific assumptions and calculations used to derive the independent and the Program Manager's cost estimate for each alternative are to be made available to the CAIG. The price escalation indices, such as, annual outlay rates, and weighted total obligational authority rates starting with the base year, shall also be provided. This information is desired as much in advance of the CAIG meeting as possible and in no event shall it be provided later than the time of the CAIG meeting.

5. The DoD Component's organization staffs preparing the cost analyses shall maintain a close liaison with the CAIG staff during the review process to ensure full understanding of the DoD Component estimates.

6. The CAIG final report to the DSARC will be made available to the appropriate DoD Components at the time it is sent to the DSARC. The CAIG staff will be available to fully discuss its analysis and conclusions at that time.

March 19, 1980
NUMBER 5000.1

USDRE

Department of Defense Directive

SUBJECT: Major System Acquisitions

References: (a) DoD Directive 5000.1, "Major System Acquisitions," January 18, 1977 (hereby canceled)
(b) DoD Directive 5000.2, "Major System Acquisition Process," January 18, 1977 (hereby canceled)
(c) DoD Directive 5000.30, "Defense Acquisition Executive," August 20, 1976 (hereby canceled)
(d) through (g), see enclosure 1

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a), cancels references (b) and (c), and updates the statement of acquisition policy for major systems within the Department of Defense. This Directive also implements the concepts and provisions of Office of Management and Budget (OMB) Circular A-109 (enclosure 2).

B. APPLICABILITY

The provisions of this Directive apply to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), and the Defense Agencies. As used in this Directive, the term "DoD Components" refers to the Military Departments and the Defense Agencies.

C. OBJECTIVES

Each DoD official who has direct or indirect responsibility for the acquisition process shall be guided by the objectives of OMB Circular A-109 (enclosure 2) and shall make every effort to:

1. Ensure that an effective and efficient acquisition strategy is developed and tailored for each system acquisition program.

2. Minimize the time from need identification to introduction of each system into operational use, including minimizing time gaps between program phases.

3. Achieve the most cost-effective balance between acquisition and ownership costs and system effectiveness.

4. Correlate individual program decisions with the Planning, Programing, and Budgeting System (PPBS).

5. Maximize collaboration with United States allies.

6. Integrate support, manpower, and related concerns into the acquisition process.

D. POLICY

1. General. The provisions of this Directive and OMB Circular A-109 (enclosure 2) apply to the acquisition of major systems within the Department of Defense. The principles in this Directive should also be applied, where appropriate, to the acquisition of systems not designated as major. Responsibility for the management of system acquisition programs shall be decentralized to DoD Components except for the decisions retained by the Secretary of Defense.

2. Specific

a. Analysis of Mission Areas. As part of the routine planning for accomplishment of assigned missions, DoD Components shall conduct continuing analyses of their mission areas to identify deficiencies in capability or more effective means of performing assigned tasks. During these ongoing analyses, a deficiency or opportunity may be identified that could lead to initiation of a major system acquisition program.

b. Alternatives to New System Development. A system acquisition may result from an identified deficiency in an existing system, a decision to establish new capabilities in response to a technologically feasible opportunity, a significant opportunity to reduce the DoD cost of ownership, or in response to a new emphasis in defense. Development of a new system may be undertaken after assessment of alternative system concepts including:

(1) Change in United States or North Atlantic Treaty Organization (NATO) tactical or strategic doctrine.

(2) Use of existing military or commercial systems.

(3) Modification or product improvement of existing systems.

c. Designation of Major Systems. The Secretary of Defense shall designate those systems to be managed as major systems. Normally, this shall be done at the time the Mission Element Need Statement (MENS) is approved by the Secretary of Defense. In addition to the criteria set forth in OMB Circular A-109 (enclosure 2), the decision to designate any system as major may be based upon:

(1) Development risk, urgency of need, or other items of interest to the Secretary of Defense.

DSARC PROCESS

THIS SECTION CONTAINS THE DOD DIRECTIVES AND INSTRUCTIONS ON THE:

(A) MAJOR SYSTEMS ACQUISITIONS

(B) MAJOR SYSTEMS ACQUISITION PROCEDURES

(C) OSD COST ANALYSIS IMPROVEMENT GROUP

IT EXPLAINS THE RESPONSIBILITIES, ORGANIZATION AND MEMBERSHIP OF THE DSARC AND THE CAIG.

(2) Joint acquisition of a system by the Department of Defense and representatives of another nation or by two or more DoD Components.

(3) The estimated requirement for the system's research, development, test and evaluation (RDT&E), and procurement funds.

(4) The estimated requirement for manpower to operate, maintain and support the system in the field.

(5) Congressional interest.

d. Affordability. Affordability shall be considered at every milestone. At Milestone 0, the order of magnitude of resources the DoD Component is willing to commit and the relative priority of the program to satisfy the need identified will be reconciled with overall capabilities, priorities, and resources. A program normally shall not proceed into Concept Exploration unless sufficient resources are or can be programed for Phase 0. Approval to proceed into the Demonstration and Validation phase shall be dependent on DoD Component assurance that it plans to acquire and operate the system and that sufficient RDT&E resources are available or can be programed to complete development. Approval to proceed into the Full-Scale Development phase shall be dependent on DoD Component assurance that resources are available or can be programed to complete development and acquisition and to operate and support the deployed system in the manner prescribed by the Secretary of Defense. This assurance will be reaffirmed by the DoD Component prior to receiving approval to proceed into the Production and Deployment phase. Affordability, a function of cost, priority, and availability of fiscal and manpower resources, shall be established and reviewed in the context of the PPBS process. Specific facets of affordability to be reviewed at milestone decision points are set forth in DoD Instruction 5000.2 (reference (d)).

e. Acquisition Time. A primary objective of management shall be to minimize the time it takes to acquire materiel and facilities to satisfy military needs. Particular emphasis shall be placed on minimizing the time from a commitment to acquire an operable and supportable system to deploying it with the operating force. Commensurate with risk, such approaches as developing separate alternatives in high-risk areas, experimental prototypings of critical components, combining phases, or omitting phases should be explored. In those cases where combining or omitting phases are appropriate, authority shall be requested from the Secretary of Defense.

f. Tailoring. OSD and DoD Components shall exercise judgment and flexibility to encourage maximum tailoring in the acquisition process, as described in OMB Circular A-109 (enclosure 2), this Directive, and DoD Instruction 5000.2 (reference (d)), while stimulating a competitive environment. Tailoring of the acquisition process shall be documented in the MENS or the Decision Coordinating Paper. Approval of such tailoring shall be included in the Secretary of Defense Decision Memorandum.

g. Standardization and Interoperability

(1) Equipment procured for the use of personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty should be standardized or at least be interoperable with equipment of other members of NATO. Accordingly, NATO rationalization, standardization, and interoperability (RSI) shall be basic considerations in acquisition of systems having a partial or total application to Europe. Refer to DoD Directive 2010.6 (reference (e)).

(2) Acquisition of equipment satisfying DoD Component needs should also include consideration of intraservice and interservice standardization and interoperability requirements.

h. Logistic Supportability. Logistic supportability shall be a design requirement as important as cost, schedule, and performance. A continuous interface between the program management office and the manpower and logistics communities shall be maintained throughout the acquisition process.

i. Directed Decisions by Higher Authority. When a line official above the program manager exercises decision authority on program matters, the decision shall be documented as official program direction to the program manager. The line official shall be held accountable for the decision.

3. Milestone Decisions and Phases of Activity. Four milestone decisions and four phases of activity comprise the normal DoD acquisition process for major systems.

a. Milestone 0 Decision. Approval of MENS and authorization to proceed into Phase 0--Concept Exploration--which includes solicitation, evaluation and competitive exploration of alternative system concepts. Approval to proceed with Concept Exploration also means that the Secretary of Defense intends to satisfy the need.

b. Milestone I Decision. Selection of alternatives and authorization to proceed into Phase I--Demonstration and Validation.

c. Milestone II Decision. Selection of alternative(s) and authorization to proceed into Phase II--Full-Scale Development--which includes limited production for operational test and evaluation. Approval to proceed with Full-Scale Development also means that the Secretary of Defense intends to deploy the system.

d. Milestone III Decision. Authorization to proceed into Phase III--Production and Deployment.

4. Documentation for Milestone Decisions

a. Milestone 0

Mission Element Need Statement (MENS). Each major system acquisition program requires a MENS approved by the Secretary of Defense. DoD Components shall prepare MENS to document major deficiencies in their ability to meet mission requirements. Joint MENS shall be prepared to document major deficiencies in two or more DoD Components. OSD and the OJCS may also prepare MENS in response to perceived mission area deficiencies. These MENS shall recommend a lead DoD Component to the Secretary of Defense. The MENS, as described in enclosure 2 to DoD Instruction 5000.2 (reference (d)), shall be limited to five pages, including annexes.

b. Milestones I, II, and III

(1) Decision Coordinating Paper (DCP). The DCP provides basic documentation for use by Defense Systems Acquisition Review Council (DSARC) members in arriving at a recommendation for the Secretary of Defense. It includes: a program description, revalidation of the mission need, goals and thresholds, a summary of the DoD Component's acquisition strategy (including a description of and tailoring of standard procedures), system and program alternatives, and issues affecting the decision. The DCP, as described in enclosure 3 to DoD Instruction 5000.2 (reference (d)), shall be limited to 10 pages, including annexes.

(2) Integrated Program Summary (IPS). The IPS summarizes the DoD Component's acquisition planning for the system's life-cycle and provides a management overview of the program. The IPS, as described in enclosure 4 to DoD Instruction 5000.2 (reference (d)), shall be limited to 60 pages, including all annexes except Annex B, Resources - Funding Profile.

(3) Milestone Reference File (MRF). The MRF shall be temporarily established within OSD to provide a central repository for existing program documentation and references for referral during each milestone review.

c. Milestones 0, I, II, and III

Secretary of Defense Decision Memorandum (SDDM). The SDDM documents each milestone decision, establishes program goals and thresholds, reaffirms established needs and program objectives, authorizes exceptions to acquisition policy (when appropriate), and provides the direction and guidance to OSD, OJCS, and the DoD Component for the next phase of acquisition.

E. RESPONSIBILITIES

1. The Defense Systems Acquisition Review Council (DSARC) shall advise the Secretary of Defense on milestone decisions for major systems and such other acquisition issues as the Defense Acquisition Executive determines to be necessary.

2. The Defense Acquisition Executive (DAE)

a. The DAE shall:

(1) Be the principal advisor and staff assistant to the Secretary of Defense for the acquisition of defense systems and equipment.

(2) Be designated by the Secretary of Defense and shall serve as the permanent member and Chairman of the DSARC.

(3) In coordination with the other permanent members of the DSARC:

(a) Integrate and unify the management process, policies, and procedures for defense system acquisition.

(b) Monitor DoD Component compliance with the policies and practices in OMB Circular A-109 (enclosure 2), this Directive, and DoD Instruction 5000.2 (reference (d)).

(c) Ensure that the requirements and viewpoints of the functional areas are given full consideration during staff and DSARC deliberations, and are integrated in the recommendations sent to the Secretary of Defense.

(d) Ensure consistency in applying the policies regarding NATO RSI for all major systems.

b. The DAE is specifically delegated authority to:

(1) Designate action officers who shall be responsible for the processing of the milestone documentation and who shall monitor the status of major systems in all phases of the acquisition process.

(2) Issue instructions and one-time, Directive-type memoranda in accordance with DoD Directive 5025.1 (reference (f)).

(3) Obtain such reports and information, consistent with the provisions of DoD Directive 5000.19 (reference (g)), as may be necessary in the performance of assigned functions.

3. The Under Secretary of Defense for Policy (USDP) shall be a permanent member of the DSARC. On occasion, the USDP may designate a representative to attend a given DSARC meeting.

4. The Under Secretary of Defense Research and Engineering (USDRE) is a permanent member of the DSARC and shall be responsible for policy and review of all research, engineering development, technology, test and evaluation, contracting, and production of systems covered by this Directive. On occasion, the USDRE may designate a representative to attend a given DSARC meeting. In addition, the USDRE shall:

a. Monitor, in conjunction with the Assistant Secretary of Defense (Program Analysis and Evaluation) (ASD(PA&E)), DoD Component procedures for analysis of mission areas.

b. Coordinate review of MENS provided by DoD Components.

c. Coordinate, together with Assistant Secretary of Defense (Comptroller) and ASD(PA&E), the interface of the acquisition process with the PPBS.

5. The Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) (ASD(MRA&L)) is a permanent member of the DSARC and shall be responsible for policy on logistic, energy, environment, safety, and manpower planning for new systems and for ensuring that logistic planning is consistent with system hardware parameters, logistic policies, and readiness objectives.

6. The Assistant Secretary of Defense (Comptroller) (ASD(C)) is a permanent member of the DSARC and shall coordinate, together with USDRE and ASD(PA&E), the interface of the acquisition process with the PPBS.

7. The Assistant Secretary of Defense (Program Analysis and Evaluation) (ASD(PA&E)) is a permanent member of the DSARC and shall:

a. Monitor, in conjunction with USDRE, DoD Component procedures for analysis of mission areas.

b. Evaluate cost-effectiveness studies prepared in support of milestone decisions for major system acquisition.

c. Coordinate, together with USDRE and ASD(C), the interface of the acquisition process with the PPBS.

8. The Chairman, Joint Chiefs of Staff (CJCS), or a representative designated by CJCS shall be a permanent member of the DSARC.

9. The principal advisors to the DSARC are listed in DoD Instruction 5000.2 (reference (d)).

10. The Head of Each DoD Component shall manage each major system acquisition assigned by the Secretary of Defense and shall establish clear lines of authority, responsibility, and accountability.

DoD Component Heads shall also:

a. Appoint a DoD Component acquisition executive to serve as the principal advisor and staff assistant to the Head of the DoD Component.

b. Establish a System Acquisition Review Council.

c. Ensure that a program manager is assigned and that a program manager's charter is approved as soon as feasible after Milestone 0.

d. Establish career incentives to attract, retain, motivate and reward competent program managers.

e. Provide a program manager the necessary assistance to establish a strong program office with clearly established lines of authority and reporting channels between the program manager and the Head of the DoD Component. Where functional organizations exist to assist the program manager, the relationship of the functional areas to the program manager shall be established.

f. Monitor major system acquisitions to assure compliance with OMB Circular A-109 (enclosure 2), this Directive, and DoD Instruction 5000.2 (reference (d)).

11. The Program Manager shall acquire and field, in accordance with instructions from line authority, a cost-effective solution to the approved mission need that can be acquired, operated, and supported within the resources projected in the SDDM.

F. ORDER OF PRECEDENCE

This Directive and DoD Instruction 5000.2 (reference (d)) are first and second in order of precedence for major system acquisitions except where statutory requirements override. All DoD issuances shall be reviewed for conformity with this Directive or DoD Instruction 5000.2 (reference (d)) and shall be changed or canceled, as appropriate. Conflicts remaining after 90 days from issuance of this Directive shall be brought to the attention of the originating office and the DAE.

G. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward one copy of implementing documents to the Under Secretary of Defense for Research and Engineering within 120 days.

W. Graham Claytor, Jr.
Deputy Secretary of Defense

Enclosures - 2
1. References
2. OMB Circular A-109, "Major System Acquisitions," April 5, 1976

REFERENCES, continued

(d) DoD Instruction 5000.2, "Major System Acquisition Procedures," March 19, 1980
(e) DoD Directive 2010.6, "Standardization and Interoperability of Weapons Systems and Equipment within the North Atlantic Treaty Organization," March 5, 1980
(f) DoD Directive 5025.1, "Department of Defense Directives System," November 18, 1977
(g) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 5, 1976 CIRCULAR NO. A-109

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Major System Acquisitions

1. Purpose. This Circular establishes policies, to be followed by executive branch agencies in the acquisition of major systems.

2. Background. The acquisition of major systems by the Federal Government constitutes one of the most crucial and expensive activities performed to meet national needs. Its impact is critical on technology, on the Nation's economic and fiscal policies, and on the accomplishment of Government agency missions in such fields as defense, space, energy and transportation. For a number of years, there has been deep concern over the effectiveness of the management of major system acquisitions. The report of the Commission on Government Procurement recommended basic changes to improve the process of acquiring major systems. This Circular is based on executive branch consideration of the Commission's recommendations.

3. Responsibility. Each agency head has the responsibility to ensure that the provisions of this Circular are followed. This Circular provides administrative direction to heads of agencies and does not establish and shall not be construed to create any substantive or procedural basis for any person to challenge any agency action or inaction on the basis that such action was not in accordance with this Circular.

4. Coverage. This Circular covers and applies to:

a. Management of the acquisition of major systems, including: ° Analysis of agency missions ° Determination of mission needs ° Setting of program objectives ° Determination of system requirements ° System program planning ° Budgeting ° Funding ° Research ° Engineering ° Development ° Testing and evaluation ° Contracting ° Production ° Program and management control ° Introduction

of the system into use or otherwise successful achievement of program objectives.

b. All programs for the acquisition of major systems even though:

(1) The system is one-of-a-kind.

(2) The agency's involvement in the system is limited to the development of demonstration hardware for optional use by the private sector rather than for the agency's own use.

5. Definitions. As used in this Circular:

a. Executive agency (hereinafter referred to as agency) means an executive department, and an independent establishment within the meaning of sections 101 and 104(1), respectively, of Title 5, United States Code.

b. Agency component means a major organizational subdivision of an agency. For example: The Army, Navy, Air Force, and Defense Supply Agency are agency components of the Department of Defense. The Federal Aviation Administration, Urban Mass Transportation Administration, and the Federal Highway Administration are agency components of the Department of Transportation.

c. Agency missions means those responsibilities for meeting national needs assigned to a specific agency.

d. Mission need means a required capability within an agency's overall purpose, including cost and schedule considerations.

e. Program objectives means the capability, cost and schedule goals being sought by the system acquisition program in response to a mission need.

f. Program means an organized set of activities directed toward a common purpose, objective, or goal undertaken or proposed by an agency in order to carry out responsibilities assigned to it.

g. System design concept means an idea expressed in terms of general performance, capabilities, and characteristics of hardware and software oriented either to

operate or to be operated as an integrated whole in meeting a mission need.

h. Major system means that combination of elements that will function together to produce the capabilities required to fulfill a mission need. The elements may include, for example, hardware, equipment, software, construction, or other improvements or real property. Major system acquisition programs are those programs that (1) are directed at and critical to fulfilling an agency mission, (2) entail the allocation of relatively large resources, and (3) warrant special management attention. Additional criteria and relative dollar thresholds for the determination of agency programs to be considered major systems under the purview of this Circular, may be established at the discretion of the agency head.

i. System acquisition process means the sequence of acquisition activities starting from the agency's reconciliation of its mission needs, with its capabilities, priorities and resources, and extending through the introduction of a system into operational use or the otherwise successful achievement of program objectives.

j. Life cycle cost means the sum total of the direct, indirect, recurring, nonrecurring, and other related costs incurred, or estimated to be incurred, in the design, development, production, operation, maintenance and support of a major system over its anticipated useful life span.

6. General policy. The policies of this Circular are designed to assure the effectiveness and efficiency of the process of acquiring major systems. They are based on the general policy that Federal agencies, when acquiring major systems, will:

a. Express needs and program objectives in mission terms and not equipment terms to encourage innovation and competition in creating, exploring, and developing alternative system design concepts.

b. Place emphasis on the initial activities of the system acquisition process to allow competitive exploration of alternative system design concepts in response to mission needs.

c. Communicate with Congress early in the system acquisition process by relating major system acquisition programs to agency mission needs. This communication should follow the requirements of Office of Management and Budget (OMB) Circular No. A-10 concerning information related to budget estimates and related materials.

d. Establish clear lines of authority, responsibility, and accountability for management of major system acquisition programs. Utilize appropriate managerial levels in decisionmaking, and obtain agency head approval at key decision points in the evolution of each acquisition program.

e. Designate a focal point responsible for integrating and unifying the system acquisition management process and monitoring policy implementation.

f. Rely on private industry in accordance with the policy established by OMB Circular No. A-76.

7. Major system acquisition management objectives. Each agency acquiring major systems should:

a. Ensure that each major system: Fulfills a mission need. Operates effectively in its intended environment. Demonstrates a level of performance and reliability that justifies the allocation of the Nation's limited resources for its acquisition and ownership.

b. Depend on, whenever economically beneficial, competition between similar or differing system design concepts throughout the entire acquisition process.

c. Ensure appropriate trade-off among investment costs, ownership costs, schedules, and performance characteristics.

d. Provide strong checks and balances by ensuring adequate system test and evaluation. Conduct such tests and evaluation independent, where practicable, of developer and user.

e. Accomplish system acquisition planning, built on analysis of agency missions, which implies appropriate resource allocation resulting from clear articulation of agency mission needs.

f. Tailor an acquisition strategy for each program, as soon as the agency decides to solicit alternative system design concepts, that could lead to the acquisition of a new major system and refine the strategy as the program proceeds through the acquisition process. Encompass test and evaluation criteria and business management considerations in the strategy. The strategy could typically include: ° Use of the contracting process as an important tool in the acquisition program ° Scheduling of essential elements of the acquisition process ° Demonstration, test, and evaluation criteria ° Content of solicitations for proposals ° Decisions on whom to solicit ° Methods for obtaining and sustaining competition ° Guidelines for the evaluation and acceptance or rejection of proposals ° Goals for design-to-cost ° Methods for projecting life cycle costs ° Use of data rights ° Use of warranties ° Methods for analyzing and evaluating contractor and Government risks ° Need for developing contractor incentives ° Selection of the type of contract best suited for each stage in the acquisition process ° Administration of contracts.

g. Maintain a capability to: ° Predict, review, assess, negotiate and monitor costs for system development, engineering, design, demonstration, test, production, operation and support (i.e., life cycle costs) ° Assess acquisition cost, schedule and performance experience against predictions, and provide such assessments for consideration by the agency head at key decision points ° Make new assessments where significant costs, schedule or performance variances occur ° Estimate life cycle costs during system design concept evaluation and selection, full-scale development, facility conversion, and production, to ensure appropriate trade-offs among investment costs, ownership costs, schedules, and performance ° Use independent cost estimates, where feasible, for comparison purposes.

8. Management structure.

a. The head of each agency that acquires major systems will designate an acquisition executive to integrate and unify the management process for the agency's major system acquisitions and to monitor implementation of the policies and practices set forth in this Circular.

b. Each agency that acquires--or is responsible for activities leading to the acquisition of--major systems will

establish clear lines of authority, responsibility, and accountability for management of its major system acquisition programs.

c. Each agency should preclude management layering and placing nonessential reporting procedures and paperwork requirements on program managers and contractors.

d. A program manager will be designated for each of the agency's major system acquisition programs. This designation should be made when a decision is made to fulfill a mission need by pursuing alternative system design concepts. It is essential that the program manager have an understanding of user needs and constraints, familiarity with development principles, and requisite management skills and experience. Ideally, management skills and experience would include: ° Research and development ° Operations ° Engineering ° Construction ° Testing ° Contracting ° Prototyping and fabrication of complex systems ° Production ° Business ° Budgeting ° Finance. With satisfactory performance, the tenure of the program manager should be long enough to provide continuity and personal accountability.

e. Upon designation, the program manager should be given budget guidance and a written charter of his authority, responsibility, and accountability for accomplishing approved program objectives.

f. Agency technical management and Government laboratories should be considered for participation in agency mission analysis, evaluation of alternative system design concepts, and support of all development, test, and evaluation efforts.

g. Agencies are encouraged to work with each other to foster technology transfer, prevent unwarranted duplication of technological efforts, reduce system costs, promote standardization, and help create and maintain a competitive environment for an acquisition.

9. Key decisions. Technical and program decisions normally will be made at the level of the agency component or operating activity. However, the following four key decision points should be retained and made by the agency head:

a. Identification and definition of a specific mission need to be fulfilled, the relative priority assigned within the agency, and the general magnitude of resources that may be invested.

b. Selection of competitive system design concepts to be advanced to a test/demonstration phase or authorization to proceed with the development of a noncompetitive (single concept) system.

c. Commitment of a system to full-scale development and limited production.

d. Commitment of a system to full production.

10. Determination of mission needs.

a. Determination of mission need should be based on an analysis of an agency's mission reconciled with overall capabilities, priorities and resources. When analysis of an agency's mission shows that a need for a new major system exists, such a need should not be defined in equipment terms, but should be defined in terms of the mission, purpose, capability, agency components involved, schedule and cost objectives, and operating constraints. A mission need may result from a deficiency in existing agency capabilities or the decision to establish new capabilities in response to a technologically feasible opportunity. Mission needs are independent of any particular system or technological solution.

b. Where an agency has more than one component involved, the agency will assign the roles and responsibilities of each component at the time of the first key decision. The agency may permit two or more agency components to sponsor competitive system design concepts in order to foster innovation and competition.

c. Agencies should, as required to satisfy mission responsibilities, contribute to the technology base, effectively utilizing both the private sector and Government laboratories and in-house technical centers, by conducting, supporting, or sponsoring: ° Research ° System design concept studies ° Proof of concept work ° Exploratory subsystem development ° Tests and evaluations. Applied technology efforts oriented to system developments should be performed in response to approved mission needs.

11. Alternative systems.

a. Alternative system design concepts will be explored within the context of the agency's mission need and program objectives--with emphasis on generating innovation and conceptual competition from industry. Benefits to be derived should be optimized by competitive exploration of alternative system design concepts, and trade-offs of capability, schedule, and cost. Care should be exercised during the initial steps of the acquisition process not to conform mission needs or program objectives to any known systems or products that might foreclose consideration of alternatives.

b. Alternative system design concepts will be solicited from a broad base of qualified firms. In order to achieve the most preferred system solution, emphasis will be placed on innovation and competition. To this end, participation of smaller and newer businesses should be encouraged. Concepts will be primarily solicited from private industry; and when beneficial to the Government, foreign technology, and equipment may be considered.

c. Federal laboratories, federally funded research and development centers, educational institutions, and other not-for-profit organizations may also be considered as sources for competitive system design concepts. Ideas, concepts, or technology, developed by Government laboratories or at Government expense, may be made available to private industry through the procurement process or through other established procedures. Industry proposals may be made on the basis of these ideas, concepts, and technology or on the basis of feasible alternatives which the proposer considers superior.

d. Research and development efforts should emphasize early competitive exploration of alternatives, as relatively inexpensive insurance against premature or preordained choice of a system that may prove to be either more costly or less effective.

e. Requests for alternative system design concept proposals will explain the mission need, schedule, cost, capability objectives, and operating constraints. Each offeror will be free to propose his own technical approach, main design features, subsystems, and alternatives to schedule, cost, and capability goals. In the conceptual and

less than full-scale development stages, contractors should not be restricted by detailed Government specifications and standards.

f. Selections from competing system design concept proposals will be based on a review by a team of experts, preferably from inside and outside the responsible component development organization. Such a review will consider: (1) Proposed system functional and performance capabilities to meet mission needs and program objectives, including resources required and benefits to be derived by trade-offs, where feasible, among technical performance, acquisition costs, ownership costs, time to develop and procure; and (2) The relevant accomplishment record of competitors.

g. During the uncertain period of identifying and exploring alternative system design concepts, contracts covering relatively short time periods at planned dollar levels will be used. Timely technical reviews of alternative system design concepts will be made to effect the orderly elimination of those least attractive.

h. Contractors should be provided with operational test conditions, mission performance criteria, and life cycle cost factors that will be used by the agency in the evaluation and selection of the system(s) for full-scale development and production.

i. The participating contractors should be provided with relevant operational and support experience through the program manager, as necessary, in developing performance and other requirements for each alternative system design concept as tests and trade-offs are made.

j. Development of subsystems that are intended to be included in a major system acquisition program will be restricted to less than fully designed hardware (full-scale development) until the subsystem is identified as a part of a system candidate for full-scale development. Exceptions may be authorized by the agency head if the subsystems are long lead time items that fulfill a recognized generic need or if they have a high potential for common use among several existing or future systems.

12. Demonstrations.

a. Advancement to a competitive test/demonstration phase may be approved when the agency's mission need and program objectives are reaffirmed and when alternative system design concepts are selected.

b. Major system acquisition programs will be structured and resources planned to demonstrate and evaluate competing alternative system design concepts that have been selected. Exceptions may be authorized by the agency head if demonstration is not feasible.

c. Development of a single system design concept that has not been competitively selected should be considered only if justified by factors such as urgency of need, or by the physical and financial impracticality of demonstrating alternatives. Proceeding with the development of a noncompetitive (single concept) system may be authorized by the agency head. Strong agency program management and technical direction should be used for systems that have been neither competitively selected nor demonstrated.

13. Full-scale development and production.

a. Full-scale development, including limited production, may be approved when the agency's mission need and program objectives are reaffirmed and competitive demonstration results verify that the chosen system design concept(s) is sound.

b. Full production may be approved when the agency's mission need and program objectives are reaffirmed and when system performance has been satisfactorily tested, independent of the agency development and user organizations, and evaluated in an environment that assures demonstration in expected operational conditions. Exceptions to independent testing may be authorized by the agency head under such circumstances as physical or financial impracticability or extreme urgency.

c. Selection of a system(s) and contractor(s) for full-scale development and production is to be made on the basis of (1) system performance measured against current mission need and program objectives, (2) an evaluation of estimated acquisition and ownership costs, and (3) such factors as

contractor(s) demonstrated management, financial, and technical capabilities to meet program objectives.

d. The program manager will monitor system tests and contractor progress in fulfilling system performance, cost, and schedule commitments. Significant actual or forecast variances will be brought to the attention of the appropriate management authority for corrective action.

14. Budgeting and financing. Beginning with FY 1979 all agencies will, as part of the budget process, present budgets in terms of agency missions in consonance with Section 201(i) of the Budget and Accounting Act, 1921, as added by Section 601 of the Congressional Budget Act of 1974, and in accordance with OMB Circular A-11. In so doing, the agencies are desired to separately identify research and development funding for: (1) The general technology base in support of the agency's overall missions, (2) The specific development efforts in support of alternative system design concepts to accomplish each mission need, and (3) Full-scale developments. Each agency should ensure that research and development is not undesirably duplicated across its missions.

15. Information to Congress.

a. Procedures for this purpose will be developed in conjunction with the Office of Management and Budget and the various committees of Congress having oversight responsibility for agency activities. Beginning with FY 1979 budget each agency will inform Congress in the normal budget process about agency missions, capabilities, deficiencies, and needs and objectives related to acquisition programs, in consonance with Section 601(i) of the Congressional Budget Act of 1974.

b. Disclosure of the basis for an agency decision to proceed with a single system design concept without competitive selection and demonstration will be made to the congressional authorization and appropriation committees.

16. Implementation. All agencies will work closely with the Office of Management and Budget in resolving all implementation problems.

17. Submissions to Office of Management and Budget. Agencies will submit the following to OMB:

a. Policy directives, regulations, and guidelines as they are issued.

b. Within six months after the date of this Circular, a time-phased action plan for meeting the requirements of this Circular.

c. Periodically, the agency approved exceptions permitted under the provisions of this Circular.

This information will be used by the OMB, in identifying major system acquisition trends and in monitoring implementations of this policy.

18. Inquiries. All questions or inquiries should be submitted to the OMB, Administrator for Federal Procurement Policy. Telephone number, area code, 202-395-4677.

HUGH E. WITT
ADMINISTRATOR FOR
FEDERAL PROCUREMENT POLICY

Approved:

JAMES T. LYNN
DIRECTOR

March 19, 1980
NUMBER 5000.2

Department of Defense Instruction

USDRE

SUBJECT: Major System Acquisition Procedures

References:
(a) DoD Directive 5000.2, "Major System Acquisition Process," January 18, 1977 (canceled by reference (b))
(b) DoD Directive 5000.1 "Major System Acquisitions," March 19, 1980
(c) DoD Directive 5000.35, "Defense Acquisition Regulatory System," March 8, 1978
(d) through (u), see enclosure 1

A. PURPOSE

This Instruction replaces DoD Directive 5000.2 (reference (a)) to provide revised supplementary procedures for Department of Defense use in implementation of reference (b).

B. APPLICABILITY

The provisions of this Instruction apply to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), and the Defense Agencies. As used in this Instruction, the term "DoD Components" refers to the Military Departments and the Defense Agencies.

C. PROCEDURES

1. Major System Designation. The Secretary of Defense shall designate certain acquisition programs as major systems. The Defense Acquisition Executive (DAE) may recommend candidate programs to the Secretary of Defense at any point in the acquisition process, but normally recommendations shall be made in conjunction with Mission Element Need Statement (MENS) approval. The DAE is authorized to withdraw the designation of "major systems" when changing circumstances dictate. The DAE shall advise the Secretary of Defense before such an action is taken.

2. Major System Listings. The Executive Secretary of the Defense Systems Acquisition Review Council (DSARC) shall, as the agent of the DAE, maintain and distribute a list of designated major systems. Additions and deletions to the list shall be disseminated when changes occur. The Executive Secretary, in conjunction with the Assistant Secretary of Defense (Comptroller) shall maintain a listing of programs for which Selected Acquisition Reports (SARs) are required.

3. Milestone 0 Documentation

a. Mission Element Need Statement (MENS)

(1) Purpose. A MENS is the document upon which the Milestone 0 decision is based. It identifies and defines: (a) a specific deficiency or opportunity within a mission area; (b) the relative priority of the deficiency within the mission area; (c) the Defense Intelligence Agency (DIA) validated threat forecast or other factor causing the deficiency; (d) the date when the system must be fielded to meet the threat; and (e) the general magnitude of acquisition resources that the DoD Component is willing to invest to correct the deficiency. A MENS is required for each acquisition, including system modifications and additional procurement of existing systems, which the DoD Component anticipates will cost in excess of $100 million (FY 1980 dollars) in research, development, test and evaluation (RDT&E) funds or $500 million (FY 1980 dollars) in procurement funds. A MENS is not required for programs, regardless of size, directed toward developing and maintaining a viable technology base.

(2) Scope. The deficiency or opportunity identified in a MENS should be defined as narrowly as possible to allow a reasonable probability of correcting the deficiency by acquiring a single system. Defining a broad architecture of systems to counter projected threats in a mission area is part of the ongoing analysis of mission areas rather than a part of a specific acquisition program. Though the scope of the deficiency identified in a MENS shall be narrowly defined, solutions to the problem shall not be specified. Alternative concepts and associated risks shall be evaluated in the Concept Exploration phase.

(3) Format. Enclosure 2 contains the format of a MENS along with explanatory information regarding its preparation.

(4) Processing

(a) DoD Components shall identify all new acquisition starts in the yearly submission of the Program Objective Memoranda (POM). These submissions shall identify those new acquisitions that are likely to exceed dollar thresholds specified above for a MENS. New system acquisitions exceeding the dollar thresholds specified above that have not previously had a MENS reviewed and approved must have a MENS submitted to the DAE no later than POM submission date. Review and approval of MENS before POM submission are encouraged.

(b) The DoD Component shall forward a draft MENS, along with a recommendation as to whether the program should be designated as a major system, to the DAE who shall solicit comments from the OSD staff, OJCS, the other Military Departments and the DIA.

1 When the DAE plans to recommend designation as a major system, comments on the MENS shall be provided to the DoD Component

within 20 workdays of receipt of the draft MENS. Upon receipt of OSD comments, the DoD Component shall revise the MENS and return it to the DAE within 20 workdays for approval action.

2 When the DAE does not recommend designation as a major system, the MENS shall be returned to the appropriate DoD Component or functional organization for milestone decision responsibility on the program.

b. Secretary of Defense Decision Memorandum (SDDM)

(1) When the DAE plans to recommend approval of the MENS and designation of a system as major, the action officer shall prepare a SDDM. The DAE shall forward the SDDM to the Secretary of Defense after formal coordination. The SDDM shall be coordinated with the DSARC permanent members and any advisors the DAE considers appropriate. The Milestone 0 SDDM shall also establish when the next milestone review shall occur.

(2) Upon approval of the MENS by a SDDM and designation of a system as major, the DoD Component may take necessary programing action to incorporate required resources into the Planning, Programing, and Budgeting System (PPBS). Programing action may be taken in parallel with preparation of the MENS. If the requirement is urgent, the MENS should be submitted with a request for reprograming action.

4. Defense Systems Acquisition Review Council (DSARC). The DSARC, acting as the top level DoD corporate body for system acquisition, shall provide advice and assistance to the Secretary of Defense. The following paragraphs set forth organizational and procedural elements of the DSARC process.

a. DSARC Permanent Members and Principal Advisors

(1) Permanent Members

(a) Defense Acquisition Executive.

(b) Under Secretary of Defense for Policy or a representative designated by the Under Secretary of Defense for Policy.

(c) Under Secretary of Defense for Research and Engineering or a representative designated by the Under Secretary of Defense for Research and Engineering.

(d) Assistant Secretary of Defense (Comptroller).

(e) Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics).

(f) Assistant Secretary of Defense (Program Analysis and Evaluation).

(g) Chairman, Joint Chiefs of Staff, or a representative designated by the Chairman, Joint Chiefs of Staff.

(2) Principal Advisors

(a) For communications, command, control, and intelligence (C^3I) research, engineering, and program matters: Assistant Secretary of Defense (Communications, Command, Control, and Intelligence) (ASD(C^3I)).

(b) For NATO affairs: Advisor to the Secretary of Defense and Deputy Secretary of Defense on NATO Affairs.

(c) For producibility and acquisition strategy matters: Deputy Under Secretary of Defense for Research and Engineering (Acquisition Policy).

(d) For program matters: Appropriate Deputy Under Secretary of Defense for Research and Engineering.

(e) For defense policy and related operational requirements matters: Appropriate Deputy Under Secretary of Defense Policy.

(f) For threat assessment and substantive intelligence matters: Director, DIA.

(g) For test and evaluation (T&E) matters: Director of Defense Test and Evaluation.

(h) For cost matters: Chairman of the Cost Analysis Improvement Group.

(i) For Logistics Support: Director, Weapons Support Improvement Group.

b. DSARC Reviews. The DAE is responsible for convening formal meetings to facilitate the decision process. Principal advisors shall not attend unless invited by the DAE. Formal DSARC reviews shall normally be held at Milestones I, II and III. In addition, any DoD Component head or DSARC member may request the Chair to schedule a meeting of the DSARC to consider significant issues at any point in the acquisition process for any major system. The Secretary of Defense may, upon the recommendation of the DAE, choose to make his decision and issue a SDDM without a formal council review. Dispensing with the formal review shall be considered by the DAE when the OSD staff review, preliminary to a scheduled review, indicates that there are no substantial issues that would require a DSARC meeting. In this case, the SDDM shall be prepared by the action officer and coordinated in accordance with subparagraph C.4.e.(4). before it is forwarded to the Secretary of Defense for his decision.

c. Milestone Review Process

(1) Milestone Planning Meeting. A planning meeting shall be scheduled by the Executive Secretary and chaired by the action officer six months in advance of each DSARC meeting. The purpose of the Milestone Planning Meeting is to identify the system and program alternatives and the issues and items to be emphasized in the Decision Coordinating Paper (DCP) and the Integrated Program Summary (IPS). DSARC members, DSARC advisors, DoD Components, and the program manager shall be represented at the meeting. After the meeting, the action officer shall prepare a memorandum recording the issues and responsibilities and distribute it to DoD Components, DSARC members, and DSARC principal advisors.

(2) For Comment DCP and IPS. The For Comment DCP and the IPS shall be submitted together by the DoD Component to the DAE three months before to a DSARC meeting. The action officer shall ensure that copies are made available to DSARC members and advisors and to their staffs for review and discussion with the DoD Components. The action officer shall prepare and transmit formal comments to the DoD Component two months in advance of the scheduled DSARC meeting. Every effort shall be made to resolve major issues before the DSARC meeting.

(3) Final DCP and IPS Update. A Final DCP and an update to the IPS shall be submitted by the DoD Component to the Secretary of Defense through the DAE 15 workdays before a scheduled DSARC meeting. The action officer shall provide copies of the Final DCP and the update to the IPS to each DSARC member and advisor.

(4) Pre-Brief Meeting. The position of each DSARC member and advisor on the DCP shall be determined by their staff representatives in time to prepare a presentation to be given to the DAE at the Pre-Brief Meeting. Attendees at the Pre-Brief Meeting shall be prepared to discuss the DCP and to provide specific program recommendations. Following the Pre-Brief Meeting, the action officer shall prepare a recommended position paper and provide copies to the members and principal advisors to the DSARC so that final action can be taken at the executive session after the formal DSARC meeting. Members and principal advisors who have dissenting positions shall be prepared to submit them at the executive session for final resolution.

(5) Post DSARC Action. Within five workdays following the DSARC meeting, the DAE shall submit the SDDM, together with any dissenting positions, to the Secretary of Defense. Normally, the SDDM shall be issued to the DoD Component within 15 workdays following the DSARC meeting.

d. Milestone Planning Schedule

Event	Schedule in Relation to Date of DSARC Meeting
Milestone Planning Meeting	- 6 months
For Comment DCP and IPS	- 3 months
DCP Comments to DoD Components	- 2 months
Final DCP and Update to IPS	- 15 workdays
OSD Cost Analysis Improvement Group (CAIG) Briefing	- 15 workdays
OSD Test and Evaluation (T&E) Briefing	- 15 workdays
OSD Manpower and Logistics Analysis (M&LA) Briefing	- 15 workdays
DIA Report to DSARC Chair	- 10 workdays
DSARC Chair's Pre-Brief Meeting (OSD Staff Only)	- 5 workdays
CAIG Report	- 3 workdays
T&E Report	- 3 workdays
M&LA Report	- 3 workdays
DSARC Meeting	0
SDDM issued to DoD Component	+ 15 workdays

e. Milestone I, II and III Documentation

(1) Decision Coordinating Paper (DCP). The DCP provides the primary documentation for use by the DSARC in arriving at the milestone recommendation. It summarizes the program and the acquisition strategy, the alternatives considered, and the issues. The format of the DCP is in enclosure 3. Notwithstanding any other DoD issuance, additional requirements for information in the DCP shall be issued only by the DAE.

(2) Integrated Program Summary. The IPS summarizes the implementation plan of the DoD Component for the life cycle of the system. The IPS provides information for a management overview of the entire

program. The format of the IPS is in enclosure 4. Notwithstanding any other DoD issuance, additional requirements for information in the IPS shall be issued only by the DAE.

(3) Milestone Reference File (MRF). A MRF shall be established at each milestone to provide a central location for existing program documentation referenced in the DCP and IPS. This working file shall be provided by the DoD Component to the DSARC Executive Secretary at the time the For Comment DCP and IPS are submitted. It shall be used by DoD personnel who need more detailed information.

(4) Secretary of Defense Decision Memorandum (SDDM)

(a) The SDDM documents the Secretary of Defense's milestone decision including approval of goals and thresholds for cost, schedule, performance, and supportability, exceptions to the acquisition process, and other appropriate direction. Before forwarding the SDDM to the DAE, the action officer shall obtain coordination from the DSARC permanent members and such advisors as the DAE considers appropriate for the action. The DAE shall forward the SDDM to the Secretary of Defense for signature.

(b) The action officer shall prepare and coordinate a SDDM to reflect revised thresholds and updated program direction resulting from threshold breaches or projected breaches reported by the DoD Component. The action officer shall also prepare and coordinate a SDDM when programing or budgeting decisions (including congressional direction) affect thresholds or program direction contained in the previous SDDM. This shall be done within 40 workdays after submission of the Presidential Budget to Congress. In the case of congressional direction, the SDDM shall be prepared and coordinated 40 workdays after the legislation is enacted.

f. DSARC Executive Secretary. The DAE shall designate a permanent Executive Secretary who shall administer and coordinate the DSARC process and:

(1) Maintain and distribute periodic status reports.

(2) Make administrative arrangements for Milestone Planning Meetings, Pre-Brief Meetings, and DSARC meetings.

(3) Assemble and distribute necessary documentation.

(4) Maintain a central reference file for current DCPs, IPSs, and SDDMs.

(5) Hold the MRF until a SDDM is issued.

(6) Control attendance at Pre-Brief Meetings and DSARC meetings.

g. Action Officers. The action officer appointed by the DAE for each major system is the lead OSD staff person in the DSARC process and must coordinate both OSD issues and DoD Component positions. Action

officers may be appointed from any OSD functional organization. For xample, they may be from the Office of the Under Secretary of Defense for esearch and Engineering for systems involving research, development, and production, from the Office of the Assistant Secretary of Defense (Comptroller) for general purpose ADP systems, or from the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) for military construction that is designated as a major system. They shall:

(1) Conduct the Milestone Planning Meeting for assigned major systems.

(2) Process the DCP and IPS in accordance with this Instruction.

(3) Present the DSARC Chair's Pre-Brief Meeting.

(4) Monitor the milestone planning schedule.

(5) Draft, coordinate, and obtain approval of all SDDMs including those necessitated by PPBS or congressional action.

D. DEFENSE ACQUISITION REGULATORY SYSTEM (DARS)

DoD directives, regulations, and instructions that relate to the acquisition process are part of the DARS as stipulated by DoD Directive 5000.35 (reference (c)). The object of this system is to provide detailed functional regulations required to govern DoD acquisition of materials, supplies, and equipment. Program managers shall tailor their programs to DoD issuances that are part of DARS. Principal issuances that relate to major system acquisitions are listed in enclosure 5.

E. ACQUISITION PLANNING

Special attention in the development of acquisition planning shall be given to the following matters.

1. Mission Analysis. Mission analysis is any assessment of current or projected U.S. military capability to perform assigned missions. Mission analysis shall normally evaluate the interplay of threat, capability, operations concepts, survivability, and other factors such as environmental conditions which bear on the missions of the various Components of the Department of Defense. The primary objective of mission analysis is the identification of deficiencies, so that appropriate corrective action can be initiated. The scope may vary from a very narrow subject, such as the survivability of a Minuteman silo attacked by a single reentry vehicle, to a very broad subject, such as the ability of the United States to maintain overall strategic deterrence.

2. Operational Requirements. Materials, supplies, and equipment acquired by the Department of Defense shall contribute to or support the operational requirements of the military forces in execution of missions

essential to the current national military strategy or enhance future capabilities of the military forces to achieve national and defense policy objectives. Department of Defense operational requirements should be prioritized based on their effectiveness in furthering policy objectives and strategic and operational concepts, in consideration of threat and other factors, such as environmental conditions, which bear on the missions of the various Components of the Department of Defense.

3. Threat. The effectiveness of a proposed weapon system in its intended threat environment is a fundamental concern of the acquisition effort and shall be considered by the program manager from the outset. An interactive analysis, that is, a study of the system-threat interaction, shall be conducted before Milestone I and shall be updated in greater specificity before each subsequent milestone. The intelligence used for the interactive analysis shall be provided by the DoD Component intelligence organization directly to the program manager and to DIA. Analyzing system concepts and specific systems in this manner allows program managers to identify threat parameters, such as numbers, types, mix, or characteristics of projected enemy systems, that are most critical to the effectiveness of the U.S. system. These Critical Intelligence Parameters (CIPs) shall be provided to the DIA through the DoD Component intelligence organization. The Director, DIA, shall validate threat data before its use in the interactive analysis, review CIPs output, and report the findings and conclusions in writing to the DAE 10 workdays before the DSARC meeting. The DoD Component shall confirm the effectiveness of the U.S. system in its intended threat environment at Milestones II and III.

4. Acquisition Strategy

a. Acquisition strategy is the conceptual basis of the overall plan that a program manager follows in program execution. It reflects the management concepts that shall be used in directing and controlling all elements of the acquisition in response to specific goals and objectives of the program and in ensuring that the system being acquired satisfies the approved mission need. Acquisition strategy encompasses the entire acquisition process. The strategy shall be developed in sufficient detail, at the time of issuing the solicitations, to permit competitive exploration of alternative system design concepts in the Concept Development phase. Additionally, sufficient planning must be accomplished for succeeding program phases, including production, for those considerations that may have a direct influence on competition and design efforts by contractors. The acquisition strategy shall evolve through an iterative process and become increasingly definitive in describing the interrelationship of the management, technical, business, resource, force structure, support, testing, and other aspects of the program.

b. Development of the initial program acquisition strategy shall be completed by the cognizant DoD Component as soon as possible after Milestone 0. The program acquisition strategy is unique for each program and should be tailored by the program manager to the circumstances surrounding the program. Intended exceptions to applicable DoD Directives

and Instructions should be noted in the acquisition strategy summary. Advice and assistance should be sought from business and technical advisors and experienced managers of other major system programs.

c. While the acquisition strategy developed is not a document requiring DAE approval, the program manager shall be required to keep all management levels informed on strategy and shall be required to summarize certain aspects of it at the milestone decision points. At the earliest practical date and no later than Milestone II, the program manager shall be required to have a comprehensive strategy for full-scale development, test and evaluation, and production. The strategy for production shall be updated at Milestone III.

5. Management

a. Management Information. Management information shall be limited in all areas of activity to information essential to effective control. Normally, the required information shall be provided from the same data base used by the contractor for management decision making. A realistic work breakdown structure that is limited to the minimum number of levels necessary shall be developed for each program as a framework for planning and assignment of responsibilities, reporting progress, and as a data base in making cost estimates for other systems. A configuration management plan, that is consistent with the work breakdown structure, shall be developed for each program.

b. Programing and Budgeting. Secretary of Defense milestone decisions are based upon review of details of one particular program and reflect the readiness of that system to progress to the next acquisition phase. The program must compete for funds with other programs in the PPBS process. The Secretary of Defense milestone decision is based on specific schedule, cost and operational effectiveness estimates which, if changed significantly, might alter the Secretary of Defense milestone decision. PPBS actions by the DoD Components and the OSD staff, that cause the schedule and cost estimates to change significantly enough to call into question the last milestone decision, shall be explained by the DoD Component or OSD staff element proposing the change in the PPBS document.

c. Estimates. The validity of decisions reached at each milestone depends upon the quality of cost, schedule, performance, and supportability estimates presented at the milestone reviews. Although there is considerable uncertainty early in the acquisition process, every effort must be made to use the best available data and techniques in developing estimates. Bands of uncertainty shall be identified for point estimates. Broad bands of uncertainty shall be expected early in the acquisition process, with smaller bands developed as the program matures and uncertainty decreases. Traceability of successive cost estimates, to include adjustments for inflation and to segregate estimating error from program changes, shall be maintained starting with program cost estimates approved at Milestone I.

(1) A life-cycle cost estimate shall be prepared at Milestone I, using the best available data and techniques. An updated life-cycle cost estimate shall be provided for each subsequent milestone. These cost estimates shall be developed as soon as ongoing development activities permit to eliminate unnecessary delays in the milestone decision process.

(2) Milestone I cost, schedule, performance, and supportability goals shall not inhibit tradeoffs among these elements by the program manager in developing the most cost-effective solution to the mission need.

(3) Goals and thresholds for cost, schedule, performance, and supportability shall be documented in the SDDM. At Milestone II, firm design-to-cost goals shall be established for the system or systems selected for full-scale development. Program accomplishments shall be evaluated against cost, schedule, and supportability goals with the same rigor as the evaluation of technical performance.

d. Thresholds. Threshold values shall be proposed at Milestones I, II, and III by the DoD Component and approved by the Secretary of Defense for cost, schedule, performance, and supportability. These values shall reflect reasonable variances that are acceptable for the goals proposed in the DCP. At Milestone I, threshold values shall be established for only a few items and the distance between the goal and the threshold for individual items may be larger than at subsequent milestones. Program managers are responsible for reporting actual and projected threshold breaches immediately to each line official and the DAE. Following this initial report, the DoD Component shall provide the DAE with an assessment of the problem, a description of the action to be taken to resolve the problem and, if required, a recommendation to establish new threshold values. Approved changes to thresholds shall be documented in a SDDM.

e. Selected Acquisition Reports (SAR). SARs shall be submitted for all major systems in accordance with DoD Instruction 7000.3 (reference (d)). The SAR baseline (Development Estimate) shall be extracted from the goals approved in the SDDM at Milestone II.

f. Use of Government or Not-For-Profit Organizations. When Government laboratories, federally funded research and development centers, educational institutions, and other not-for-profit organizations submit alternative major system design concepts for consideration, care shall be taken to exclude such proposing organizations from participating in the evaluation process on those systems. If further exploration of an alternative system design concept submitted by one of these organizations is appropriate, that concept may be made available to industry to propose on the continued development stages. In selected cases where no capability exists in the private sector or when it may be in the best interest of the Government to do so, DoD research and development centers may be assigned development tasks to complement a major system development. DoD research and development centers may be used as a technical arm of the program management office, especially in matrix management organizations. Typical

assignments may include actions such as studies, analysis, technology development, systems engineering, risk and cost reduction efforts, and development test and evaluation.

g. Affordability

(1) Affordability, the ability to provide adequate resources to acquire and operate a system, is principally a determination of the PPBS process. The ability to provide sufficient resources to execute a program in an efficient and effective manner is a fundamental consideration during milestone reviews. Requests or proposals to proceed into the next acquisition phase shall be accompanied by assurance that sufficient resources are or can be programed to execute the program as directed by the Secretary of Defense.

(2) The DoD Component shall describe in the MENS the general magnitude of resources it is prepared to commit to acquire a system to satisfy the need. At Milestone I, affordability considerations shall be used as a factor in determining the selection of alternative concepts. At Milestones II and III, a favorable decision shall not be made unless the system's projected life-cycle costs, including product improvement and other modifications, are within the amounts reflected in the latest Five Year Defense Plan/Extended Planning Annex (FYDP/EPA) or unless compensating changes are made to other items in the defense program.

(3) The DoD Component briefing presented to the DSARC at Milestones I, II, and III shall include the following affordability considerations:

(a) Comparison of program resource estimates with latest PPBS projections (including the extended planning annex).

(b) Identification of the relative ranking for this system and the DoD Component's other major systems in the same mission area and general time frame in the latest program or budget submission.

(c) Analysis of variation in unit cost (recurring hardware, flyaway, and procurement) with production rate (Milestones II and III).

(d) Identification of potential offsets necessary to provide the resources to execute the remaining phases of the program where program cost estimates provided to the DSARC exceed latest budget projections. Where joint programs are involved, offset identifications shall not be limited to the lead DoD Component.

h. Timeliness. An objective of any acquisition is to achieve Initial Operational Capability (IOC) within the time dictated by the need or threat. When technical, cost, and supportability risks are low or when the urgency to counter a threat transcends high technical, cost, and supportability risks, DoD Components should give consideration to minimizing acquisition cycle time by planned concurrency. This may include

increasing funding, overlapping, combining, or omitting the phases of the acquisition process or overlapping or combining development T&E with operational T&E. The amount or degree of such concurrency should be based on the extent of potential savings in acquisition time balanced against technical, cost and supportability risks and national urgency in each acquisition program. To achieve timely deployment, consideration may also be given to accepting system performance growth after deployment. When any of the foregoing actions are planned, the risks associated therewith will be discussed in the documentation provided to the DSARC. Further, when tailoring of the acquisition process includes modification or reduction of the number of milestone reviews by the Secretary of Defense, the planned approach must be approved in a SDDM.

i. Joint Programs. When system acquisition programs involve more than one DoD Component, the SDDM shall specify the lead DoD Component and provide explicit guidance on the responsibilities of the participating DoD Components, including threat support. The lead DoD Component shall assign the program manager and request the other participating DoD Components to assign deputy program managers. The lead DoD Component shall also establish the program's objectives by promulgating a program charter after coordination with the other participating DoD Components.

6. Competitive Concept Development

a. Alternative Concept Solutions. Alternative concept solutions to the mission need shall be obtained competitively unless the Secretary of Defense, in approving the MENS, has approved pursuing a single concept. Even when pursuing a single concept, competition should be considered in development of that concept. The widest possible range of acquisition and support alternatives to satisfy the mission need shall be considered. Foreign contractors should be included in solicitations, when feasible and when not prohibited by National Disclosure Policy. At a minimum, solicitations shall outline the need in mission terms, schedule objectives and constraints, system cost objectives, and operating and deployment constraints.

b. Standards and Specifications. Maximum use should be made of architectural standards and functional specifications that include only minimum requirements. Specifications stated in detailed or how to language should be avoided, when possible. The number of government specifications and standards specified or referenced in solicitations shall be minimized. Solicitations should normally not specify standard support concepts. If nonstandard support concepts are proposed, they shall be accompanied with estimates of the cost to implement them.

7. Contracting

a. Pre-Proposal Briefings. Program managers should conduct orientation briefings for all interested participants and, where appropriate,

allow industry to comment on acquisition strategy and drafts of solicitations. The objectives are to remove inhibitors to innovative solutions and to improve the approach to achieving all system objectives.

b. Competition. Competition should be introduced in the Concept Exploration phase and maintained throughout the acquisition cycle as long as economically practical. In addition, both the government and its contractors shall break out components for competition throughout the acquisition cycle to the maximum extent possible. Techniques and procedures that result in cost auctioning between prospective contractors or where technical ideas or data are shared with other contractors without prior authorization of the source are prohibited.

c. Socioeconomic Program Implementation. Government socioeconomic programs must be considered throughout the system acquisition process. Particular emphasis shall be placed on contracting with small and disadvantaged business firms.

8. Design Considerations

a. Standardization in Engineering Design. Standardization shall be applied in design during the Demonstration and Validation phase and the Full-Scale Development phase, as appropriate, to reduce cost of production and operational support and to accelerate timely operational readiness through optimum utilization of existing or codeveloped subsystems, equipment, components, parts, and materials common to other systems and available in supply. Standardization shall be optimized to enhance nuclear and nonnuclear survivability and endurance, quality, reliability, maintainability, supportability, and life-cycle cost but shall not compromise essential performance or excessively inhibit the application of new technology and innovative, advanced design. A standardization program, including a parts control program, shall be applied in accordance with methods and objectives described in DoD Directive 4120.3 (reference (e)) and DoD Instruction 4120.19 (reference (f)).

b. Production Planning. From the early phases of the program, consideration shall be given to the costs of production, including total government investment required to ensure adequate production facilities, availability of critical materials, and capability. Affordability must be considered in production planning. The program manager shall also consider means to increase the possibilities for competition during production. When the program requires production of conventional ammunition, early coordination is required with the single manager for conventional ammunition to ensure that the ammunition production plan considered at Milestone II can be executed. Refer to DoD Directive 5160.65 (reference (g)).

c. Operational Concept. The operational concept specifies how the system shall be integrated into the force structure and deployed and operated in peacetime and wartime to satisfy the mission need set forth in the MENS. It establishes required readiness and activity rates and provides the basis for further integrated logistics support planning. An initial

operational concept and system readiness objective must be developed by Milestone I for each alternative and finalized by Milestone II. The operational concept and system readiness objective shall be maintained throughout the program.

d. Manpower and Training

(1) New systems shall be designed to minimize both the numbers and the skill requirements of people needed for operation and support, consistent with system availability objectives. Manpower and personnel factors, to include numbers, occupations, and skill levels of manpower required, shall be included as considerations and constraints in system design. Integration of manpower and personnel considerations with the system shall start with initial concept studies and shall be refined as the system progresses to form the basis for crew station design, personnel selection and training, training devices and simulator design, and other planning related to manpower and personnel.

(2) Where applicable, planning for training shall consider provisions for unit conversion to the fielded system and training of reserve component personnel. Such planning shall consider tradeoffs conducted among equipment design, technical publications, formal training, on-the-job training, unit training, and training simulators and shall develop a cost-effective plan for attaining and maintaining the personnel proficiency needed to meet mission objectives.

(3) After Milestone 0, manpower requirements shall be subjected to tradeoffs with system characteristics and support concepts. Manpower goals and thresholds consistent with projected activity levels, maintenance demands, and support concepts shall be identified by Milestone II. Tradeoffs for maintenance effectiveness among manpower (numbers, occupations, and skill levels), support equipment, system design, and the support structure shall be conducted. The manpower and training requirements to support peacetime readiness objectives and wartime employment shall be developed by Milestone III. These requirements shall be based upon considerations that include available Operational Test and Evaluation results and current field experiences with similar equipment.

e. System Energy Requirements. Energy requirements shall be considered in system selection and design. Major considerations shall be minimum energy usage and the substitution of other energy sources for petroleum and natural gas.

f. Electromagnetic and Other Spectrum Allocation. Planning and coordination for spectrum allocation, compatibility, and use with other systems having related spectra shall be conducted as early as possible for all systems involving intentional radiation or reception of electromagnetic energy, optical energy, acoustic energy, or other types of energy.

g. Deployment Requirements. When deployment is a requirement, transportability shall be a system selection and design factor. The

transportability of individual systems and components and units equipped with such systems in programed military and Civil Reserve Air Fleet aircraft or other transportation modes shall be evaluated. Tradeoffs between transportability and combat effectiveness may be appropriate. Both intertheatre and intratheatre transportability shall be considered.

h. Safety and Health. System safety engineering and management programs shall be in accordance with the criteria and procedures in DoD Instruction 5000.36 (reference (h)) to ensure that the highest degree of safety and occupational health, consistent with mission requirements and cost effectiveness, is designed into DoD systems.

i. Environment. Environmental consequences of system selection, development, production, and deployment shall be assessed at each milestone, and environmental documentation, prepared in accordance with DoD Directive 6050.1 (reference (i)).

j. Quality. A quality program shall be implemented in accordance with the criteria and procedures set forth in DoD Directive 4155.1 (reference (j)) to ensure user satisfaction, mission and operational effectiveness, and conformance to specified requirements.

k. Security. Physical security requirements shall be incorporated into the design of any system in which security of the system or of its operating or supporting personnel is essential to the readiness and survivability of the system. Deployment of the physical security subsystem shall take into account the requirements of DoD Directive 3224.3 (reference (k)).

9. Reliability and Maintainability (R&M). Goals and thresholds shall be proposed in the DCP at Milestone II for system R&M parameters directly related to operational readiness, mission success, nuclear and nonnuclear survivability and endurance, maintenance manpower cost, and logistic support cost. R&M goals and thresholds shall be defined in operational terms and shall include both contractor furnished equipment (CFE) and government furnished equipment (GFE) elements of the system.

a. R&M goals shall be realistically achievable in service. When possible, operational R&M deficiencies shall be precluded by design of CFE, by careful selection of GFE, and by tailoring of R&M-related operating and support concepts, policies, and planning factors.

b. The R&M thresholds recommended at Milestone II shall be the minimum operational values acceptable to the DoD Component. Thresholds approved in the SDDM at Milestone II shall be achieved before Milestone III. Thresholds approved in the SDDM at Milestone III shall be achieved during initial deployment.

c. R&M growth shall be predicted and graphically displayed in the IPSs prepared for Milestones II and III. The SDDM shall include threshold

values, with specified confidence levels, at interim review points. A threshold breach shall be reported at these points if these threshold values are not achieved.

d. Resources shall be identified for incorporation and verification of R&M design corrections during full-scale development and initial deployment. Assessment of current R&M values and timely corrective action are required until all R&M thresholds approved at Milestone III have been achieved in service or approved by waiver.

10. Test and Evaluation. Test and evaluation shall commence as early as possible. An estimate of operational effectiveness and operational suitability, including logistic supportability, shall be made prior to a full-scale production decision. The most realistic test environment will be chosen to test an acceptable representation of the operational system. Refer to DoD Directive 5000.3 (reference (l)).

11. Logistics. Integrated logistic support plans and programs, including NATO or bilateral allied support, shall be structured to meet peacetime readiness and wartime employment system readiness objectives tailored to the specific system. Beginning early in the system development process, both Department of Defense and industry shall consider innovative manpower and support concepts. Alternative maintenance concepts shall be assessed during concept development and at other appropriate points of the life cycle. Readiness problems and support cost drivers of current systems shall be analyzed to identify potential areas of improvement to be addressed during concept formulation. Program goals shall be based on quantitative analysis and established by Milestone II. Detailed support planning shall be initiated during full-scale development, and firm requirements shall be established before Milestone III. The supportability of a system's nuclear hardness design shall receive explicit consideration. Logistics and manpower planning shall be adjusted based on follow-on T&E and other appropriate reviews. Before Milestone III, the acquisition strategy shall be updated to include follow-on support in accordance with DoD Directive 4100.35 (reference (m)).

12. Computer Resources. Acquisition of embedded computer resources for operational military systems (including command and control systems) shall be managed within the context of the total system.

a. Requirements for interfaces between computers and plans to achieve that interface must be identified early in the life cycle. Plans for software development, documentation testing, and update during deployment and operation require special attention.

b. Computer resource planning shall be accomplished before Milestone II and continued throughout the system life cycle.

c. Computer hardware and software shall be specified and treated as configuration items. Baseline implementation guidance is contained in DoD Instruction 5010.19 (reference (n)).

13. Command and Control Systems

a. The major characteristics of command and control systems that require special management procedures are a rapidly evolving technological base, multiple requirements for internal and external interfaces, and reliance on automatic data processing hardware and related software. Such command and control systems differ from other weapon systems: they are acquired in small numbers, in some cases only one of a kind; their operational characteristics are largely determined by the users in an evolutionary process; and commercial equipment exists that can emulate the function. For command and control systems meeting the above criteria, acquisition management procedures should allow early implementation and field evaluation of a prototype system using existing commercial or military hardware and software.

b. Upon the recommendation of the appropriate using command, the DoD Component or the ASD(C^3I), an alternate acquisition procedure shall be presented for approval by the Secretary of Defense. Following the documentation of a command and control major system requirement in a MENS approved by the Secretary of Defense in a SDDM, the design and testing of such systems should, in most cases, be accomplished in an evolutionary manner. These command and control systems shall be configured initially as prototypes using existing military or commercial equipment to the maximum extent possible and with a minimum of additional software. The designated users should be tasked to test various configurations in an operational environment using prototype and laboratory or test bed equipment and to assume the major responsibility for the Demonstration and Validation phase. In these cases, it shall be necessary for the DoD Component to recommend in the MENS that the Concept Exploration phase be combined with the Demonstration and Validation phase. The end result of combining these phases shall be a definition of a command and control system, including operational software, tailored to meet the commander and user needs and the documentation necessary for operational employment. When these objectives are achieved, the DoD Component shall normally recommend that the system be procured in sufficient numbers for initial fielding. In other cases, the DoD Component may decide to use the results of the test bed to initiate a competitive Full-Scale Development phase.

c. The procedures described in this paragraph are equally applicable to those non-major command and control systems that meet the criteria described above. Developers of such systems should be encouraged to pursue these alternative procedures when appropriate.

14. International Programs: NATO Rationalization, Standardization and Interoperability (RSI). DoD Components shall take action on the following areas and report progress at all milestone reviews.

a. Consider NATO country participation throughout the acquisition process. This includes standardization and interoperability with other NATO weapons systems.

b. Consider NATO doctrine and NATO member threat assessments. In development of MENS, mission needs of NATO members shall be considered. In general, data that cannot be disseminated to foreign nations shall not be included in MENS.

c. Solicit NATO member contractors for bids and proposals on U.S. systems and components when such an opportunity is not precluded by statute or by the National Disclosure Policy.

d. During the evaluation of alternative system concepts, the DoD Component shall:

(1) Consider all existing and developmental NATO member systems that might address the mission need. Identify any performance, cost, schedule, or support constraints that preclude adoption of a NATO system.

(2) Determine testing requirements for NATO member candidate systems recommended for further development or acquisition.

(3) Determine whether a waiver of "Buy American" restrictions is appropriate, when a Secretary of Defense determination has not been made.

(4) Develop plans for further international cooperation in subsequent phases of the acquisition cycle for items such as cooperative development, coproduction, subcontracting, and cooperative testing or exchange of test results.

(5) Recommend U.S. position on third-country sales, recoupment of research and development costs or sharing research and development costs, and release of technology.

e. In subsequent phases of the acquisition cycle, DoD Components shall:

(1) Continue to expand and refine plans for international cooperation.

(2) Develop plans for host nation initial or joint logistics support, if applicable.

F. ORDER OF PRECEDENCE

The provisions of DoD Directive 5000.1 (reference (b)) and this Instruction are first and second in order of precedence for major system acquisition except where statutory requirements override. Any Department of Defense issuance in conflict with DoD Directive 5000.1 (reference (b)) or this Instruction shall be changed or canceled. Conflicts remaining after 90 days from issuance of this Instruction shall be brought to the attention of the originating office and the DAE.

G. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward one copy of implementing documents to the Under Secretary of Defense for Research and Engineering within 120 days.

W. Graham Claytor, Jr.
Deputy Secretary of Defense

Enclosures - 5
1. References
2. Mission Element Need Statement (MENS) - Format
3. Decision Coordinating Paper (DCP) - Format
4. Integrated Program Summary (IPS) - Format
5. DoD Policy Issuances Related to Acquisition of Major Systems

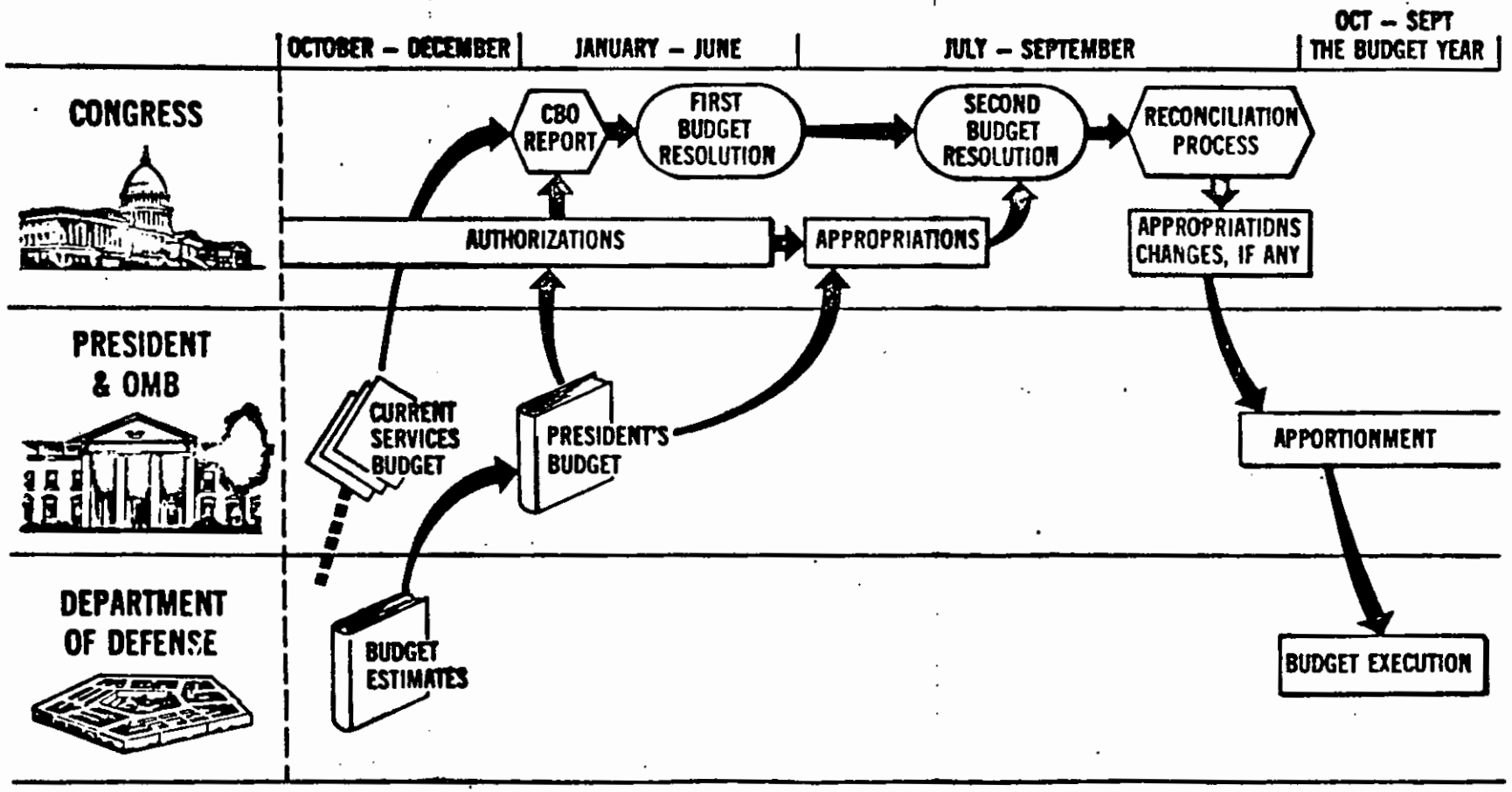
SUMMARY OF THE CONGRESSIONAL BUDGET PROCESS

- THIS SECTION PROVIDES A BRIEF DESCRIPTION OF THE CONGRESSIONAL BUDGET PROCESS AS ESTABLISHED BY THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

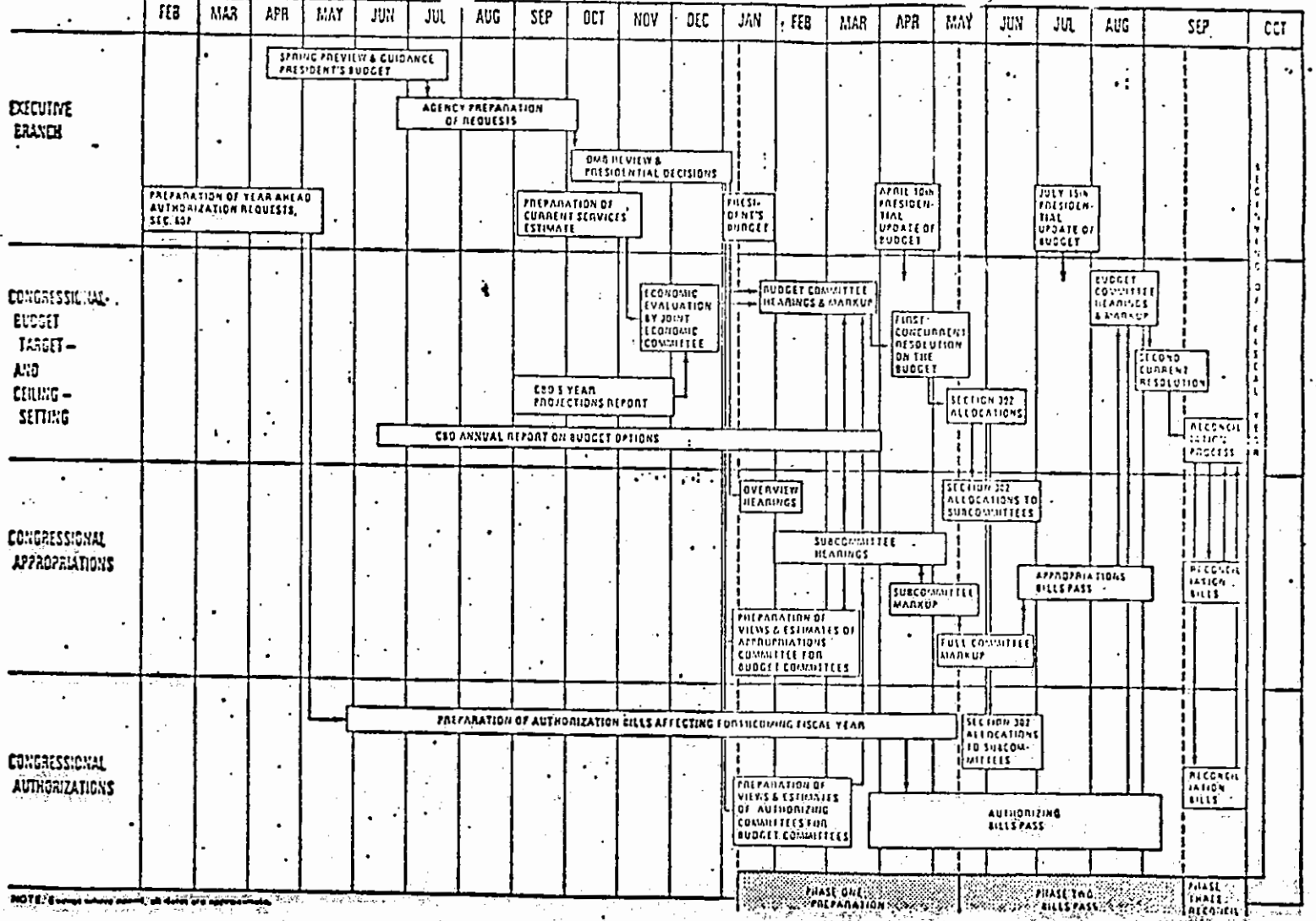
- THE ACT ESTABLISHES A TIMETABLE FOR VARIOUS PHASES OF THE BUDGET PROCESS.

- THE ACT ALSO ESTABLISHES PROCEDURES FOR CONGRESSIONAL REVIEW OF PRESIDENTIAL IMPOUNDMENT ACTIONS.

BUDGET PROCESS — NEW STYLE



1. THE FEDERAL BUDGET PROCESS



THE CONGRESSIONAL BUDGET PROCESS

Synopsis

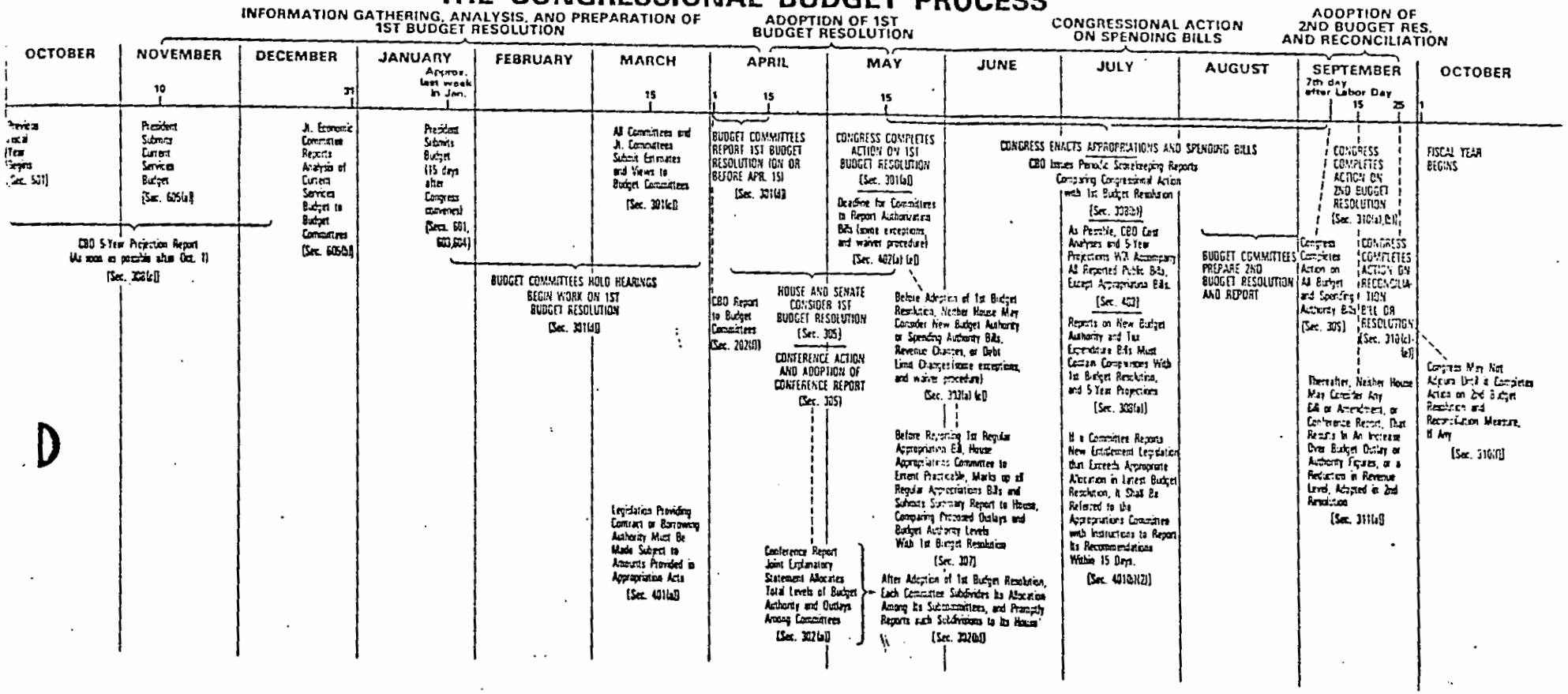
P.L. 93-344, The Congressional Budget Act of 1974, established new procedures for Congress to handle appropriations. The essence of the system is the "Concurrent Resolution on the Budget." These Budget Resolutions set forth, on an aggregate basis, the size of the United States Budget; amount of budget authority; level of outlays; level of revenues; surplus or deficit; and change in the debt. This allows Congress the chance to examine the Budget as a whole, and to consider its impact on the national economy. Heretofore, Congress has had no comprehensive overview of the Budget. Rather, appropriation bills were acted upon separately with little attempt to relate revenues to outlays.

The first Budget Resolution is designed to act as a target for Congressional action during the summer--it is not binding, in that Congress may take any action it chooses on appropriations bills. But through periodic scorekeeping reports issued by the Budget Committees and the Congressional Budget Office (all established by P.L. 93-344), Congress may compare amounts in appropriation bills with the targets in the first Budget Resolution. The second Budget Resolution revises or reaffirms the figures in the first Resolution and makes them binding. Thus, the outlay target in the first Budget Resolution becomes a spending ceiling by the second; the revenue target in the first Resolution becomes a "revenue floor" in the second. The second Resolution may also direct other committees of Congress to take actions in compliance with the binding limits in that Resolution. For example, the Appropriations Committee may be directed to rescind amounts already enacted.

The Budget Resolutions also serve a second major purpose: they allow Congress to debate and, if desired, to adjust the priorities inherent in the aggregate figures. This is accomplished by dividing the totals among functional categories, such as Agriculture, National Defense, or Health. As well as adjusting the totals, Congress may adjust the mix.

HOUSE COMMITTEE ON THE BUDGET

THE CONGRESSIONAL BUDGET PROCESS



THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

THE CONGRESSIONAL BUDGET PROCESS

Title III of the Act establishes a timetable for various phases of the congressional budget process, prescribing the actions to take place at each point. Following is a description of the elements of the congressional budget timetable set forth in Section 300 of the Act:

	Action to be completed
On or before Nov. 10 ----------	President submits current services budget

Submission of a current services budget is the first element in the timetable. This document estimates the budget authority and outlays needed to carry on existing programs and activities for the next fiscal year under certain economic assumptions. Its purpose is to give the Congress, at the earliest date possible (just one month after the current fiscal year has begun), detailed information with which to begin analysis and preparation of the budget for the upcoming fiscal year.

Thus, the Congressional Budget Office (CBO) and the House and Senate Budget Committees begin work on new budget projections based on the current fiscal year's levels. To help them evaluate the President's projections, the Act requires the Joint Economic Committee to report to the Budget Committees by December 31 on the estimates and economic assumptions in the current services budget.

	Action to be completed
On or before 15th day after Congress meets ----------	President submits his budget

The President's budget is required to be submitted 15 days after the Congress convenes. This budget remains one of the major factors in the development of the congressional budget. Shortly after its submission, the two Budget Committees begin hearings on the budget, the economic assumptions upon which it is based, the economy in general, and national budget priorities. Participants at these hearings include Administration officials, Members of Congress, and representatives of various national interest groups.

	Action to be completed
On or before Mar. 15 ----------	Committees and joint committees submit reports to Budget Committees

An important step in the budget process is the submission of the views and recommendations of all standing committees of the House and Senate.

These reports are due March 15, one month in advance of the reporting date of the first concurrent resolution on the budget. These reports are important to the proper functioning of the budget process and, accordingly, are made mandatory by the Act. They provide the Budget Committees with an early and comprehensive indication of committee legislative plans for the next fiscal year. These reports contain the views and estimates of new budget authority and outlays to be authorized in legislation under their jurisdictions which will become effective during the next fiscal year.

In addition, the Joint Economic Committee is directed to submit a report with its recommendations as to the fiscal policies that would be appropriate to achieve goals of the Employment Act of 1946.

	Action to be completed
On or before Apr. 1 ----------	CBO submits report to Budget Committees

The CBO is required to submit its report to the Budget Committees on or before April 1. This report deals primarily with overall economic and fiscal policy and alternative budget levels and national budget priorities.

	Action to be completed
On or before Apr. 15 ----------	Budget Committees report first concurrent resolution on the budget to their Houses

April 15 is fixed by the Act as the deadline for reporting by the Budget Committees of the first concurrent resolution on the budget. This date allows a maximum of one month for floor consideration in each House, conference between the two Houses, and adoption of conference reports, required to be completed by May 15.

The concurrent resolution sets forth the following:

1. The appropriate levels of total budget authority and outlays for the next fiscal year, both in the aggregate and for each major functional category of the budget.

2. The appropriate budget surplus or deficit for the next fiscal year.

3. The recommended level of Federal revenues and recommended increases or decreases in revenues to be reported by appropriate committees.

4. The appropriate level of the public debt and recommended increases or decreases to be reported by appropriate committees.

5. Any other matters deemed appropriate to the congressional budget process.

In addition, the report on the resolution compares the Budget Committee's revenue estimates and budget authority and outlay levels with the estimates and amounts in the President's budget. It also identifies the recommended sources of revenues; makes five-year budget projections; and indicates significant changes, if any, in Federal aid to States and localities.

The first budget resolution for a given fiscal year establishes targets for budget authority and outlays for each of the major functional categories, as well as for the five major budget aggregates--revenues, budget authority, outlays, deficit, and public debt. These budget targets, which represent a congressional determination of appropriate fiscal policy and national budget priorities, guide the Congress in its subsequent spending and revenue decisions. With the adoption of the second concurrent budget resolution, the aggregate budget authority, outlays, and revenue levels become binding.

Following adoption of the budget resolutions, the Budget Committee, aided by the CBO, provides up-to-date scorekeeping reports to inform Members as to how congressional action on spending and revenues compares with the budget aggregates and functional targets in the resolution.

On or before:	Action to be completed
May 15	Committees report bills authorizing new budget authority
May 15	Congress completes action on first concurrent resolution on the budget

May 15 is a key date in the new budget process for two reasons:

First, it is the deadline for the reporting of legislation authorizing new budget authority, a requirement imposed by Section 402 of the Act. Authorization measures reported after that date may be considered in the House only if an emergency waiver reported by the Rules Committee is adopted. Exempted from this May 15 reporting requirement are entitlement bills and omnibus social security legislation.

This reporting deadline is an important part of both the overall budget process and a prerequisite to the timely enactment of appropriation bills. In addition, section 607 of the Act requires advance submission by the Executive Branch of proposed authorizing legislation (that is, submission at least one year and 4½ months in advance of the fiscal year to which it applies); and the statement of managers on the Budget Act legislation expresses its expectation that the Congress will develop a pattern of advance authorizations for programs now authorized on an annual or multi-year basis.

Second, May 15 is the deadline for the adoption of the first budget resolution by the Congress; and prior to its adoption, neither House

may consider any revenue, spending, entitlement, or debt legislation. The only measures permitted to be considered prior to the adoption of the first resolution are those involving advance budget authority or changes in revenues which first become effective following the fiscal year dealt with in the first resolution.

In addition to the various matters required to be included in the resolution, the Act also provides for important material to be included in the joint statement of managers accompanying the conference report.

The joint statement must distribute the allocations of total budget authority and outlays contained in the resolution among the appropriate committees of the House and Senate. For example, if the conference report allocates $7 billion in budget authority and $6 billion in outlays for a certain functional category, the statement of managers must divide those amounts among the various committees of the House and Senate with jurisdiction over programs and authorities covered by that functional category. Each committee to which an allocation is made must, in turn, further subdivide its allocation among its subcommittees or programs, and promptly report such subdivisions to its House.

	Action to be completed
On or before 7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority

The next critical date in the budget process is the 7th day after Labor Day, the deadline for completing action on all regular budget authority and entitlement bills. The only exception to this requirement is for appropriations bills whose consideration has been delayed because necessary authorizing legislation has not been timely enacted.

This deadline is of critical importance for the budget process. While most spending legislation is expected to be acted upon in the months immediately following the adoption of the first resolution on May 15, it is crucial for all spending bills to be completed by the deadline date. The reason is that by the 7th day after Labor Day only three weeks will remain until the start of the new fiscal year, and during those weeks Congress must adopt a second budget resolution and undertake and complete a reconciliation process, if necessary.

Thus, even a small delay in completing authorizing and spending legislation can upset the timing of remaining budget actions (adoption of the second resolution and completion of the reconciliation process). Congress would then be forced into continued reliance on "continuing resolutions," a major defect sought to be corrected by the new budget process.

On or before:	Action to be completed
Sept. 15	Congress completes action on second required concurrent resolution on the budget
Sept. 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution

September 15 and 25 are, respectively, the dates for adoption of the second resolution and completion of the reconciliation process, the final phase of the new budget process.

The Act sets no deadline for reporting this second resolution. The date probably will vary from year to year depending on when action is completed on the various spending bills.

The second resolution affirms or revises, on the basis of new information and data, changed economic circumstances, and Congress' spending actions, the matters contained in the first resolution (that is, the "target" levels of budget authority and outlays, total revenues, and the public debt limit). In addition, the second resolution may direct the committees with jurisdiction over any changes to the House. The changes may include rescinding or amending appropriations and other spending legislation, raising or lowering revenues, making adjustments in the debt limit, or any combination of such actions.

For example, the resolution might call upon the Appropriations Committees to report legislation rescinding or amending appropriations, and the Ways and Means and Finance Committees to report legislation adjusting tax rates or the public debt limit. In addition, other committees may be called upon to report certain actions.

Implementing legislation solely within the jurisdiction of one committee is reported to the House or Senate by that Committee. However, if more than one committee is directed to report certain actions, then the committees submit their recommendations to the Budget Committees which compile the various actions, without substantive change, into a single reconciliation measure. This special procedure is necessary to expedite completion of the reconciliation process.

The Congress may not adjourn sine die until it has completed action on the second resolution and the reconciliation process. Furthermore, after adoption of the second resolution and completion of the reconciliation process, it is not in order in either House to consider any new spending legislation that would cause the aggregate levels of total budget authority or outlays adopted in that resolution to be exceeded, nor to consider a measure that would reduce total revenues below the levels in the resolution. Such legislation is subject to a point of order.

Of course, Congress may adopt a revision of its most recent resolution at any time during the fiscal year. In fact, the framers of the Budget Act anticipated that, in addition to the May and September resolutions, Congress may adopt at least one additional resolution each year, either in conjunction with a supplemental appropriations bill or in the event of sharp revisions in revenues or spending estimates brought on by major changes in the economy.

	Action to be completed
On or before Oct. 1 ----------	Fiscal year begins

The completion of reconciliation actions beings the budget timetable to a close, five days before the start of the fiscal year on October 1.

* * * * *

The congressional budget timetable sets firm dates for key elements of the new system. Certain parts of the budget process cannot move ahead unless other actions are completed. Appropriations cannot be considered until the first budget resolution is adopted and necessary authorizations have been enacted. Reconciliation actions cannot be undertaken until action is completed on appropriation bills and the second budget resolution. Thus, failure to complete a particular action on schedule affects later actions as well. In short, the four main phases of the budget process (authorizations, budget resolutions, spending measures, and reconciliations) must be completed by the dates assigned to them in the Act.

THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

IMPOUNDMENT CONTROL

Title X of the Act establishes procedures for congressional review of Presidential impoundment actions. This is a companion feature of the new budget control system. The title recognizes two types of impoundment actions by the Executive Branch: rescissions and deferrals.

Rescissions must be proposed by the President whenever he determines that (1) all or part of any budget authority will not be needed to carry out the full objectives of a particular program; (2) budget authority should be rescinded for fiscal reasons; or (3) all or part of budget authority provided for only one fiscal year is to be reserved from obligation for that year. In such cases, the President submits a special message to the Congress requesting rescission of the budget authority, explaining fully the circumstances and reasons for the proposed action. Unless both Houses of the Congress complete action on a rescission bill within 45 days, the budget authority must be made available for obligation.

Deferrals must be proposed by the President whenever any Executive action or inaction effectively precludes the obligation or expenditure of budget authority. In such cases, the President submits a special message to the Congress recommending the deferral of that budget authority. The President is required to make such budget authority available for obligation if either House passes an "impoundment resolution" disapproving the proposed deferral at any time after receipt of the special message.

Rescission and deferral messages are also to be transmitted to the Comptroller General who must review each message and advise the Congress of the facts surrounding the action and its probable effects. In the case of deferrals, he must state whether the deferral is, in his view, in accordance with existing statutory authority. The Comptroller General is also required to report to the Congress reserve or deferral actions which have not been reported by the President; and to report and reclassify any incorrect transmittals by the President.

If budget authority is not made available for obligation by the President as required by the impoundment control provisions, the Comptroller General is authorized to bring a civil action to bring about compliance. However, such action may not be brought until 25 days after the Comptroller General files an explanatory statement with the House and Senate.

The President is also required to submit monthly cumulative reports of proposed rescissions, reservations, and deferrals. These reports, to be published in the Federal Register, explain fully the factors that prompted the various impoundment actions.

BUDGET TIMETABLE

On or before:	Action to be completed:
November 10	President submits current services budget.
15th day after Congress meets	President submits his budget.
March 15	Committees and joint committees submit reports to Budget Committees.
April 1	Congressional Budget Office submits report to Budget Committees.
April 15	Budget Committees report first concurrent resolution on the budget to their Houses.
May 15	Committees report bills and resolutions authorizing new budget authority.
May 15	Congress completes action on first concurrent resolution on the Budget.
7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority.
September 15	Congress completes action on second required concurrent resolution on the budget.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
October 1	Fiscal year begins.

CONGRESSIONAL HEARINGS

The President's Budget will probably be transmitted to the Congress on January 19, 1981. Hearings begin immediately after that with the Armed Services Committees and then the Appropriations Committees hearing the Secretary of Defense and the Chairman of the Joint Chiefs of Staff with the Defense Posture. Service Secretaries and Chiefs usually follow with the Military Department Posture Statements. Posture hearings are usually completed by mid-to-end-February and then detailed hearings follow.

Attached listings of the calendar year 1980 House and Senate Defense and Military Construction Appropriation Subcommittee hearings are illustrative of the type of hearings held by these committees each year.

HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE HEARINGS
CALENDAR YEAR 1980

February 4 & 5 10 AM/1:30 PM (4th) 9:30 AM (5th)	FY 81 Defense Posture Statement - Honorable Harold Brown
February 5 & 6 1:30 PM (5th) 9:30 AM/1:30 PM (6th)	FY 81 Army Posture Statement - Honorable Clifford L. Alexander, Jr.
February 19 & 20 9:30/1:30 (19th) 9:30 (20th)	FY 81 Navy Posture Statement - Honorable Edward Hidalgo
February 20 & 21 1:30 PM (20th) 9:30/1:30 (21st)	FY 81 Air Force Posture Statement - Honorable Hans M. Mark
February 26 9:30 AM/1:30 PM	FY 81 Defense Budget Overview - Honorable Fred P. Wacker
February 27 10:00 AM/1:30 PM	FY 81 Research, Development & Acquisition Posture Statement - Honorable William J. Perry
February 28 9:30 AM/1:30 PM	FY 81 Research, Development & Acquisition Posture Statement - Honorable William J. Perry
March 4 10 AM/1:30 PM	European Command - Gen. Bernard W. Rogers
March 5 9:30 AM/1:30 PM	Strategic Air Command - Gen. Richard H. Ellis
March 6 9:30 AM/1:30 PM	Readiness Command - Gen. Volney F. Warner
March 11 1:30 PM	Signals Intelligence Processing - Adm. B. R. Inman
March 12 9:30 AM/1:30 PM	General Defense Intelligence Program Processing Overview - Gen. Eugene Tighe Imagery Processing - Dir., National Photographic Interpretation Center National Foreign Assessment Center Processing - Dep. Dir., National Foreign Assessment Center Human Intelligence Processing - Associate Dep. Dir. for Operations (CIA) National Foreign Intelligence Program Overview - Adm. Stansfield Turner

HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE HEARINGS (CONT'D)
CALENDAR YEAR 1980

March 13 9:30 AM	Intelligence Related Activities Overview - Hon. Gerald P. Dinneen
March 13 1:30 PM	Use of the Space Shuttle - Hon. Hans Mark
March 18 10:00 AM/1:30 PM	TENCAP - Dr. James H. Babcock
March 19 9:30 AM	Special Activities, Air Force - Air Force witnesses
March 19 1:30 PM	Special Activities, Navy - Navy witnesses
March 19 2:45 PM	Defense Intelligence Agency Budget Request - DIA witnesses
March 24 9:30 AM	Tactical Cryptologic Program - Admiral Inman
March 24 10:45 AM	CIA Budget - Mr. Frank Carlucci
March 24 1:30 PM	Air Force Intelligence Related Activities - Air Force witnesses
March 25 9:30 AM/1:30 PM	Central Intelligence Agency - CIA witnesses
March 26 9:30 AM	Navy/Marine Corps Intelligence Related Activities - Navy and Marine Corps witnesses
March 26 1:30 PM	Army Intelligence Related Activities - Army witnesses
March 26 3-4 PM	Project BETA, and BETA Reprogramming - Dr. Harry L. Van Trees
April 1 9:30 AM-12 NOON	FY 81 Defense Manpower Overview - Hon. Robert B. Pirie
April 1 1:30 PM	Navy & Marine Corps Manpower Programs - VADM Robert B. Baldwin
April 1 2:30 PM	Army Manpower Programs -.Mr. William D. Clark
April 1 3:30 PM	Air Force Manpower Programs - Mr. Joesph Zengerle

HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE HEARINGS (CONT'D)
CALENDAR YEAR 1980

April 2 10:00 AM/1:30 PM	Implementation of FY 79 and FY 80 Congressional Actions in Military Personnel and O&M Areas - Mr. Joseph Sherick
April 15 10:00 AM/1:30 PM	Army RDT&E Programs - Army Witnesses
April 16 9:30 AM/1:30 PM	Navy RDT&E Programs - Navy Witnesses
April 21 1:00 PM	FY 80 DoD Supplemental Request - Hon. Harold Brown
April 22 9:30 AM/1:30 PM	FY 80 Army Supplemental Request - BG Corey Wright
April 23 9:30 AM	FY 80 Reprogrammings (Intel. Community & Air Force)
April 23 11:00 AM/1:30 PM	FY 80 Air Force Supplemental Request - MG George M. Browning
April 24 9:30 AM/1:30 PM	FY 80 Navy Supplemental Request - RADM T.J. Hughes
April 28 1:30 PM/2:30 PM	Hostage Rescue Situation - Honorable W. Graham Clayton, DepSecDef
April 29 9:30 AM/1:30 PM	Subcommittee Markup of '80 Supplemental
April 30 9:30 AM/1:30 PM	Air Force RDT&E Programs - LTG Kelly H. Burke
May 1	FY 80 Reprogrammings - Intelligence
May 6 10 AM	Air Force RDT&E Programs (Cont'd from Apr. 30) - LTG Kelly H. Burke
May 6 1:30 PM	FY 80 Reprogrammings - Air Force and DMA
May 7 9:30 AM/1:30 PM	DoD Transportation Activities - Mr. Paul Hyman
May 8 9:30 AM	Full Committee Markup of FY 80 Supplemental
May 12 1:30 PM	DoD Medical Activities - Hon. John Moxley

HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE HEARINGS (CONT'D)
CALENDAR YEAR 1980

May 13 9:30 AM	FY 80 Reprogrammings - Army
May 14 9:30 AM/1:30 PM	Navy Shipbuilding - VADM J. H. Doyle, Jr.
May 15 9:30 AM/1:30 PM	MX Program - Hon. William J. Perry
May 20 10:00 AM/1:30 PM May 21 9:30 AM/1:30 PM	O&M - Air Force - BG Richard D. Murray
May 22 9:30 AM/1:30 PM	Telecommunications, Command & Control - Hon. Gerald P. Dinneen
May 28 9:30 AM	Wheeled Vehicles - Hon. Percy A. Pierre
May 28 1:30 PM	Anti-Armor Weapons - Mr. Robert A. Moore
June 2 2:00 PM	Hostage Rescue Mission - Hon. W. Graham Claytor
June 3 10:00 AM/1:30 PM	Tactical Aircraft & Air-to-Air Missiles - Army & Marine Corps witnesses
June 4 9:30 AM/1:30 PM	Navy & Air Force witnesses
June 5 9:30 AM/1:30 PM	Procurement Practices - Mr. Dale W. Church
June 10 10:00 AM/1:30 PM	Operation and Maintenance, Army - Army witnesses
June 11 9:30 AM	Ballistic Missile Defense - Army witnesses
June 12 9:30 AM/1:30 PM	Marine Corps Missions/Operations/Modernization and Rapid Deployment Force Requirements - Marine Corps witnesses
June 17 10:30 AM/2:30 PM	Guard and Reserve Programs - Honorable Harold W. Chase
June 18 9:30 AM	Army Guard and Reserve Mobilization Process - MG Emmett H. Walker, Jr.
June 18 10:00 AM	FY 80 Air Force Reprogrammings - Air Force witnesses

HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE HEARINGS (CONT'D)
CALENDAR YEAR 1980

June 18 1:30 PM	Air Guard and Reserve Programs - MG John T. Grice
June 18 2:00 PM	FY 80 Reprogrammings - Army, Navy, and OSD witnesses
June 19 9:30 AM/1:30 PM	Ammunition Programs - BG Lawrence Skibbie
June 24 9:30 AM	General Provisions and Language - Mr. Manuel Briskin
June 25 9:30 AM/1:30 PM	Operation and Maintenance, Navy - RADM Thomas J. Hughes
June 26 1:30 PM	Subcommittee Markup of Reprogrammings Heard on June 18
June 30 & July 1	Outside Witnesses
Sept. 18 9:30 AM	FY 80 Mil Pers Reprogrammings - Mr. Dube
Sept. 23 9:30 AM	FY 1980 Navy & Air Force Reprogrammings - Navy and Air Force witnesses
Oct. 1 10:30 AM	FY 80 Below Threshold Reprogramming on 30mm Gun POD - Air Force witnesses

HOUSE APPROPRIATIONS MILITARY CONSTRUCTION SUBCOMMITTEE HEARINGS
CALENDAR YEAR 1980

February 26 9:30 AM	FY 81 Defense Budget Overview - Mr. John R. Quetsch
February 26 1:30 PM	Intelligence Overview - Mr. John R. Hughes
February 27 9:30 AM/1:30 PM	FY 81 Military Construction Program Overview - Mr. Perry Fliakas
February 28 10:00 AM	Program Oversight - Mr. Perry Fliakas
February 28 1:30 PM	Army Master Restationing Plan - Army witnesses
March 4 9:30 AM/1:30 PM	Planning and Design Program - Mr. Perry Fliakas
March 5 9:30 AM/1:30 PM	Pollution Abatement, Energy Conservation, and Safety Programs - Mr. George Marienthal
March 6 9:30 AM/1:30 PM	Medical Construction Programs - Mr. Vernon McKenzie
March 11 10:00 AM	Defense Posture in the Pacific - Mr. Perry Fliakas
March 11 & 12 1:30 PM (Closed)	Host Nation Support - LTG Richard H. Groves
March 12 9:30 AM/1:30 PM	NATO Construction Program - MG William Read
March 13 9:30 AM/1:30 PM	Strategic Programs: Cruise Missile, Space Shuttle, Trident - MG William Gilbert
March 18 10:00 AM/1:30 PM	Real Property Maintenance - Mr. Perry Fliakas
March 19 9:30 AM/1:30 PM	FY 81 Family Housing Program - Mr. Perry Fliakas
March 24 1:30 PM	FY 81 Defense Agencies Mil Con Program - Mr. Perry Fliakas
March 24 3:00 PM	FY 81 Reserve Components Mil Con Program - Hon. Harold W. Chase

HOUSE APPROPRIATIONS MILITARY CONSTRUCTION SUBCOMMITTEE HEARINGS (CONT'D)
CALENDAR YEAR 1980

March 25 1:30 PM	MX Program - Hon. Harold Brown
March 26 9:30 AM/1:30 PM	MX Program - Air Force witnesses
March 27 9:30 AM	FY 81 Army Mil Con Program - MG William Read
March 27 1:30 PM	FY 81 Air Force Mil Con Program - MG William Gilbert
April 1 10:30 AM/1:30 PM	FY 81 Navy/Marine Corps Mil Con Program - RADM D. G. Iselin
April 2 9:30 AM/1:30 PM	Outside Witnesses
April 24 9:30 AM	FY 80 Supplemental and FY 81 Amendment - Mr. Perry Fliakas
July 30 10 AM	Pending FY 80 Reprogrammings - Service witnesses

SENATE APPROPRIATIONS DEFENSE SUBCOMMITTEE HEARINGS
CALENDAR YEAR 1980

March 12 10:00 AM	FY 81 Defense Posture Statement - Hon. Harold Brown
March 26 10:00 AM	FY 81 Air Force Posture Statement - Hon. Hans Mark
March 26 2:00 PM	FY 81 Navy Posture Statement - Hon. Edward Hidalgo
March 27 10:00-11:00 AM	FY 81 Navy RDT&E Request - Hon. David E. Mann
March 27 11:00-12:00 AM	FY 81 Navy Procurement Request - Other than Shipbuilding - V/Adm. W. L. McDonald
March 27 2:00 PM	FY 81 Navy Procurement Request including Shipbuilding - V/Adm. James H. Doyle, Jr.
April 1 10:00 AM	FY 81 Army Posture Statement - Hon. Clifford Alexander
April 1 2:00 PM	FY 81 Research, Development & Acquisition Posture Statement - Hon. William J. Perry
April 2 2:00 PM	FY 81 Defense Manpower Overview - Hon. Robert B. Pirie
April 3 2:00 PM	FY 81 Defense Budget Overview/O&M Overview/ General Provisions - Mr. John R. Quetsch
April 17 10:00 AM	FY 81 Army Procurement and RDT&E Request - Hon. Percy Pierre
April 18 10:00 AM	FY 81 Air Force Procurement and RDT&E Request - LTG Kelly H. Burke
April 24 10:00 AM	Intelligence Community - Director of Centeral Intelligence
April 28 10:00 AM	FY 81 Defense Budget Overview/O&M Overview/ General Provisions - Mr. John R. Quetsch
May 8 2 PM	FY 80 Supplemental Request - Mr. John R. Quetsch
May 13 2 PM	Subcommittee Markup of FY 80 Supplemental
May 15 10:30 AM	FY 81 Defense Agencies Request - Directors of DCA, DLA, DMA, DNA, DARPA

SENATE APPROPRIATIONS DEFENSE SUBCOMMITTEE HEARINGS (CONT'D)
CALENDAR YEAR 1980

July 25 2 PM	Central Intelligence Agency - Honorable Frank C. Carlucci
July 25 3 PM	Special Activities, Air Force - Honorable Robert J. Herman
July 31 2 PM	FY 81 Defense Intelligence Programs (NSA & DIA) - VADM Bobby Inman
July 31 3 PM	FY 81 Defense Intelligence Programs (C3I & Policy) - Hon. Gerald P. Dinneen
Sept. 24 10 & 2	Public Witnesses

SENATE APPROPRIATIONS MILITARY CONSTRUCTION SUBCOMMITTEE HEARINGS
CALENDAR YEAR 1980

March 3 10 AM	Overview of FY 81 Military Construction (Overall request, summary of each Service request, highlights of program items of special interst) - Mr. Perry Fliakas
March 4 2 PM (Closed) (Joint hearing with SASC)	Defense Posture in the Pacific - Mr. Perry Fliakas
March 5 1 PM (Closed) (Joint hearing with SASC)	Defense Posture in Indian Ocean/Persian Gulf - Mr. Perry Fliakas
March 10 10 AM	Strategic Programs - Navy (Poseidon Conversion - Trident Construction, East Coast Trident Site) - Navy witnesses
March 10 2 PM	Strategic Programs - Air Force (Space Shuttle, MX, ALCMs) - MG William Gilbert
March 18 2 PM	Defense Agencies FY 81 Military Construction Program - Mr. Perry Fliakas
March 18 3 PM	Family Housing/Quality of Life - Mr. Perry Fliakas
March 24 2 PM (Joint hearing with SASC)	Energy Policy - Mr. George Marienthal
March 26 2 PM	Facilities in Support of General Purpose Forces - MG William Read
March 26 3:30 PM	Logistics/Air-and Sea-Lift/Supply - MG William Read
April 17 2:00 PM (Joint hearing with SASC)	Space Shuttle - Cost Variations and Reprogrammings - Air Force witnesses
April 17 2:30 PM (Joint hearing with SASC)	FY 80 Supplemental and FY 81 Amendment - Mr. John Rollence

SENATE APPROPRIATIONS MILITARY CONSTRUCTION SUBCOMMITTEE HEARINGS (CONT'D)
CALENDAR YEAR 1980

April 18 2:00 PM	Medical Construction Programs - Mr. Vernon McKenzie
April 22 9:30 AM	FY 81 Reserve Components Military Construction Program - LTG LaVern Weber
April 30 1:30 PM (Joint hearing with SASC)	NATO-Long-Term Planning/Infrastructure/US Direct and Prefinancing in Support of NATO - Mr. Perry Fliakas
May 6 10:00 AM	Alternative Basing Modes for MX - Hon. Harold Brown
May 15 2:00 PM	Nuclear Storage and Security - MG William Read

ACTIONS ON RECOMMENDATIONS IN CONGRESSIONAL COMMITTEE REPORTS AND RELATED AUTHORIZATION AND APPROPRIATION ACTS

OASD(C) is responsible for the development of a Defense Department position or statement of action taken on each matter on which the Armed Services or Appropriations Committees make a recommendation or indicate particular concern in their reports on DoD authorization and appropriation requests. (See DoD Directive 5545.2 and DoD Instruction 5545.3 for background and guidance.)

August 20, 1979
NUMBER 5545.2

ASD(C)

Department of Defense Directive

SUBJECT: DoD Policy for Congressional Authorization and Appropriation Actions

References: (a) DoD Directive 5545.2, "Review and Implementation of Congressional Actions on Authorization and Appropriation Acts Affecting DoD and Related Congressional Reports," September 19, 1974 (hereby canceled)
(b) DoD Instruction 5545.3, "DoD Procedures for Congressional Authorization and Appropriation Actions," July 5, 1979

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a); and establishes policies and responsibilities for handling Congressional action items designed to expedite the publication of DoD position statements.

B. APPLICABILITY

The provisions of this Directive apply to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), and the Defense Agencies (hereafter referred to as "DoD Components").

C. POLICY

House, Senate, and Conference Reports on Authorization and Appropriation Acts affecting the Department of Defense shall be reviewed by DoD Components to identify each Congressional recommendation or suggestion, reporting requirement, and expression of concern to recommend a DoD position on the item. Thereafter, a Secretary of Defense-approved policy position shall be established, and implementing action, when required, shall be taken within the Department of Defense. The approved statements shall serve as the DoD position on each item, and shall be the source of data for the Secretary of Defense's Congressional Reference Book and other matters.

D. RESPONSIBILITIES

1. The Secretaries of the Military Departments and the Directors of Defense Agencies, or their designees, shall:

a. Review each Congressional report to identify specific action items, as described in section C., applicable to the reviewing DoD Component or to the Department of Defense as a whole, and submit informally to the Assistant Secretary of Defense (Comptroller)(ASD(C)).

b. Evaluate each action item, and develop a statement of the action taken on those items assigned to each DoD Component. When appropriate, recommend a DoD position on each item in accordance with instructions in DoD Instruction 5545.3 (reference (b)).

2. The Under Secretaries of Defense; the Assistant Secretaries of Defense, the General Counsel, DoD; the Assistants to the Secretary of Defense; and the Chairman of the Joint Chiefs of Staff shall:

a. Take action as set forth in D.1.a. and b.

b. Review Military Departments' and Defense Agencies' evaluations and recommendations on their immediate areas of responsibility, and coordinate these submissions and the action items and General Provisions assigned to their activity with other OSD and OJCS elements.

c. Submit to the ASD(C) a summary statement of action taken and, when appropriate, a DoD position for approval by the Secretary of Defense, in accordance with DoD Instruction 5545.3 (reference (b)).

d. Prepare the guidance necessary for implementing the policy decisions of the Secretary of Defense.

3. The Assistant Secretary of Defense (Comptroller) shall:

a. Review all Acts and related reports to identify and assign items requiring action by DoD Components, and ensure that all actions have been selected.

b. Coordinate Congressional action items to be assigned to the cognizant DoD Component in advance of formal tasking.

c. Act as the focal point to receive all submissions, under D.1.a. and D.2.a., and recommendations from the Military Departments and Defense Agencies, and refer these to the office of primary responsibility within the OSD or OJCS.

d. Coordinate a DoD position or policy recommendation, and publish a complete set of the statements of action and DoD position reflecting Secretary of Defense approval.

e. Ensure that all Congressional requests for reports or other specific information are identified and assigned to an appropriate DoD organizational element for compliance.

f. Issue detailed guidance, including due dates, for the implementation of this Directive.

E. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward two copies of implementing instructions to the Assistant Secretary of Defense (Comptroller) within 120 days.

C. W. Duncan, Jr.
Deputy Secretary of Defense

D. PROCEDURES AND RESPONSIBILITIES

1. General

a. After extracting the action items and before preparing transmittal statements, each DoD Component shall coordinate informally with the Assistant Secretary of Defense (Comptroller) (ASD(C)) to verify that all relevant items have been selected.

b. The ASD(C) shall conduct a joint session with the Military Departments and those OSD offices having primary interest (principally the Under Secretary of Defense for Research and Engineering, Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), and Assistant Secretary of Defense (Program Analysis and Evaluation)) to determine the DoD Component to be assigned primary responsibility for action on each item, and to prepare the statements of action taken and DoD position statements.

c. When action applies to a DoD Component other than the Component assigned primary action, the Component may respond on that portion of the action that affects its own activities by submitting a transmittal statement to the office having primary responsibility within 10 calendar days of receipt of action assignments from the ASD(C).

2. The Secretaries of the Military Departments and the Directors of Defense Agencies shall:

a. Upon issuance of the Congressional reports related to Authorization and Appropriation Acts affecting the Department of Defense, review each report thoroughly to identify specific action items, extract pertinent information containing views of the Congress on the operations of the Military Department/Defense Agency, and submit a statement informally to the ASD(C). Particular emphasis shall be placed on directed or suggested actions. When applicable, reference shall be made to similar actions in prior years. General Provisions are excluded from the Military Department/Defense Agency review.

b. Prepare a statement for transmittal to the ASD(C) containing action taken and, when appropriate, a DoD position on those assigned items that require action at the Military Department/Defense Agency level. Submit these statements to the ASD(C) in accordance with the instructions and format prescribed in enclosures 2 and 3 and within the time schedule established in section E.

3. The Principal Staff Assistants and the Chairman of the Joint Chiefs of Staff shall:

a. As office of primary responsibility, review action statements proposed by the Military Departments/Defense Agencies, including a determination as to whether the action or DoD position is consistent

July 5, 1979
NUMBER 5545.3

Department of Defense Instruction

ASD(C)

SUBJECT: DoD Procedures for Congressional Authorization and Appropriation Actions

References: (a) DoD Instruction 5545.3, "Review and Implementation of Congressional Actions on Authorization and Appropriation Acts Affecting DoD and Related Congressional Reports," September 19, 1974 (hereby canceled)

(b) DoD Directive 5545.2, "Review and Implementation of Congressional Actions on Authorization and Appropriation Acts Affecting DoD and Related Congressional Reports," September 19, 1974

A. REISSUANCE AND PURPOSE

This Instruction reissues reference (a); establishes the procedures for handling Congressional action items; and prescribes uniform procedures to be followed by DoD Components assigned responsibility in reference (b) for:

1. Reviewing and identifying specific recommendations contained in House, Senate, and Conference Reports on the Authorization and Appropriation Acts listed in enclosure 1, and for taking positive action on each recommendation, to include the development and issuance of policy directives, instructions, and any other action required by these reports.

2. Identifying subject matter on which information must be furnished to the Congress, and developing the data in such a manner as to respond fully to the Congressional request.

3. Implementing, through appropriate media, the General Provisions of the Authorization and Appropriation Acts listed in enclosure 1, and maintaining central control of actions taken as a result of recommendations in these Acts and related Congressional reports.

B. APPLICABILITY

The provisions of this Instruction apply to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), and the Defense Agencies (hereafter referred to as "DoD Components").

C. DEFINITION

As used herein, the term "Principal Staff Assistants" means the Under Secretaries of Defense, the Assistant Secretaries of Defense, the General Counsel, DoD, and the Assistants to the Secretary of Defense.

with existing policy, and, if not, whether existing policy needs to be changed or the proposed policy disapproved. This shall include coordination with appropriate OSD/OJCS offices.

b. Prepare a statement for transmittal to the ASD(C) summarizing the action taken by the Military Departments/Defense Agencies and, when appropriate, a DoD position for approval by the Secretary of Defense. The instructions and format prescribed in enclosures 2 and 3 shall be followed.

c. Prepare a statement for transmittal to the ASD(C) containing action taken and, when appropriate, a DoD position for approval by the Secretary of Defense on assigned General Provisions and on those assigned action items that require action at the OSD/OJCS level but not at the Military Department/Defense Agency level. The instructions and formats prescribed in enclosures 2, 3, and 4 shall be followed.

d. Prepare the necessary DoD issuances or policy statements required to implement the policy decisions of the Secretary of Defense and the General Provisions of the Authorization and Appropriation Acts.

4. The Assistant Secretary of Defense (Comptroller) shall:

a. Independent of the review conducted by the other DoD Components, review each Authorization and Appropriation Act and related Congressional reports to identify specific action items to be extracted by the OSD, the OJCS, the Military Departments, and the Defense Agencies.

b. Serve as the central point to receive all submissions under paragraph D.2.a.

c. Assign to the OSD/OJCS office of primary responsibility all General Provisions and those action items that require action at the OSD/OJCS level but not at the Military Department/Defense Agency level, and assign those action items requiring action by the Military Departments/Defense Agencies.

d. Furnish the office of primary responsibility 2 copies of the General Provision that requires review to determine if there is any change to the "action taken" statement for the previous year. Any changes that are necessary may be made on the copy furnished. If the General Provision is new, the "action taken" statement shall contain an implementing statement. There is no necessity to retype the General Provision language.

e. Upon receipt of action statements proposed and submitted by the Military Departments/Defense Agencies, verify that relevant items have been included, and then forward to the OSD/OJCS office of primary responsibility.

f. Coordinate and consolidate statements of action taken and DoD position statements for official dissemination indicating Secretary of Defense approval.

g. Furnish a complete set of statements of actions and DoD position reflecting Secretary of Defense approval to appropriate officials of the Department of Defense, General Accounting Office, and to members of the Congressional Committees.

h. Ensure that the Assistant to the Secretary (Legislative Affairs) receives statements of action and DoD position statements as required for inclusion in the Secretary of Defense Congressional Reference Book.

i. Maintain a complete central control record of action items being processed, and monitor the implementation of this Instruction.

E. DUE DATES

To have an approved DoD position for use in Congressional Hearings and other policy determinations, this time schedule shall be followed:

1. Military Departments/Defense Agencies and OSD/OJCS staff offices shall transmit the action statements, described in paragraphs D.2.b. and D.3.c., to the ASD(C) as directed by the ASD(C).

2 OSD/OJCS staff offices shall finalize and transmit the action statements, described in paragraph D.3.b., to the ASD(C) within 8 calendar days after receipt.

3. General Provisions, described in paragraph D.3.c., shall be finalized and returned to the ASD(C) within 10 calendar days after receipt.

F. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward two copies of implementing instructions to the Assistant Secretary of Defense (Comptroller) within 120 days.

Fred P. Wacker

Fred P. Wacker
Assistant Secretary of Defense
(Comptroller)

Enclosures - 4
1. List of Authorization and Appropriation Acts Affecting DoD, and Related Congressional Reports for Review and Implementation
2. Instructions for Preparing Action Statements
3. Sample Format--Action Statements Other than General Provisions
4. Sample Format--Action Statements--General Provisions

LIST OF AUTHORIZATION AND APPROPRIATION ACTS AFFECTING DOD, AND RELATED CONGRESSIONAL REPORTS FOR REVIEW AND IMPLEMENTATION

A. CONGRESSIONAL ACTIONS

House of Representatives, Senate, and Conference Committees' Reports:

Department of Defense Appropriation Authorization Act

Department of Defense Appropriation Act

Military Construction Authorization Act

Military Construction Appropriation Act

Supplemental Appropriation Authorization Acts (Department of Defense)

Supplemental Appropriation Acts (Department of Defense)

Concurrent Resolutions on the Budget

Budget Rescission Bills

B. GENERAL PROVISIONS

Department of Defense Appropriation Authorization Act

Department of Defense Appropriation Act

Military Construction Authorization Act

Military Construction Appropriation Act

Supplemental Appropriation Authorization Acts (Department of Defense)

Supplemental Appropriation Acts (Department of Defense)

INSTRUCTIONS FOR PREPARING ACTION STATEMENTS

1. The formats for preparing action statements are shown in the following enclosures:

Enclosure 3, Other than General Provisions
Enclosure 4, General Provisions

2. Action statements pertaining to items other than General Provisions shall include a listing of references to the applicable Congressional reports and a narrative summary of the "Recommendation or Action Indicated by Congressional Committee(s)." The title shall be selected as descriptive of the subject matter. Action statements pertaining to General Provisions shall include a verbatim extract of the provision.

3. Statements of action taken, or DoD position, shall be prepared in the same type of language used for preparing witness statements; that is, succinct and directly responsive to the point at issue and suitable for use by the Secretary and Deputy Secretary of Defense, the Secretaries of the Military Departments, and other officials in appearances before Congressional Committees.

4. Directives, regulations, or other official promulgations and studies that pertain to the action, shall be referred to or quoted in the action statement. Copies of such referenced items shall be attached to both the General Provision and action item statements.

5. Statements shall be single spaced and prepared on 8 by 10-1/2 inch paper with 1-inch top and left margins and 1/2-inch bottom and right-hand margins. Organization, preparer's name and extension, and date of preparation should appear in the lower right-hand corner of each statement. Originating office and other reviewing offices that make a substantive change shall be listed. All action statements shall be unclassified; classified material may be submitted to serve as back-up data.

6. Forward 2 copies of the General Provision and an original and 2 copies of each action item statement with the appropriate enclosures to the Assistant Secretary of Defense (Comptroller) by transmittal memorandum signed at the level designated in implementing instructions.

SAMPLE FORMAT

ACTION STATMENTS OTHER THAN GENERAL PROVISIONS

DLGN 41 AND 42 NUCLEAR FRIGATES

House Budget Committee Report, First Concurrent Resolution, Page 36
House Armed Services Committee Report, Pages 35-40
Conference Armed Services Committee Report, Pages 27, 28, 42
House Appropriations Committee Report, Second Supplemental (1978) Page 5
House Appropriations Committee Report, Page 174
Senate Appropriations Committee Report, Pages 22, 159-161
House Appropriation Committee Report, Military Construction, Page 2
P.L. 95-485, Appropriation Authorization Act, Section 203

Recommendation or Action Indicated by Congressional Committee(s)

The President's FY 1974 budget did not include a request for authorization for Nuclear Powered Frigates (DLGN). In its report each year, for the past 8 years, the HASC has presented in detail its reasons for believing it is necessary for the security of the United States that the Navy be provided with nuclear frigates to accompany nuclear carriers. The Committee feels that additional nuclear frigates are needed. The House authorized advance procurement funds in the amount of $79 million to provide long lead-time items for the nuclear frigates DLGN 41 and DLGN 42. The Senate receded from its position and accepted the House authorization. In addition, the Senate accepted the restrictive language providing that the $79 million could be used only for the procurement of long lead-time items for the DLGNs 41 and 42. That language further provided that contracts for these long lead-time items be entered into as soon as practicable unless the President fully advises the Congress that the construction of these vessels is not in the National interest.

Action Taken

The FY 1974 program has been placed on contract and the FY 1975 President's Budget requests $244.3 million to fully fund DLGN-41 and to provide additional advance procurement funding for DLGN-42. Funds to complete DLGN-42 are programmed in FY 1976.

DoD Position
(Include appropriate statement when applicable)

OASD(C))DASD(P/B)[1]
S.KETTERING, x72124
3/20/74[2]

[1]Enter on last page only.
[2]Month/Day/Year - in numbers only

(NOTE: Omit page numbers when submitting final format)

SAMPLE FORMAT

ACTION STATEMENTS -- GENERAL PROVISIONS

GENERAL PROVISIONS
DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1974
PL 93-155, November 16, 1973

SURVIVOR BENEFIT PLAN-AMENDMENT

Section 804. Section 3(b) of Public Law 92-425 (86 Stat. 711) is amended by --

(1) striking out in the first sentence "before the first anniversary of that date" and inserting in lieu thereof "at any time within eighteen months after such date", and

(2) striking out in the second sentence "before the first anniversary of" and inserting in lieu thereof "at any time within eighteen months after".

Action Taken

Section 804 of the Department of Defense Appropriation Authorization Act for FY 1974 extended for 6 months (until March 20, 1974) the period within which retired members of the uniformed services could elect to participate in the Survivor Benefit Plan. The Military Departments have publicized the extension to enable potential participants to elect into the Plan.

The provision will be fully executed on March 20, 1974.

OASD(MRA&L)MPP
MAJ. JONES, X54132
2/4/74[1]

[1]Month/Day/Year - in numbers only

NOTE: "DoD Position" is not required.

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

COMPTROLLER

8 APR 1975

MEMORANDUM FOR Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff
Director of Defense Research and Engineering
Assistant Secretaries of Defense
General Counsel
Director, Telecommunications & Command and Control Systems
Assistants to the Secretary of Defense
Directors of the Defense Agencies

SUBJECT: Identification and Control of Reports Generated by Congressional Armed Services and Appropriations Committees

References: a. DoD Directive 5545.2, "Review and Implementation of Congressional Actions on Authorization and Appropriation Acts Affecting DoD and Related Congressional Reports," September 19, 1974.

b. DoD Instruction 5545.3, "Procedures for the Annual Review and Implementation of Congressional Actions on Authorization and Appropriation Acts Affecting DoD and Related Congressional Reports," September 19, 1974.

c. DoD Directive 5000.19, "Policies for the Management and Control of DoD Information Requirements," June 1, 1973.

DoD Directive 5545.2 (reference a) and DoD Instruction 5545.3 (reference b) assign responsibility and establish procedures for identifying and implementing each of the actions required by the Congress in their reports on the annual defense authorization and appropriation legislation. Such actions as required by the Congress frequently include the preparation and submission of one-time or recurring reports to the Congress. Often, these reports are required at a date prior to the completion of the publication of action item statements under the provisions of references a and b.

Reports of this nature are also subject to the policies and procedures in DoD Directive 5000.19 (reference c). Accordingly, it has been determined that the procedures for administering the reports control function under this latter directive should also be utilized in establishing a positive control system that will assure timely preparation and submission of this particular group of reports.

It has been the practice under DoD Instruction 5545.3 (reference b) for each DoD component to conduct a review of Congressional Armed Services and Appropriations Committee reports to identify action items which need to be addressed. Subsequently, in a joint session conducted by the ASD(C) action item officer, an agreement has been made to determine the DoD component to be assigned primary responsibility for action on each item. In this regard, we would also like to continue to ensure that all responses to action items are prepared in a timely manner.

It is now planned that immediately upon release of any Congressional Armed Services or Appropriations Committee Report, a preliminary review will be made by the ASD(C) action item officer, with such assistance as may be necessary from his counterparts in the DoD components, specifically for the purpose of identifying any potential one-time or recurring reporting requirements. These items will then be referred to the Directorate for Information Operations and Control for analysis consistent with the provisions of DoD Directive 5000.19 (reference c). The ASD(C) action item officer will then convene a meeting of representatives from the applicable DoD component staff offices to: (1) consider possible alternatives for fulfilling the reporting requirement (e.g., using available similar or substitute data); (2) assign report control symbols, as appropriate; and (3) designate the office of primary responsibility for each report. If Conference Committee action addresses any of the reporting requirements and necessitates a revision to the previously established requirement, the ASD(C) action item officer will again convene a meeting of DoD component representatives to update the action required.

An action item report control calendar will then be developed and maintained to insure that reporting due dates are met. Copies of the control calendar will be distributed to the appropriate Defense Component information management control office/information focal points as designated by reference (c). If a reporting date cannot be met, a request for extension of the due date must be addressed to the applicable Committee. ASD(C) coordination is required on all reports, or requests for extensions, to the Appropriations Committees.

Your cooperation in implementing this procedure will be greatly appreciated and should facilitate our ability to react promptly to these important congressional requirements.

Terence E. McClary

Terence E. McClary
Assistant Secretary of Defense

REPORTING REQUIREMENTS IN CONGRESSIONAL COMMITTEE REPORTS

OASD(C) reviews congressional committee reports to:

- o Assure that actions and reporting requirements levied by the Congress are satisfied.
- o Control those congressional actions requiring a report through maintenance of a reports calendar.

(See ASD(C) memorandum, April 8, 1975, for background and guidance)

HAC SURVEYS AND INVESTIGATIONS STAFF

OASD(C) maintains relationships with the Surveys and Investigations (S&I) Staff -- the investigating arm of the House Appropriations Committee. (See DODI 5500.16, December 8, 1976, for background and guidance.)

- o Establishes focal point in OSD and Services for all new S&I studies.
- o Serves as contact point with House Appropriations Committee for obtaining S&I reports.

NUMBER 5500.16
DATE December 8, 1976

ASD(C)

Department of Defense Instruction

SUBJECT Relationship with the Surveys and Investigations Staff, House Appropriations Committee

References:
(a) Section 202(b) of the Legislative Reorganization Act of 1946, P.L. 79-601 (2 U.S.C. 72a)
(b) DoD Directive 5118.3, "Assistant Secretary of Defense (Comptroller)," July 11, 1972
(c) DoD Directive 5400.4, "Provision of Information to Congress," February 20, 1971
(d) DoD Directive 5200.1, "DoD Information Security Program," June 1, 1972
(e) OMB Circular No. A-10, "Responsibilities for Disclosure with Respect to the Budget," November 12, 1976
(f) Deputy Secretary of Defense memorandum, August 27, 1969, subject: "GAO Review of Weapons Systems Programs - Access to Records"

I. PURPOSE

This Instruction establishes policies and procedures governing the relationship of Department of Defense Components (see III) with the Surveys and Investigations Staff (S&I Staff), House Appropriations Committee.

II. BACKGROUND

A. The Surveys and Investigations Staff, House Appropriations Committee, was established, pursuant to section 202(b) of the Legislative Reorganization Act of 1946, P.L. 79-601, (2 U.S.C. 72a) (reference (a)), to conduct surveys and investigations of the organization and operation of any Executive Branch agency deemed necessary to assist the House Appropriations Committee in actions concerning matters coming under its jurisdiction. Inquiries conducted under this authority have been a major source of information for the House Appropriations Committee in their action on Defense appropriation requests and in recommendations for DoD action which are set forth in the reports on appropriation bills.

B. The regular S&I Staff comprises a small nucleus of professional and clerical personnel, usually about eight individuals, augmented by contract personnel and by personnel detailed from various Federal Government agencies. This provides a staff of skilled investigators with expertise in various areas. Department of Defense has, on occasion, provided personnel for this staff. Arrangements are made for reimbursement to an agency for personnel detailed to the Staff. Normally, investigators are

not assigned to work on inquiries involving the agency from which they are detailed. The S&I Staff reports directly to the Chairman of the Appropriations Committee and is completely separate from committee staffs that deal individually with agency budget requests.

C. In conducting inquiries, it is not the practice of S&I Staff teams to provide a draft copy of their report to the agency for comment. Moreover, S&I Staff team chiefs or members are not required to reveal the nature of their criticism at exit interviews nor to indicate what will be included in their final report. Reports on inquiries conducted by the S&I Staff are made to the Chairman of the Appropriations Committee. While the Department may routinely request copies of the final report, such copies may not be released except by authority of the Chairman or a majority of the Committee. In some cases, reports are withheld indefinitely.

III. APPLICABILITY AND SCOPE

The provisions of this Instruction apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Defense Agencies, and the Unified and Specified Commands (hereinafter referred to as "DoD Components").

IV. RESPONSIBILITIES

A. The Assistant Secretary of Defense (Comptroller) in the role of principal staff advisor to the Secretary of Defense for ". . . budgeting, auditing, and fiscal functions" pursuant to Section II, DoD Directive 5118.3 (reference (b)), is responsible for establishing administrative procedures covering the relationship of DoD Components with the S&I Staff, serving as the principal liaison representative of the Department of Defense with the S&I Staff, and making such arrangements as are necessary to facilitate the conduct of inquiries by the S&I Staff. In carrying out this authority, the Special Assistant, Office of the Assistant Secretary of Defense (Comptroller), is designated as the individual who will coordinate with all other DoD Components those matters related to S&I Staff inquiries and direct S&I Staff members who are conducting inquiries to the appropriate organizations and individuals within the Department of Defense.

B. Each principal staff assistant to the Secretary of Defense or in the Organization of the Joint Chiefs of Staff is responsible for Defense-wide coordination of inquiries involving their respective functional areas. When notification of an impending inquiry has been received from the Special Assistant, OASD(C), each principal staff assistant to the Secretary of Defense or the Director of the Joint Staff will designate and advise the Special Assistant, OASD(C), of the office within that organization and the individual from that office who will serve as the OSD or JCS Staff Coordinator for that particular inquiry.

C. Each Secretary of a Military Department and Director of a Defense Agency is responsible for all arrangements that are necessary for S&I Staff teams to conduct inquiries within each department or agency. These arrangements will include the designation of an office to receive all notifications of impending inquiries; assignment of responsibility to a specific organization and individual within the Military Department or Defense Agency for dealing with the S&I Staff and with the OSD Staff Coordinator on each inquiry as it is announced; advising the Special Assistant, OASD(C), and the OSD Staff Coordinator, as appropriate, of individuals who are to be contacted by Surveys and Investigations Staff personnel; and reporting to the Special Assistant, OASD(C), on the status and results of each inquiry.

V. POLICIES AND PROCEDURES

A. Inquiries are initiated by majority vote of a subcommittee of the House Appropriations Committee, with participation by both the subcommittee Chairman and the Ranking Minority Member. Upon approval of the Chairman and Ranking Minority Member of the House Appropriations Committee, the request for an inquiry is directed to the S&I Staff for action. The Chief, Surveys and Investigations Staff, House Appropriations Committee, will advise the Secretary of Defense by letter of the impending inquiry. Information copies of such letters will be provided to the Assistant Secretary of Defense (Public Affairs), the Assistant Secretary of Defense (Legislative Affairs), General Counsel, Organization of the Joint Chiefs of Staff, the Military Departments, and any interested Defense Agency. Following such notification, the Special Assistant, Office of the Assistant Secretary of Defense (Comptroller), will determine the office of primary responsibility and request that an individual from that office be designated as the OSD Staff Coordinator. The Special Assistant, OASD(C), will then forward the name of the individual designated as OSD Staff Coordinator to the S&I Staff. Henceforth, the OSD Staff Coordinator will become the principal coordinator between the S&I team and DoD for the conduct of that particular inquiry.

B. If the subject of the inquiry is in a functional area under the jurisdiction of the Joint Chiefs of Staff, the Director of the Joint Staff will designate the individual who will serve as Staff Coordinator for that particular inquiry. In those instances, the JCS Staff Coordinator will perform the same duties and assume the same responsibilities that are otherwise assigned in this Instruction to the OSD Staff Coordinator.

C. The Special Assistant, OASD(C), will also advise the Principal Deputy Assistant Secretary of Defense (Comptroller) of each inquiry as it is received. If the PDASD(C) determines that there are significant budgetary implications in an inquiry, a member of that staff may be appointed as Budget Monitor to assist and advise

the OSD Staff Coordinator on budgetary matters. The OSD Staff Coordinator will keep the Budget Monitor advised of the progress of the inquiry.

D. The Special Assistant, OASD(C), will also inform the designated representative or central coordinating office in the Military Department concerned of each inquiry as it is received. Each Defense Agency will also be advised of each inquiry in which it has an interest. A Military Department or Defense Agency individual will then be designated as the principal coordinator within that organization for matters pertaining to the inquiry. Such individuals will normally be from the same functional area as the OSD Staff Coordinator.

E. As appointments are made, the Special Assistant, OASD(C), will notify the Chief, Surveys and Investigations Staff, of the names of Department of Defense individuals who are to be contacted to get the inquiry underway.

F. The Chief, Surveys and Investigations Staff, will furnish the Special Assistant, OASD(C), a list of the names of S&I Staff investigators who will be participating in an inquiry. The Special Assistant, OASD(C), will then obtain the security clearance of each investigator from the Assistant Secretary of Defense (Legislative Affairs) or the Office of the Deputy Assistant Secretary of Defense (Administration), OASD(C), Attn: Security Division, and provide a listing of investigators and their security clearance to the OSD Staff Coordinator, the Military Department central coordinating offices, and any Defense Agency that may be involved in the inquiry.

1. While the inquiry is underway, the OSD Staff Coordinator will assure that DoD personnel who will be contacted by S&I Staff members have been notified, in advance, of their security clearance. In addition, the Security Division will provide a security clearance certification to the appropriate security office for each DoD Component or Defense contractor that is to be contacted by S&I Staff members.

2. Any question that may arise concerning the security clearance of S&I Staff members should be resolved promptly. When necessary, the security clearance of any S&I Staff member may be verified by direct contact with the ODASD(A), OASD(C), Attn: Chief, Security Division, telephone 697-7171.

G. Surveys and Investigations Staff teams will be advised to contact the OSD Staff Coordinator when the inquiry is commenced for the purpose of arranging visits to DoD facilities and obtaining required information. The OSD Staff Coordinator will take the lead in making such arrangements and will arrange for travel and appointment schedules with Military Department coordinators or with other Department of Defense offices. When the S&I Staff team requests information or data from the OSD staff or JCS, the OSD Staff Coordinator will secure

such information or data. This will enable the OSD Staff Coordinator to be knowledgeable of the material being requested and at the same time preclude unnecessary administrative delays in obtaining the information or data. The OSD Staff Coordinator will request that the S&I Staff team advise on any unresolved problems that may arise in the conduct of the inquiry. All possible steps will be taken to assure that S&I Staff members receive full cooperation of DoD organizations in conducting the inquiry.

H. It is the practice of Surveys and Investigations Staff teams to visit DoD installations by themselves. Accordingly, the OSD Staff Coordinator or Military Department and Defense Agency coordinators should not arrange for DoD officials to accompany S&I teams except in unusual circumstances, or when the S&I team chief requests that DoD officials accompany them.

I. Each Military Department and Defense Agency will designate an office as the initial point of contact and central coordinating office on all matters concerning the activities of the S&I Staff. Upon being advised by the Special Assistant, OASD(C), that notification of an impending inquiry has been received, the Department or Agency central coordinating office will (1) notify the appropriate staff offices of the pending inquiry, and (2) initiate the action to designate an individual to serve as the principal coordinator with the S&I Staff for that particular inquiry. Since it is usually desirable for the Department or Agency coordinator to be in the same functional area as the OSD Staff Coordinator, the Department or Agency central coordinating office will ascertain from the Special Assistant, OASD(C), who will be the OSD Staff Coordinator before finalizing the Military Department or Defense Agency appointment.

VI. REPORTING

A. Each Military Department or Defense Agency involved in any inquiry will submit a monthly report, in duplicate, no later than the 15th day of the following month, to the Special Assistant, OASD(C), on the status of each inquiry.

B. This progress report will include a description of any controversial issues, their resolution, and any corrective actions taken as a result of the inquiry.

C. The Special Assistant, OASD(C), will immediately distribute the copies of Military Department or Defense Agency reports to the applicable OSD Staff Coordinators.

D. Each OSD Staff Coordinator will notify the Special Assistant, OASD(C), promptly of any unusual or controversial matters not covered in the Military Department or Defense Agency reports.

E. The Special Assistant, OASD(C), will maintain a list indicating the status of all inquiries that are pending, in progress, or completed during the current year and other pertinent information. This list will be reproduced quarterly for distribution to ASD(C), ASD(LA), ASD(PA), General Counsel, the Military Departments, and other interested staff offices.

F. The reporting requirements prescribed in A., above, are assigned Report Control Symbol DD-COMP(M)

VII. PROVISION OF INFORMATION TO S&I STAFF MEMBERS

A. The provision of information and data to S&I Staff members, will be subject to the prevailing rules and customs for providing information direct to the House Appropriations Committee (DoD Directive 5400.4, reference (c)). It is the policy of the Department of Defense to extend maximum cooperation and provide all needed information to S&I Staff members in their conduct of inquiries subject to the following conditions:

1. Classified information that is pertinent to the subject of the inquiry will be properly safeguarded and provided only in accordance with the policies and regulations established under DoD Directive 5200.1, "DoD Information Security Program" (reference (d)).

2. Budget estimates and supporting materials for any given fiscal year will not be provided prior to transmittal of the President's Budget for that year to the Congress. Thereafter, any material provided to the Appropriations Committee may be furnished. OMB Circular A-10, (reference (e)), establishes the policies with respect to any premature disclosure of Presidential recommendations.

3. Instructions issued by the Deputy Secretary of Defense in his memorandum of August 27, 1969 (reference (f)), concerning the release of out-year financial planning data, will be observed.

4. Any information which is recognized by law as privileged will not be released. For example, the non-factual information, i.e., recommendations and conclusions contained in Inspector General reports and special investigation reports, is generally considered to be information which is privileged and therefore not releasable.

B. The conditions cited above in paragraphs A.1-4. which may preclude the provision of data to S&I Staff members should arise infrequently. When such conditions do arise, it should normally be possible to satisfy requests for such data by some alternate means that are acceptable to both the requestor and the

Department of Defense. Defense personnel will, therefore, exert every possible effort to discover such alternate means. However, in those cases where requests for data cannot be satisfied by some alternate means, there will be no disclosure of material described above, or final refusal to disclose such material, except in accordance with the procedures set forth in paragraph IV.B.2. of DoD Directive 5400.4 (reference (c)).

VIII. EFFECTIVE DATE AND IMPLEMENTATION

This instruction is effective immediately. Two copies of implementing documents shall be forwarded to the Assistant Secretary of Defense (Comptroller) within 60 days.

Fred P. Wacker

Assistant Secretary of Defense
(Comptroller)

THE PROCESS OF BUDGET EXECUTION

Office of The
Assistant Secretary of Defense
(Comptroller)

THE PROCESS OF BUDGET EXECUTION

- THIS BRIEFING DEALS WITH THE MATTER OF DEPARTMENT OF DEFENSE UNOBLIGATED AND UNEXPENDED BALANCES – A SUBJECT WHICH IS FREQUENTLY DISCUSSED AND OFTEN MISUNDERSTOOD.
- JUST AS IN THE SUBTITLE FOR THIS BRIEFING, THERE IS OFTEN A TENDENCY TO ATTACH A SUBJECTIVE QUALITY TO THESE TERMS.
- THESE TERMS ARE FREQUENTLY USED IN AN ABSTRACT WAY AND ADDRESSED AS IF THEY WERE A MEANS TO AN END.
- IT IS IMPORTANT TO UNDERSTAND THE PROCESS OF BUDGET EXECUTION, BECAUSE UNOBLIGATED AND UNEXPENDED BALANCES BECOME AN ARITHMETIC DERIVATIVE.

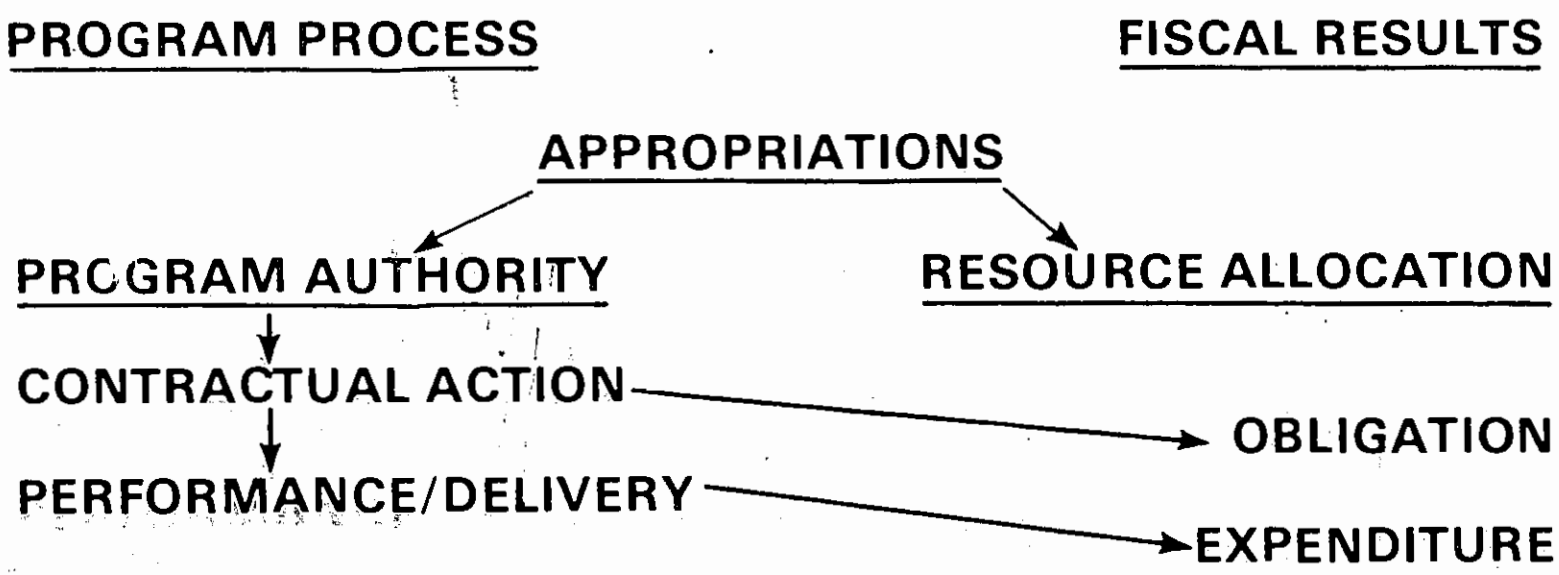
THE PROCESS OF BUDGET EXECUTION

UNOBLIGATED
AND
UNEXPENDED BALANCES

EVENTS IN THE EXECUTION PROCESS

- THE LEGISLATIVE PROCESS PROVIDES BOTH THE AUTHORITY AND THE RESOURCES TO ACCOMPLISH DEPARTMENT OF DEFENSE PROGRAM OBJECTIVES.
- THE PROCESS IS EVENT ORIENTED.
- CONTRACTUAL ACTION INVOLVING PERSONAL SERVICES OR MATERIEL RESULTS IN OBLIGATIONS.
- PAYMENTS FOR PERFORMANCE RENDERED OR DELIVERY OF MATERIEL RESULTS IN EXPENDITURES.

EVENTS IN THE EXECUTION PROCESS



TIME PHASING OF THE EXECUTION PROCESS

- IF THE EVENTS IN THE EXECUTION PROCESS WERE COMPLETED ENTIRELY WITHIN EACH FISCAL YEAR, THERE WOULD BE NO UNOBLIGATED OR UNEXPENDED BALANCES.
- IF WE WERE DEALING ENTIRELY WITH OPERATING PROGRAMS IN THE DEPARTMENT OF DEFENSE BUDGET, THERE WOULD BE NO UNOBLIGATED BALANCES AT THE END OF EACH YEAR AND ONLY MODEST UNEXPENDED BALANCES.
- NEITHER OF THE FOREGOING TWO CONDITIONS APPLIES SINCE THE BUDGET DEALS ALSO WITH MAJOR CAPITAL INVESTMENTS.
- CONGRESS FULLY FUNDS THE CAPITAL INVESTMENTS APPROVED IN THE ANNUAL BUDGET, AND RECOGNIZES THE TIME PHASING REQUIREMENTS OF THE ACQUISITION PROCESS BY PROVIDING APPROPRIATION OBLIGATION LIFE SPANS AS APPROPRIATE TO THE VARIOUS FUNCTIONAL AREAS.

TIME PHASING OF THE EXECUTION PROCESS

OPERATIONS

- 1 YEAR APPROPRIATION LIFE
- 100% OBLIGATED IN 1ST YEAR
- 87% EXPENDED IN 1ST YEAR

R&D

- 2 YEAR APPROPRIATION LIFE
- 93% OBLIGATED IN 1ST YEAR
- 58% EXPENDED IN 1ST YEAR

PROCUREMENT (EXCL. SHIPBUILDING)

- 3 YEAR APPROPRIATION LIFE
- 76% OBLIGATED IN 1ST YEAR
- 13% EXPENDED IN 1ST YEAR

SHIPBUILDING

- 5 YEAR APPROPRIATION LIFE
- 51% OBLIGATED IN 1ST YEAR
- 5% EXPENDED IN 1ST YEAR

MILITARY CONSTRUCTION

- 5 YEAR APPROPRIATION LIFE
- 75% OBLIGATED IN 1ST YEAR
- 11% EXPENDED IN 1ST YEAR

DEPARTMENT OF DEFENSE BUDGET

MILITARY FUNCTIONS UNOBLIGATED AND UNEXPENDED BALANCES

- THE TIME SPAN REQUIRED FOR ORDERLY BUDGET EXECUTION IS SUCH THAT THERE WILL AND SHOULD BE BALANCES.
- UNOBLIGATED BALANCES REPRESENT PROGRAMS, OR PORTIONS OF PROGRAMS, WHICH HAVE NOT YET BEEN PLACED UNDER CONTRACT.
- WE WOULD EXPECT THE UNOBLIGATED BALANCES TO PERTAIN TO CAPITAL INVESTMENT PROGRAMS IN GENERAL AND TO THE MAJOR PROCUREMENT AREA IN PARTICULAR.
- IT IS IMPORTANT TO RECOGNIZE THAT BY FAR THE LARGER PORTION OF UNEXPENDED BALANCES REPRESENTS PROGRAMS WHICH HAVE REACHED THE CONTRACTUAL ACTION STAGE OF THE EXECUTION PROCESS. THESE BALANCES REPRESENT LEGAL OBLIGATIONS AGAINST WHICH PAYMENT MUST ULTIMATELY BE MADE.

DEPARTMENT OF DEFENSE BUDGET
MILITARY FUNCTIONS UNOBLIGATED AND UNEXPENDED BALANCES
($ BILLIONS)

	6/30/73	6/30/74	6/30/75	9/30/76	9/30/77	9/30/78	9/30/79	EST. 9/30/80	EST. 9/30/81
UNOBLIGATED BALANCES	12.7	15.1	16.7	21.0	20.0	21.3	23.0	24.4	23.8
OBLIGATED BALANCES	26.9	28.5	27.1	30.3	42.7	52.4	60.9	70.4	86.4
UNEXPENDED BALANCES	39.6	43.6	43.9	51.3	62.7	73.6	83.9	94.8	110.1

DOD UNOBLIGATED BALANCES
END OF FISCAL YEAR, 1978-81

- THE TRENDS AND BALANCES IN THE AREAS OTHER THAN PROCUREMENT ARE FAIRLY CONSTANT.
- THE RDT&E PROGRAM IS INCREMENTLY FUNDED AND OBLIGATES ON THE ORDER OF 93% IN THE INITIAL YEAR.
- MILITARY CONSTRUCTION, WHILE FULLY FUNDED AS A CAPITAL INVESTMENT, IS A RELATIVELY SMALL PORTION OF THE TOTAL DEPARTMENT OF DEFENSE BUDGET AND THE BALANCES ARE ACCORDINGLY MODEST.
- THE INDUSTRIAL FUNDS ARE REVOLVING FUNDS WHICH FINANCE THE OPERATIONS OF SHIPYARDS, ARSENALS, DEPOTS, AND OTHER COMMERCIAL AND INDUSTRIAL TYPE OF INHOUSE DOD ACTIVITIES.
- THE STOCK FUNDS ARE ALSO REVOLVING AND MANAGEMENT FUNDS WHICH FINANCE THE PURCHASE OF CONSUMABLE MATERIALS FOR RESALE TO THE MILITARY SERVICES AND OTHER AUTHORIZED CUSTOMERS. CONSUMABLE MOBILIZATION RESERVE MATERIALS ARE ALSO PURCHASED THROUGH THE STOCK FUNDS.
- AS EXPECTED THE LARGEST PORTION OF OUR UNOBLIGATED BALANCES APPLIES TO THE PROCUREMENT APPROPRIATIONS WHEREIN WE FINANCE THE ACQUISITION OF AIRCRAFT, MISSILES, SHIPS, TRACKED COMBAT VEHICLES, AND OTHER WEAPONS AND MATERIAL.

DOD UNOBLIGATED BALANCES
END OF FISCAL YEAR 1978-81
($ BILLIONS)

	9/30/78	9/30/79	EST. 9/30/80	EST. 9/30/81
PROCUREMENT	15.8	15.1	17.9	17.9
RDT&E	.9	1.1	1.1	1.3
MILITARY CONSTRUCTION	1.5	1.5	1.5	1.7
FAMILY HOUSING	.2	.2	.1	.2
INDUSTRIAL FUNDS	2.7	3.4	3.2	2.6
STOCK FUNDS	–	1.6	.5	–
TRUST FUNDS	.1	.1	.1	.1
TOTAL UNOBLIGATED BALANCES	21.3	23.0	24.4	23.8

PROCUREMENT APPROPRIATIONS UNOBLIGATED BALANCES

- WITHIN THE PROCUREMENT AREA THE NAVY SHIPBUILDING PROGRAM ACCOUNTS FOR THE LARGEST SINGLE PORTION OF THE UNOBLIGATED BALANCES.
- BALANCES IN OTHER APPROPRIATIONS VARY DEPENDING UPON THE NATURE AND SIZE OF THE PROGRAM.
- A COMPARISON OF THE BALANCES, EXCLUSIVE OF SHIPBUILDING, WITH THE PROGRAM VALUE EACH YEAR INDICATES THAT THE RELATIONSHIPS ARE STABLE AND REASONABLY PREDICTABLE. THE FOLLOWING TWO CHARTS PROVIDE AN AGING ANALYSIS OF BOTH UNOBLIGATED AND UNEXPENDED BALANCES IN THESE AREAS.

PROCUREMENT APPROPRIATIONS
UNOBLIGATED BALANCES
($ MILLIONS)

	9/30/78	9/30/79	EST. 9/30/80	EST. 9/30/81
AIRCRAFT, ARMY	183	193	234	236
MISSILES, ARMY	130	197	301	334
WPNS. AND TR. COMBAT VEH., ARMY	310	336	394	511
AMMUNITION, ARMY	452	479	520	577
OTHER, ARMY	802	750	715	897
AIRCRAFT, NAVY	1,031	1,306	1,096	1,589
WEAPONS, NAVY	998	878	847	976
SHIPBUILDING, NAVY	6,550	6,317	8,090	6,173
OTHER, NAVY	734	830	761	885
MARINE CORPS	130	207	143	198
AIRCRAFT, AIR FORCE	2,770	2,227	2,857	3,033
MISSILES, AIR FORCE	825	589	956	1,370
OTHER, AIR FORCE	752	599	839	986
DEFENSE AGENCIES	145	152	143	91
TOTAL UNOBLIGATED BALANCES	15,812	15,062	17,897	17,854
UNOBLIGATED BALANCES: AS A PERCENT OF AVAILABILITY	32.0%	30.7%	33.8%	29.6%

ANALYSIS OF PROCUREMENT (EXCLUDING SCN) UNOBLIGATED AND UNEXPENDED BALANCES

- APPROXIMATELY THREE-FOURTHS OF THE UNOBLIGATED BALANCES REPRESENT APPROPRIATIONS THAT ARE NO MORE THAN ONE YEAR OLD.

- ON THE ORDER OF 80% OF THE UNEXPENDED BALANCES REPRESENT APPROPRIATIONS THAT ARE NO MORE THAN TWO YEARS OLD.

ANALYSIS OF PROCUREMENT
(EXCLUDING SCN)
UNOBLIGATED AND UNEXPENDED BALANCES
($ BILLIONS)

	71	72	73	74	75	76	77	78	79	80	81
UNOBLIGATED BALANCE	6.5	5.1	5.4	6.7	7.5	10.2	9.3	9.3	8.7	9.8	11.7
1ST YEAR BALANCE	6.5	3.5	3.4	5.5	5.9	8.4	7.1	6.8	6.2	7.3	8.9
2ND YEAR BALANCE		1.6	2.0	1.2	1.6	1.8	2.2	2.4	2.6	2.5	2.8
UNEXPENDED BALANCE	17.9	17.3	18.1	18.4	18.4	22.4	28.9	34.9	39.9	45.3	53.7
1ST YEAR BALANCE	17.9	11.4	12.2	11.6	11.6	16.4	19.0	21.6	22.8	25.4	29.9
2ND YEAR BALANCE		5.9	4.1	4.9	5.0	4.2	7.8	9.8	11.7	12.6	14.4
3RD YEAR BALANCE			1.8	1.1	1.1	1.0	1.2	2.5	3.7	5.0	5.6
4TH YEAR BALANCE				.8	.3	.3	.4	.4	1.0	1.4	2.4
PRIOR YEARS					.4	.5	.5	.6	.7	.9	1.4

ANALYSIS OF SCN UNOBLIGATED AND UNEXPENDED BALANCES

- IN THE CASE OF SHIPBUILDING, THE AGING PATTERN VARIES BECAUSE OF THE MORE EXTENDED ACQUISITION CYCLE.

ANALYSIS OF SCN
UNOBLIGATED AND UNEXPENDED BALANCES
($ BILLIONS)

	71	72	73	74	75	76	77	78	79	80	81
UNOBLIGATED BALANCE	2.0	2.6	3.2	4.0	4.9	4.6	5.6	6.6	6.3	8.1	6.2
1ST YEAR BALANCE	2.0	1.4	1.4	2.0	2.7	2.0	3.1	2.9	2.2	3.8	3.0
2ND YEAR BALANCE		1.2	.9	.8	1.4	1.5	1.5	2.3	1.8	1.7	1.7
3RD YEAR BALANCE			.9	.7	.4	.9	.5	1.1	1.5	1.3	.7
4TH YEAR BALANCE				.5	.4	.2	.4	.2	.8	1.3	.8
5TH YEAR BALANCE							.1	.1			
UNEXPENDED BALANCE	5.5	6.6	7.5	8.9	9.1	10.2	13.2	15.8	16.5	18.9	20.6
1ST YEAR BALANCE	5.5	2.7	2.8	3.2	3.1	4.1	5.6	5.6	4.3	6.5	6.0
2ND YEAR BALANCE		3.9	2.1	2.2	2.6	2.4	3.4	4.9	4.8	3.2	5.6
3RD YEAR BALANCE			2.6	1.7	1.7	1.8	1.9	2.8	3.7	3.7	2.3
4TH YEAR BALANCE				1.8	1.0	1.1	1.2	1.2	1.9	2.9	2.7
PRIOR YEARS					.7	.8	1.1	1.3	1.8	2.6	4.0

AIRCRAFT EXECUTION

(BASED ON FY 1976 A-10 PROGRAM)

- TO ILLUSTRATE THE TIME-PHASED ASPECT OF BUDGET EXECUTION, THIS CHART SUMMARIZES CONTRACTUAL ACTION FOR THE FY 1976 A-10 AIRCRAFT PROGRAM.
- FOURTEEN SEPARATE CONTRACTS WERE INVOLVED.
- APPROXIMATELY 70% OF THE PROGRAM WAS OBLIGATED IN THE FIRST YEAR, AND THE REMAINDER WAS OBLIGATED IN APPROXIMATELY EQUAL INCREMENTS DURING THE SECOND AND THIRD YEARS.
- WHILE THE PRECISE PHASING FOR INDIVIDUAL PROGRAMS WILL VARY, WE ARE ABLE TO RELY UPON AGGREGATED HISTORICAL DATA TO MAKE REASONABLY ACCURATE BUDGET PROJECTIONS.

AIRCRAFT EXECUTION

(BASED ON FY 1976 A-10 PROGRAM)

$ IN MILLIONS

AIRCRAFT	PROGRAM	ACTUAL OBLIGATIONS YR. 1	YR. 2	YR. 3
AIRFRAME	156	135	149	156
ENG. CHANGE ORD.		(9)	(5)	(–)
RESERVE FOR INCENTIVES		(3)	(–)	(–)
RESERVE FOR ESCALATION		(7)	(2)	(–)
RESERVE FOR CLAIMS		(2)	(–)	(–)
ENGINES	54	40	47	54
ENGINE ACCESSORIES		(6)	(2)	(–)
RESERVE FOR INCENTIVES		(2)	(2)	(–)
RESERVE FOR ESCALATION		(6)	(3)	(–)
ELECTRONICS	5	4	5	5
GFE		(1)	(–)	(–)
SUPPORT	65	14	36	65
TRAINING EQUIPMENT		(12)	(5)	(–)
GROUND EQUIPMENT		(32)	(20)	(–)
DATA		(7)	(4)	(–)
OTHER	13	12	13	13
ORDNANCE		(1)	(–)	(–)
PROGRAM	293			
TOTAL OBLIGATIONS	–	205	250	293
UNOBLIGATED	–	(88)	(43)	(0)

DEPARTMENT OF DEFENSE BUDGET
FY 1979 OBLIGATIONS AND OUTLAYS

- ESTIMATES OF OBLIGATIONS EACH YEAR INCLUDE BOTH THE DIRECT (APPROPRIATED FUND) PROGRAM AND THE REIMBURSABLE (CUSTOMER) PROGRAM.
- OUTLAY ESTIMATES DEPEND HEAVILY UPON HISTORICAL DATA SINCE DISBURSEMENTS ARE MADE AT NUMEROUS CENTRALIZED FISCAL LOCATIONS, AND NOT THROUGH THE INDIVIDUAL PROGRAM MANAGER ORGANIZATIONS.
- THIS CHART COMPARES THE FY 1979 ACTUALS TO THE ESTIMATES REFLECTED IN THE FY 1980 PRESIDENT'S BUDGET (JANUARY 1979).
- AFTER ADJUSTING THE PLANS ONLY FOR APPROPRIATIONS AND CUSTOMER ORDERS WHICH FAILED TO MATERIALIZE, THE ACTUAL OBLIGATIONS FOR FY 1979 WERE AT 100.1% OF THE ESTIMATE AND OUTLAYS AT 102.8%.

DEPARTMENT OF DEFENSE BUDGET
FY 1979 OBLIGATIONS AND OUTLAYS
($ BILLIONS)

	OBLIGATIONS	OUTLAYS
PLAN	169.9	112.4
ADJUSTED AVAILABILITY	-1.1	-.5
REVISED PLAN	168.8	111.9
ACTUAL	169.0	115.0
ACTUAL AS % OF REVISED PLAN	100.1%	102.8%

FEDERAL GOVERNMENT UNOBLIGATED AND UNEXPENDED BALANCES

- OUR UNEXPENDED AND UNOBLIGATED BALANCES ARE IN FACT LARGE BUT THEY ARE PREDICTED AND PREDICTABLE.
- THE BALANCES FOR THE TOTAL FEDERAL GOVERNMENT ARE EVEN MORE IMPRESSIVE, WITH A PROJECTED TOTAL UNEXPENDED BALANCE EXCEEDING FOUR-FIFTHS OF A TRILLION DOLLARS BY END FY 1981.
- DOD ESTIMATED BALANCES FOR FY 1979 (WHICH ENDED 9/30/79) COMPARE FAVORABLY WITH THE ACTUAL RESULTS.
- THE FY 1979 ESTIMATES VS ACTUAL FOR OTHER AGENCIES UNDERSCORES THE FACT THAT WE ARE DEALING WITH ESTIMATES AND NOT A PRECISE SCIENCE.

FEDERAL GOVERNMENT UNOBLIGATED AND UNEXPENDED BALANCES ($ BILLIONS)

	9/30 78	9/30 79 AS FORECAST JANUARY 1979	9 30 79	EST. 9 30 80	EST. 9 30 81
FEDERAL FUNDS					
UNOBLIGATED BALANCES					
DOD MILITARY	21.2	22.4	22.9	24.4	23.7
OTHER AGENCIES	101.0	65.6	85.8	104.4	103.7
FEDERAL GOVERNMENT TOTAL	122.1	88.0	108.7	128.8	127.3
UNEXPENDED BALANCES					
DOD MILITARY	73.4	86.6	83.7	94.7	110.0
OTHER AGENCIES	386.6	398.0	409.4	471.1	511.4
FEDERAL GOVERNMENT TOTAL	460.1	484.6	493.1	565.8	621.4
TRUST FUNDS					
UNOBLIGATED BALANCES					
DOD MILITARY	.1	.1	.1	.1	.1
OTHER AGENCIES	135.6	149.7	148.3	158.3	169.8
FEDERAL GOVERNMENT TOTAL	135.8	149.8	148.4	158.4	169.9
UNEXPENDED BALANCES					
DOD MILITARY	.2	.2	.2	.2	.1
OTHER AGENCIES	179.1	199.3	195.0	209.4	225.2
FEDERAL GOVERNMENT TOTAL	179.3	199.5	195.1	209.5	225.4
TOTAL FEDERAL FUNDS & TRUST FUNDS					
UNOBLIGATED BALANCES					
DOD MILITARY	21.3	22.5	23.0	24.4	23.8
OTHER AGENCIES	236.6	215.3	234.1	262.7	273.5
FEDERAL GOVERNMENT TOTAL	257.9	237.8	257.1	287.2	297.2
UNEXPENDED BALANCES					
DOD MILITARY	73.6	86.8	83.9	94.8	110.1
OTHER AGENCIES	565.8	597.3	604.3	680.5	736.6
FEDERAL GOVERNMENT TOTAL	639.4	684.1	688.2	775.3	846.8

FEDERAL GOVERNMENT
UNOBLIGATED AND UNEXPENDED BALANCES

- THIS CHART HELPS TO ILLUSTRATE THAT WE ARE DEALING WITH THE PHENOMENON OF LARGE NUMBERS.
- AS A RESULT OF PROGRAM GROWTH TO A DEGREE AND INFLATION TO A LARGER DEGREE, THE BALANCES MUST BE EXPECTED TO GROW.
- DOD UNOBLIGATED BALANCES OF $13.0 BILLION AND UNEXPENDED BALANCES OF $36.0 BILLION A DECADE AGO WERE VERY LARGE NUMBERS.
- CONVERTING THESE FY 1971 BALANCES TO CONSTANT FY 1981 PRICES MAKES THEM EVEN MORE IMPRESSIVE.

FEDERAL GOVERNMENT UNOBLIGATED AND UNEXPENDED BALANCES
($ BILLIONS)

	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	EST FY 1980	EST FY 1981
CURRENT PRICES											
UNOBLIGATED BALANCES											
DOD MILITARY	13.0	11.9	12.7	15.1	16.7	21.0	20.0	21.3	23.0	24.4	23.8
OTHER AGENCIES	161.9	165.3	174.3	219.2	271.5	247.7	233.8	236.6	234.1	262.7	273.5
FEDERAL GOVERNMENT TOTAL	174.8	177.2	187.0	234.3	288.3	268.7	253.8	257.9	257.1	287.2	297.2
UNEXPENDED BALANCES											
DOD MILITARY	36.0	35.9	39.6	43.7	44.0	51.4	62.6	73.6	83.9	94.8	110.1
OTHER AGENCIES	224.9	233.7	254.1	379.0	462.9	490.2	526.3	565.8	604.3	680.5	736.6
FEDERAL GOVERNMENT TOTAL	260.9	269.5	293.7	422.7	506.9	541.5	589.0	639.4	688.2	775.3	846.8
CONSTANT 1981 PRICES											
UNOBLIGATED BALANCES											
DOD MILITARY	27.2	23.6	23.5	25.9	26.6	31.3	27.5	27.0	26.9	26.4	23.8
OTHER AGENCIES	339.1	327.3	322.7	376.1	432.2	369.7	321.0	300.4	273.9	283.8	273.5
FEDERAL GOVERNMENT TOTAL	366.3	350.9	346.2	402.0	458.8	401.0	348.5	327.4	300.8	310.2	297.2
UNEXPENDED BALANCES											
DOD MILITARY	76.9	73.8	78.6	79.2	70.0	76.4	86.9	95.4	99.8	103.2	110.1
OTHER AGENCIES	480.2	480.4	504.5	686.7	736.6	728.3	730.4	733.5	719.0	741.0	736.6
FEDERAL GOVERNMENT TOTAL	577.1	554.2	583.1	765.9	806.7	804.7	817.3	828.9	818.8	844.2	846.8

GAO REVIEW IN 1977 OF DOD UNOBLIGATED BALANCES

- WITHIN DOD PROGRAM PERFORMANCE IS MONITORED ON A CONTINUOUS BASIS.
- IN 1977, AT THE REQUEST OF THE CONGRESSIONAL BUDGET COMMITTEES, THE GENERAL ACCOUNTING OFFICE (GAO) CONDUCTED A SPECIAL REVIEW.
- THE CONCLUSIONS ON THIS CHART WERE INCLUDED AMONG THE PRINCIPAL GAO FINDINGS.

GAO REVIEW IN 1977 OF DOD UNOBLIGATED BALANCES

- GAO DID NOT FIND EVIDENCE THAT THE BUILD-UP IN UNOBLIGATED BALANCES FOR DEFENSE'S PROCUREMENTS BETWEEN JULY 1, 1972, AND SEPTEMBER 30, 1976, REPRESENTED A DEFENSE INABILITY TO PERFORM ITS PROGRAMS

- MOST OF THE INCREASE IN DEFENSE'S PROCUREMENT UNOBLIGATED TOTAL WAS DUE TO PROGRAMMED GROWTH RATHER THAN AN OBLIGATION RATE DECLINE

- THERE WAS NO EVIDENCE THAT ALLOWANCES FOR ENGINEERING CHANGE ORDERS AND INFLATION WERE OVERESTIMATED

SUMMARY

- A NEGATIVE CONNOTATION SHOULD NOT BE ATTACHED TO THE EXISTENCE OF UNOBLIGATED AND UNEXPENDED BALANCES. MISIMPRESSION EXISTS AMONG MANY THAT THESE BALANCES ARE COMPARABLE TO NON-INTEREST BEARING CASH IN AN INDIVIDUAL'S CHECKING ACCOUNT.
- COMPLETE ABANDONMENT OF THE FULL FUNDING PRACTICE WOULD MAKE LESS THAN ONE-FIFTH OF THE TOTAL UNEXPENDED BALANCES DISAPPEAR WHILE ADDING CONSIDERABLE COMPLICATIONS TO THE ANNUAL BUDGET PROCESS.
- ABANDONMENT OF THE FULL FUNDING PRINCIPLE WOULD ALSO REQUIRE THE DEVELOPMENT OF ANOTHER TERM COMPARABLE TO BUDGET AUTHORITY IN ORDER TO PROVIDE VISIBILITY WITH RESPECT TO THE TRUE LIABILITY OF THE FEDERAL GOVERNMENT.

SUMMARY

- UNOBLIGATED AND UNEXPENDED BALANCES PROVIDE A USEFUL MEASURE OF FEDERAL GOVERNMENT COMMITMENTS
- SUCH BALANCES DO NOT REPRESENT IDLE CASH
- TAX POLICIES AND TREASURY BORROWING PRACTICES ARE BASED UPON AMOUNTS TO BE EXPENDED WITHIN EACH FISCAL YEAR
- UNEXPENDED BUT OBLIGATED BALANCES CAN BE REDUCED BY CANCELLATION OF CONTRACTS
- UNEXPENDED AND UNOBLIGATED BALANCES CAN BE REDUCED BY CANCELLATION OF PROGRAMS OR BY ABANDONING THE CONGRESSIONAL PRINCIPLE OF "FULL FUNDING" CAPITAL INVESTMENTS

BUDGET EXECUTION FLEXIBILITIES

Office of The
Assistant Secretary of Defense
(Comptroller)

BUDGET EXECUTION FLEXIBILITIES

- REPROGRAMING
- TRANSFER AUTHORITY
- FOREIGN CURRENCY FLUCTUATION
- EMERGENCY AND EXTRAORDINARY EXPENSES
- SECTION 3732 DEFICIENCY AUTHORITY
- WORKING CAPITAL FUNDS TRANSFER AUTHORITY
- PERMANENT AUTHORITY
- FUNCTIONAL TRANSFERS
- EMERGENCY MILITARY CONSTRUCTION
- MILITARY CONSTRUCTION CONTINGENCY AUTHORITY AND FUNDS
- TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH
- TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH FACILITIES CONSTRUCTION
- CONSTRUCTION PROJECTS COST VARIATIONS
- RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED
- MINOR CONSTRUCTION

REPROGRAMING

Example of Use

A $44.0 MILLION REPROGRAMING REQUEST WAS APPROVED TO CREATE AN ADVANCE BUY LINE IN THE BACK-UP TITAN III BOOSTER PROGRAM IN FY 1980. THE OVERALL GOAL OF THE PROGRAM WAS TO TAKE INITIAL STEPS TO MAINTAIN CRITICAL TITAN III PRODUCTION CAPABILITY UNTIL INITIAL OPERATIONAL CAPABILITY OF THE SPACE SHUTTLE THROUGH ACQUISITION OF LONG-LEAD ITEMS. SOURCES OF FUNDING FOR THE INCREASE WERE FROM PROCUREMENT AND RDT&E APPROPRIATIONS.

REPROGRAMING

- APPLIES TO APPROPRIATIONS IN THE ANNUAL DOD APPROPRIATION ACT - MILITARY PERSONNEL, OPERATION & MAINTENANCE, PROCUREMENT, AND RESEARCH AND DEVELOPMENT.

- BASED UPON AGREEMENTS BETWEEN DOD AND THE CONGRESSIONAL ARMED SERVICES AND APPROPRIATIONS COMMITTEES.

- PROVIDES FLEXIBILITY TO REVISE THE PROGRAMS WITHIN AN APPROPRIATION.

- SOME ACTIONS MAY BE APPROVED BY THE MILITARY DEPARTMENTS AND DEFENSE AGENCIES; OTHERS REQUIRE APPROVAL BY THE SECRETARY OF DEFENSE AND NOTIFICATION OF, OR PRIOR APPROVAL BY, THE CONGRESSIONAL COMMITTEES SPECIFIED.

- A SUMMARY REPORT OF ALL REPROGRAMING ACTIONS IS SUBMITTED TO THE CONGRESS SEMIANNUALLY.

- CONSIDERABLE PRESSURE FROM THE COMMITTEES TO MINIMIZE REPROGRAMING. SECTION 743 OF THE 1980 ACT STATES THAT "NO PART OF THE FUNDS IN THIS ACT SHALL BE AVAILABLE TO PREPARE OR PRESENT A REQUEST TO THE COMMITTEES ON APPROPRIATIONS FOR THE REPROGRAMING OF FUNDS, UNLESS FOR HIGHER PRIORITY ITEMS, BASED ON UNFORESEEN MILITARY REQUIREMENTS, THAN THOSE FOR WHICH ORIGINALLY APPROPRIATED AND IN NO CASE WHERE THE ITEM FOR WHICH REPROGRAMING IS REQUESTED HAS BEEN DENIED BY THE CONGRESS."

APPROVAL AND/OR NOTIFICATION REQUIREMENTS FOR REPROGRAMMING ACTION

DOD COMPONENT ACTION	OSD ACTION			
DOD INSTRUCTION 7250.10 DATED JANUARY 10, 1980 "IMPLEMENTATION OF REPROGRAMING OF APPROPRIATED FUNDS," REQUIRES PRIOR APPROVAL OF THE SECRETARY OF DEFENSE OR THE DEPUTY SECRETARY OF DEFENSE FOR THE FOLLOWING:	OBTAIN PRIOR APPROVAL OF HOUSE & SENATE COMMITTEES ON		NOTIFY HOUSE AND SENATE COMMITTEES	
	ARMED SERVICES	APPRO-PRIAT.	ARMED SERVICES	APPRO-PRIAT.
1. ACTIONS REQUIRING PRIOR COMMITTEE APPROVAL.				
A. ANY REPROGRAMING TO INCREASE THE PROCUREMENT QUANTITY OF AN INDIVIDUAL AIRCRAFT, MISSILE, NAVAL VESSEL, TRACKED COMBAT VEHICLE, OTHER WEAPON OR TORPEDO AND RELATED SUPPORT EQUIPMENT FOR WHICH FUNDS ARE AUTHORIZED UNDER 10 USC 138.	YES	YES		
B. ANY REPROGRAMING ACTION INVOLVING THE APPLICATION OF FUNDS, IRRESPECTIVE OF THE AMOUNT, TO ITEMS IN WHICH ANY ONE OR MORE OF THE CONGRESSIONAL COMMITTEES IS KNOWN TO HAVE A SPECIAL INTEREST; ALSO ANY REPROGRAMING ACTION WHICH, BY NATURE OF THE ACTION, IS KNOWN TO BE OR HAS BEEN DESIGNATED AS A MATTER OF SPECIAL INTEREST TO ONE OR MORE COMMITTEES, E.G. REPROGRAMING FOR TRANSFERS PURSUANT TO THE GENERAL TRANSFER AUTHORITY IN DOD APPROPRIATION ACTS.	1/	YES		

1/ YES, IF ACTION INVOLVES AN APPROPRIATION FOR WHICH FUNDS HAVE BEEN AUTHORIZED UNDER 10 USC 138. THE REPROGRAMING ACTION IS FORWARDED TO THESE COMMITTEES AND IS MARKED "INFORMATION COPY" ONLY WHEN FUNDS (EXCEPT RDT&E) CITED AS SOURCES OF FINANCING WERE SUBJECT TO AUTHORIZING LEGISLATION. ALL REPROGRAMING ACTIONS WHICH CITE RDT&E FUNDS AS A SOURCE OF FINANCING REQUIRE ARMED SERVICES COMMITTEE APPROVAL.

APPROVAL AND/OR NOTIFICATION REQUIREMENTS FOR REPROGRAMING ACTIONS

DOD COMPONENT ACTION	OSD ACTION			
DOD INSTRUCTION 7250.10 DATED JANUARY 10, 1980 "IMPLEMENTATION OF REPROGRAMING OF APPROPRIATED FUNDS," REQUIRES PRIOR APPROVAL OF THE SECRETARY OF DEFENSE OR THE DEPUTY SECRETARY OF DEFENSE FOR THE FOLLOWING.	OBTAIN PRIOR APPROVAL OF HOUSE & SENATE COMMITTEES ON		NOTIFY HOUSE AND SENATE COMMITTEES ON	
	ARMED SERVICES	APPROPRIATIONS	ARMED SERVICES	APPROPRIATIONS
II. ACTIONS REQUIRING NOTIFICATION TO THE COMMITTEES				
A. MILITARY PERSONNEL – REPROGRAMING INCREASE OF $5 MILLION OR MORE IN A BUDGET ACTIVITY.				YES
B. OPERATION AND MAINTENANCE – REPROGRAMING INCREASE IN ANY BUDGET ACTIVITY OF $5 MILLION OR MORE.				YES
C. PROCUREMENT – REPROGRAMING INCREASE OF $5 MILLION OR MORE IN A LINE ITEM OR THE ADDITION TO THE PROCUREMENT LINE ITEM DATA BASE OF A PROCUREMENT LINE ITEM OF $2 MILLION OR MORE.			1/	YES
D. RDT&E – REPROGRAMING INCREASE OF $2 MILLION OR MORE IN ANY PROGRAM ELEMENT, INCLUDING THE ADDITION OF A NEW PROGRAM OF $2 MILLION OR MORE, OR THE ADDITION OF A NEW PROGRAM ESTIMATED TO COST $10 MILLION OR MORE WITHIN A 3 YEAR PERIOD.			YES	YES
E. REPROGRAMING ACTIONS INITIATING NEW PROGRAMS OR LINE ITEMS WHICH RESULT IN SIGNIFICANT FOLLOW ON COSTS EVEN THOUGH INITIAL ACTIONS ARE BELOW $5 MILLION AND $2 MILLION THRESHOLDS IN A THRU D ABOVE.			1/	YES

1/ YES, IF ACTION INVOLVES AN APPROPRIATION FOR WHICH FUNDS HAVE BEEN AUTHORIZED UNDER 10 USC 138. THE REPROGRAMING ACTION IS FORWARDED TO THESE COMMITTEES AND IS MARKED "INFORMATION COPY" ONLY WHEN FUNDS (EXCEPT RDT&E) CITED AS SOURCES OF FINANCING WERE SUBJECT TO AUTHORIZING LEGISLATION. ALL REPROGRAMING ACTIONS WHICH CITE RDT&E FUNDS AS A SOURCE OF FINANCING REQUIRE ARMED SERVICES COMMITTEE APPROVAL.

APPROVAL AND/OR NOTIFICATION REQUIREMENTS FOR REPROGRAMMING ACTION

DOD COMPONENT ACTION	OSD ACTION			
DOD INSTRUCTION 7250.10 DATED JANUARY 10, 1980 "IMPLEMENTATION OF REPROGRAMING OF APPROPRIATED FUNDS," REQUIRES APPROVAL OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER) FOR THE ACTIONS IN SECTION III	OBTAIN PRIOR APPROVAL OF HOUSE & SENATE COMMITTEES ON		NOTIFY HOUSE AND SENATE COMMITTEES ON	
	ARMED SERVICES	APPROPRIATIONS	ARMED SERVICES	APPROPRIATIONS
III. ACTIONS CLASSIFIED AS AUDIT-TRAIL-TYPE CHANGES (INTERNAL REPROGRAMINGS)	N/A	N/A	N/A	N/A
RECLASSIFICATIONS REPORTING CHANGES IN AMOUNTS, BUT NOT IN THE SUBSTANCE OF THE PROGRAM NOR FROM THE PURPOSES ORIGINALLY BUDGETED FOR, TESTIFIED TO, AND DESCRIBED IN THE BUDGET JUSTIFICATIONS SUBMITTED TO THE CONGRESSIONAL COMMITTEE.				
IV. QUARTERLY REPORTING ON NEW STARTS	N/A	N/A	YES	YES
ADVANCE NOTIFICATION ON BELOW THRESHOLD REPROGRAMINGS FOR NEW PROGRAMS OR LINE ITEMS NOT OTHERWISE REQUIRING PRIOR APPROVAL OR NOTIFICATION ACTION IS MADE BY LETTER DIRECTLY TO THE COMMITTEES BY THE DOD COMPONENT INVOLVED. THESE ITEMS ARE THEN REPORTED QUARTERLY ON A DD FORM 1416-1, SPECIAL QUARTERLY REPORT OF PROGRAMS, WHICH ALSO INCLUDES ACTIONS PREVIOUSLY CONSIDERED BY THE COMMITTEES AS PRIOR APPROVAL OR NOTIFICATION ACTIONS.				

DEPARTMENT OF DEFENSE

REPROGRAMING ACTIONS, FY 1970-1979

($ MILLIONS)

REQUESTED	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979
NUMBER OF ACTIONS	129	132	82	56	24	45	43	55	66	60 b/
NUMBER OF LINE ITEMS	299	275	185	129	37	194	110	112	115	159
DOLLAR VALUE OF PROGRAM	$2,431	$3,266	$1,866	$1,453	$ 219	$1,446	$ 791	$ 1,036	$ 1,237	$ 1,163
(GENERAL TRANSFER AUTHORITY)	–	(348)	(803)	(789)	(75)	(758)	(225)	(452)	(733)	(428)
APPROVED										
DOLLAR VALUE OF PROGRAM	2,385	3,146	1,680	1,255	200	1,166	687	728	1,032	956
(GENERAL TRANSFER AUTHORITY)	–	(280)	(694)	(672)	(65)	(533)	(167)	(230)	(688)	(383)
COMPARISON										
VALUE OF TOTAL DEFENSE PROGRAM a/	74,000	71,247	74,632	76,701	79,141	82,095	92,561	105,548	113,409	125,199
% OF REPROGRAMING INCREASES	3.3%	4.4%	2.3%	1.6%	0.3%	1.4%	.7%	.7%	1.0%	.8%
(GENERAL TRANSFER AUTHORITY)	–	4.0%	1.3%	0.8%	0.2%	0.6%	.2%	.2%	.6%	.4%
BELOW-THRESHOLD REPROGRAMINGS c/										
NUMBER OF ACTIONS						1,864	2,186	1,396	1,087	1,468
TOTAL $ VALUE						787	1,210	1,578	1,063	1,357

a/ EXCLUDES MILITARY CONSTRUCTION, FAMILY HOUSING, MILITARY ASSISTANCE, CIVIL FUNCTIONS, AND CIVIL DEFENSE.

b/ EXCLUDES 4 ACTIONS FORMALLY WITHDRAWN.

c/ DATA NOT AVAILABLE PRIOR TO FY 75

DEPARTMENT OF DEFENSE

REPROGRAMING ACTIONS FOR FISCAL YEARS 1970-1979

($ MILLIONS)

	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979
NUMBER OF ACTIONS FORWARDED TO CONGRESS	129	132	82	56	24	45	43	55	66	60 a/
(PRIOR APPROVAL ACTIONS)	(41)	(47)	(42)	(38)	(16)	(28)	(30)	(36)	(42)	(37)
(NOTIFICATION ACTIONS)	(88)	(85)	(40)	(18)	(8)	(17)	(13)	(19)	(24)	(23)
$ REQUESTED BY TITLE										
MILITARY PERSONNEL	$ 54	$ 366	$ 287	$ 222	$10	$ 192	$75	$ 33	$ 52	$ 27
RETIRED PAY, DEFENSE	–	–	–	–	–	–	–	–	–	15
OPERATIONS & MAINTENANCE	212	585	697	923	88	438	168	129	544	276
PROCUREMENT	1,744	1,792	669	224	82	674	501	763	476	625
RDT&E	421	523	213	84	39	22	47	111	165	189
REVOLVING & MANAGEMENT FUNDS	–	–	–	–	–	120	–	–	–	–
CLAIMS, DEFENSE	–	–	–	–	–	–	–	–	–	31
TOTAL REQUESTED BY DOD	2,431	3,266	1,866	1,453	219	1,446	791	1,036	1,237	1,163
(PRIOR APPROVAL ACTIONS)	(950)	(1,222)	(916)	(984)	(148)	(1,085)	(402)	(683)	(902)	(846)
(NOTIFICATION ACTIONS)	(1,481)	(2,044)	(950)	(469)	(71)	(361)	(389)	(352)	(335)	(316)
TOTAL APPROVED BY CONGRESS	2,385	3,146	1,614	1,255	200	1,166	687	728	1,032	956
(PRIOR APPROVAL ACTIONS)	(904)	(1,105)	(751)	(816)	(129)	(804)	(320)	(430)	(837)	(727)
(NOTIFICATION ACTIONS)	(1,481)	(2,041)	(863)	(439)	(71)	(360)	(367)	(298)	(195)	(229)

a/ EXCLUDES 4 ACTIONS FORMALLY WITHDRAWN

TRANSFER AUTHORITY

- SECTION 734 OF THE 1980 DOD APPROPRIATION ACT PROVIDES A GENERAL AUTHORITY FOR TRANSFERS, NOT TO EXCEED $750 MILLION DURING FY 1980 BETWEEN APPROPRIATIONS OR FUNDS AVAILABLE TO DOD FOR MILITARY FUNCTIONS (EXCEPT MILITARY CONSTRUCTION). DOD HAS REQUESTED THAT CONGRESS INCREASE THIS LIMITATION.

- AUTHORITY TO TRANSFER MAY NOT BE USED UNLESS FOR HIGHER PRIORITY ITEMS BASED ON UNFORESEEN MILITARY REQUIREMENTS.

- REQUIRES A DETERMINATION BY THE SECRETARY OF DEFENSE THAT SUCH ACTION IS IN THE NATIONAL INTEREST AND APPROVAL BY OMB.

- PROVIDES THAT THE SECRETARY OF DEFENSE SHALL NOTIFY CONGRESS PROMPTLY OF ALL TRANSFERS.

- THE USE OF THIS AUTHORITY IS ALSO SUBJECT TO THE PRIOR APPROVAL OF THE APPROPRIATIONS COMMITTEES UNDER THE REPROGRAMMING PROCEDURES.

TRANSFER OF AUTHORITY

Example of Use

THIS AUTHORITY, USED IN CONJUNCTION WITH THE REPROGRAMMING SYSTEM, ENABLED THE MOVEMENT OF $13 MILLION TO THE MISSILE PROCUREMENT, AIR FORCE ACCOUNT TO ACCELERATE DELIVERY SCHEDULES FOR SATELLITE FLIGHT MODELS 9 THROUGH 12 TO MAINTAIN A VIABLE DEFENSE SATELLITE COMMUNICATION SYSTEM SPACE SEGMENT. FUNDS PROGRAMMED IN THE OTHER PROCUREMENT, AIR FORCE ACCOUNT FOR BOMBS, SPACETRACK, AND FIRST DESTINATION TRANSPORTATION WERE USED AS A SOURCE OF FINANCING.

TRANSFER AUTHORITY

- SECTION 734 OF THE 1980 DOD APPROPRIATION ACT PROVIDES A GENERAL AUTHORITY FOR TRANSFERS, NOT TO EXCEED $750 MILLION DURING FY 1980 BETWEEN APPROPRIATIONS OR FUNDS AVAILABLE TO DOD FOR MILITARY FUNCTIONS (EXCEPT MILITARY CONSTRUCTION). DOD HAS REQUESTED THAT CONGRESS INCREASE THIS LIMITATION.

- AUTHORITY TO TRANSFER MAY NOT BE USED UNLESS FOR HIGHER PRIORITY ITEMS BASED ON UNFORESEEN MILITARY REQUIREMENTS.

- REQUIRES A DETERMINATION BY THE SECRETARY OF DEFENSE THAT SUCH ACTION IS IN THE NATIONAL INTEREST AND APPROVAL BY OMB.

- PROVIDES THAT THE SECRETARY OF DEFENSE SHALL NOTIFY CONGRESS PROMPTLY OF ALL TRANSFERS.

- THE USE OF THIS AUTHORITY IS ALSO SUBJECT TO THE PRIOR APPROVAL OF THE APPROPRIATIONS COMMITTEES UNDER THE REPROGRAMMING PROCEDURES.

FOREIGN CURRENCY FLUCTUATION

Example of Use

THE EXCHANGE RATE FOR THE DEUTSCHEMARK USED TO COMPUTE THE FY 1980 FINANCING REQUIREMENTS FOR THE APPROVED PROGRAM IN GERMANY WAS $2.24. THE JANUARY 1980 EXCHANGE RATE WAS DOWN TO $1.71. THE FOREIGN CURRENCY FLUCTUATION ACCOUNT WOULD BE USED TO PROVIDE ADDITIONAL DOLLARS TO BUY THE SAME PROGRAM AT THE NEW RATE.

CONVERSELY, THE EXCHANGE RATE FOR THE LIRA USED TO COMPUTE THE FY 1980 FINANCING REQUIREMENTS FOR THE APPROVED PROGRAM IN TURKEY WAS $17.67. THE JANUARY 1980 RATE WAS UP TO $70.00. IN THIS CASE, ACCORDING TO LAW, THE ADDITIONAL FUNDS GENERATED BY THE HIGHER RATE CANNOT BE USED IN TURKEY TO BUY ADDITIONAL PROGRAM, BUT MUST BE RETURNED TO THE FOREIGN CURRENCY FLUCTUATION ACCOUNT.

FOREIGN CURRENCY FLUCTUATION

- FUNDS ARE APPROPRIATED TO THE FOREIGN CURRENCY FLUCTUATION, DEFENSE, ACCOUNT FOR TRANSFER TO MILITARY PERSONNEL AND OPERATION AND MAINTENANCE APPROPRIATIONS (AVAILABLE FOR DEFENSE ACTIVITIES IN FOREIGN COUNTRIES) TO FINANCE INCREASED OBLIGATIONS DUE TO DOWNWARD FLUCTUATIONS IN THE CURRENCY EXCHANGE RATES (FROM THOSE USED IN BUDGET PREPARATION).

- FUNDS MUST BE TRANSFERRED INTO THIS ACCOUNT WHEN UPWARD FLUCTUATIONS IN CURRENCY EXCHANGE RATES RESULT IN SUBSTANTIAL NET GAINS IN THE MILITARY PERSONNEL AND OPERATION AND MAINTENANCE APPROPRIATIONS

- THE INTENT IS BOTH TO SHIELD OPERATING PROGRAMS FROM SIGNIFICANT LOSSES AND TO RECOUP SIGNIFICANT GAINS TO PREVENT WINDFALL INCREASES BEING USED TO FINANCE WHAT MIGHT BE LOW PRIORITY PROGRAMS, OR PROGRAMS WHICH WERE NOT REVIEWED AND APPROVED BY THE CONGRESS.

- THE SECRETARY OF DEFENSE HAS AUTHORITY TO APPROVE THESE TRANSFERS. AN ANNUAL REPORT TO THE CONGRESS ON ALL TRANSFERS MADE TO OR FROM THIS APPROPRIATION IS REQUIRED.

EMERGENCIES AND EXTRAORDINARY EXPENSES LIMITATION

Example of Use

IN ADDITION TO SUPPORTING PROGRAMED AND TARGET OF OPPORTUNITY INTELLIGENCE EFFORTS, THIS LIMITATION ALSO COVERS REPRESENTATION ALLOWANCES.

EMERGENCIES AND EXTRAORDINARY EXPENSES

- WITHIN THE OPERATION AND MAINTENANCE APPROPRIATION FOR THE DEFENSE AGENCIES, AND FOR EACH OF THE MILITARY DEPARTMENTS, AN AMOUNT IS SPECIFIED FOR EMERGENCIES AND EXTRAORDINARY EXPENSES. (LESS THAN $5 MILLION ANNUALLY PER COMPONENT).

- THESE FUNDS ARE USED FOR COVERT PURPOSES AND FOR EXPENSES NOT OTHERWISE AUTHORIZED TO BE PAID FROM DEFENSE APPROPRIATIONS. THEY MAY BE USED ON THE APPROVAL OF THE SECRETARY OF THE RESPECTIVE MILITARY DEPARTMENT, OR THE SECRETARY OF DEFENSE IN THE CASE OF THE DEFENSE AGENCIES APPROPRIATION. THE APPROPRIATE SECRETARY MUST CERTIFY THAT THE USE OF THE MONEY IS NECESSARY FOR CONFIDENTIAL MILITARY PURPOSES.

- LEGISLATION REQUIRES THE SECRETARY OF DEFENSE TO SUBMIT A REPORT OF EXPENDITURES UNDER THESE LIMITATIONS ON A QUARTERLY BASIS TO THE COMMITTEES ON ARMED SERVICES AND APPROPRIATIONS OF THE SENATE AND HOUSE OF REPRESENTATIVES.

SECTION 3732 DEFICIENCY AUTHORITY

Most Recent Example of Use

THIS AUTHORITY GENERALLY REFERRED TO AS THE "FEED AND FORAGE ACT" WAS INVOKED IN FISCAL YEAR 1980 IN THE OPERATION AND MAINTENANCE ACCOUNTS. ITS USAGE PROVIDED FOR ADDITIONAL FUEL AND TRANSPORTATION COSTS DUE TO UNANTICIPATED FUEL PRICE INCREASES.

SECTION 3732 DEFICIENCY AUTHORITY

- UNDER SECTION 3732 OF THE REVISED STATUTES (41 USC 11), THE DEPARTMENT OF DEFENSE HAS LIMITED AUTHORITY TO ENTER INTO OBLIGATIONS ON A DEFICIENCY BASIS.
- ITS APPLICATION IS LIMITED TO THE NECESSITIES OF THE CURRENT YEAR UNDER CIRCUMSTANCES IN WHICH APPROPRIATIONS FOR CLOTHING, SUBSISTENCE, FORAGE, FUEL, QUARTERS, TRANSPORTATON, OR MEDICAL AND HOSPITAL SUPPLIES ARE EXHAUSTED.
- APPROVAL BY THE SECRETARY OF DEFENSE AND NOTIFICATION TO THE CONGRESS IS REQUIRED.
- WHEN THE FULL EXTENT OF THE DEFICIENCIES ARE KNOWN, A REQUEST MUST BE SUBMITTED TO THE CONGRESS FOR FUNDS TO COVER SUCH DEFICIENCIES.
- THIS STATUTE WAS USED AT THE TIME OF THE BERLIN AND CUBAN CRISES. IT WAS USED IN FY 1980 TO COVER INCREASED FUEL AND RELATED TRANSPORTATION COSTS.
- THERE HAVE BEEN A NUMBER OF RECENT ATTEMPTS WITHIN THE CONGRESS TO REPEAL THIS STATUTE.

WORKING CAPITAL FUNDS TRANSFER AUTHORITY

Example of Use

UNDER THE PROVISIONS OF THIS AUTHORITY, DURING FY 1980, CASH BALANCES OF $13 MILLION IN THE DEFENSE STOCK FUND AND $48 MILLION IN THE ARMY STOCK FUND WERE TRANSFERRED TO THE NAVY AND AIR FORCE STOCK FUNDS TO PROCURE WAR RESERVES.

WORKING CAPITAL FUNDS TRANSFER AUTHORITY

- SECTION 736 OF THE 1980 DOD APPROPRIATION ACT AUTHORIZES THE TRANSFER OF CASH BALANCES BETWEEN WORKING CAPITAL FUNDS OF THE DEPARTMENT OF DEFENSE (STOCK FUNDS AND INDUSTRIAL FUNDS).

- USE OF THIS AUTHORITY REQUIRES APPROVAL BY THE SECRETARY OF DEFENSE AND OMB.

PERMANENT AUTHORITY

UNFUNDED CONTRACT AUTHORITY

Example of Use

ON A RECURRING BASIS UNFUNDED CONTRACT AUTHORITY IS USED IN THE STOCK FUNDS TO MAINTAIN REQUIRED LEVELS OF INVENTORY BY OBLIGATING CONTRACTS/PURCHASE ORDERS IN SUCH AMOUNTS TO ACCOMMODATE PROCUREMENT AND ADMINISTRATIVE LEAD TIMES, RISING INFLATION, AND OTHER STOCKAGE REQUIREMENTS TO SATISFY CUSTOMER ORDERS IN A TIMELY MANNER.

THE OUTSTANDING VALUE OF UNFUNDED CONTRACT AUTHORITY AT THE END OF FY 1979 WAS $4 BILLION.

PERMANENT AUTHORITY

UNFUNDED CONTRACT AUTHORITY

- U.S. CODE TITLE 10, 2210 (b) PROVIDES THAT "OBLIGATIONS MAY, WITHOUT REGARD TO FISCAL YEAR LIMITATIONS, BE INCURRED AGAINST ANTICIPATED REIMBURSEMENTS TO STOCK FUNDS IN SUCH AMOUNTS AND FOR SUCH PERIODS AS THE SECRETARY OF DEFENSE, WITH THE APPROVAL OF THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, MAY DETERMINE TO BE NECESSARY TO MAINTAIN STOCK LEVELS CONSISTENTLY WITH PLANNED OPERATIONS FOR THE NEXT FISCAL YEAR."

- UNFUNDED CONTRACT AUTHORITY OBLIGATIONS ARE LIQUIDATED BY REIMBURSEMENTS FROM CUSTOMER ORDERS.

FUNCTIONAL TRANSFERS

Example of Use

IN APRIL, 1979 THE FEDERAL COBOL COMPILER TEST SERVICE WAS TRANSFERRED FROM THE DEPARTMENT OF THE NAVY TO THE GENERAL SERVICES ADMINISTRATION (GSA). $149,000 WAS TRANSFERRED FROM THE OPERATION AND MAINTENANCE, NAVY, ACCOUNT, TO GSA TO SUPPORT THIS FUNCTIONAL TRANSFER.

FUNCTIONAL TRANSFERS

- UNDER 10 USC 126, AUTHORITY EXISTS TO TRANSFER FUNDS FROM ONE APPROPRIATION ACCOUNT TO ANOTHER IN CONNECTION WITH THE TRANSFER OF RESPONSIBILITIES FROM ONE ORGANIZATION TO ANOTHER.

- THIS AUTHORITY HAS BEEN USED IN THE CASE OF REORGANIZATION ACTIONS.

- SUCH TRANSFERS ARE SUBJECT TO APPROVAL BY THE SECRETARY OF DEFENSE AND OMB.

EMERGENCY MILITARY CONSTRUCTION

Example of Use

A RECENT USE OF THIS AUTHORITY WAS TO PROVIDE $4,400,000 TO THE NAVY FOR DREDGING OF THE THAMES RIVER IN CONNECTICUT TO PROVIDE ADEQUATE CHANNEL DEPTH FOR TRANSIT OF THE FIRST TRIDENT SUBMARINE FROM ITS CONSTRUCTION SITE, ELECTRIC BOAT DIVISION OF GENERAL DYNAMICS CORPORATION, TO LONG ISLAND SOUND FOR SEA TRIALS.

EMERGENCY MILITARY CONSTRUCTION

- THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION ACT PROVIDES EACH OF THE MILITARY DEPARTMENTS WITH AUTHORITY OF $20,000,000 TO PROCEED WITH CONSTRUCTION OF FACILITIES MADE NECESSARY BY CHANGES IN MISSIONS AND RESPONSIBILITIES WHICH HAVE BEEN OCCASIONED BY (1) UNFORSEEN SECURITY CONSIDERATIONS, (2) NEW WEAPONS DEVELOPMENTS, (3) NEW AND UNFORESEEN RESEARCH AND DEVELOPMENT REQUIREMENTS, (4) IMPROVED PRODUCTION SCHEDULES, OR (5) REVISIONS IN THE TASKS OR FUNCTIONS ASSIGNED TO A MILITARY INSTALLATION OR FACILITY OR FOR ENVIRONMENTAL CONSIDERATIONS.

- USE OF THIS AUTHORITY REQUIRES A DETERMINATION BY THE SECRETARY OF DEFENSE THAT DEFERRAL OF SUCH CONSTRUCTION FOR INCLUSION IN THE NEXT MILITARY CONSTRUCTION AUTHORIZATION ACT WOULD BE INCONSISTENT WITH INTERESTS OF NATIONAL SECURITY. ALSO, THE SECRETARY INVOLVED IS REQUIRED TO NOTIFY THE CONGRESSIONAL ARMED SERVICES COMMITTEES.

- FUNDS TO FINANCE SUCH CONSTRUCTION MUST BE REPROGRAMED, WITH THE CONCURRENCE OF THE COMMITTEES ON APPROPRIATIONS, FROM SAVINGS OR FROM LESSER PRIORITY MILITARY CONSTRUCTION PROJECTS.

MILITARY CONSTRUCTION CONTINGENCY AUTHORITY AND FUNDS

Example of Use

RECENTLY, UNDER THIS AUTHORITY, $8.6 MILLION WAS APPROVED FOR CONSTRUCTION OF FACILITIES AT DIEGO GARCIA TO SUPPORT THE INCREASED TEMPO OF OPERATIONS IN THE INDIAN OCEAN.

MILITARY CONSTRUCTION CONTINGENCY AUTHORITY AND FUNDS

- THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION ACTS CONTAIN AUTHORITY WHICH PERMITS THE TRANSFER OF FUNDS FROM THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION TO OTHER APPROPRIATIONS OF THE DEPARTMENT OF DEFENSE WHICH ARE AVAILABLE FOR MILITARY CONSTRUCTION. THE PROJECTS TO BE FINANCED MUST BE DETERMINED TO BE VITAL TO THE SECURITY OF THE UNITED STATES.

- IN FY 1981, $30 MILLION HAS BEEN PROGRAMED UNDER THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION TO PROVIDE FINANCING FOR THIS AUTHORITY.

- USE OF THIS AUTHORITY REQUIRES APPROVAL BY THE SECRETARY OF DEFENSE AND NOTIFICATION OF THE COMMITTEES ON ARMED SERVICES OF BOTH THE HOUSE AND SENATE. COMMENCING WITH THE FY 1980 MILITARY CONSTRUCTION APPROPRIATIONS ACT, THE HOUSE APPROPRIATIONS COMMITTEE HAS MADE THE UTILIZATION OF CONTINGENCY FUNDS SUBJECT TO PRIOR APPROVAL REPROGRAMING.

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH

Example of Use

FUNDS FOR MISSILES AND RELATED EQUIPMENT IN THE RDT&E, DEFENSE AGENCIES APPROPRIATION WERE TRANSFERRED TO RDT&E, ARMY FOR BALLISTIC MISSILE DEFENSE (DEFENDER).

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH

- THE ANNUAL DOD APPROPRIATION ACT PROVIDES AUTHORITY TO TRANSFER FUNDS BETWEEN THE RDT&E, DEFENSE AGENCIES APPROPRIATION AND OTHER APPROPRIATIONS FOR PROGRAMS RELATED TO ADVANCED RESEARCH

- THIS AUTHORITY IS INTENDED TO APPLY TO PROGRAMS MONITORED BY THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

- USE OF THE AUTHORITY REQUIRES A DETERMINATION BY THE SECRETARY OF DEFENSE

- THERE HAS BEEN NO USE OF THE AUTHORITY IN RECENT YEARS

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH FACILITIES CONSTRUCTION

EXAMPLE OF USE

THIS AUTHORITY WAS USED FOR CONSTRUCTION ON KWAJALEIN ISLAND IN SUPPORT OF THE BALLISTIC MISSILE RANGE TO PROVIDE A CAPABILITY FOR TESTING BALLISTIC MISSILE WARHEADS AND DECOY BODIES AT GREAT DISTANCES. THE TRANSFER WAS TO MILITARY CONSTRUCTION FROM RDT&E (ARPA) BY DECREASING OTHER LOWER PRIORITY ADVANCED RESEARCH PROJECTS.

TRANSFER AUTHORITY RELATED TO ADVANCE RESEARCH FACILITIES CONSTRUCTION

- PUBLIC LAW 89-188 AUTHORIZED THE SECRETARY OF DEFENSE TO CONSTRUCT FACILITIES REQUIRED FOR ADVANCE RESEARCH PROJECTS NOT TO EXCEED A CUMULATIVE COST OF $20 MILLION. TO DATE, $8 MILLION OF THIS AUTHORITY HAS BEEN USED AND $12 MILLION REMAINS AVAILABLE.
- THE FUNDS REQUIRED TO FINANCE THIS AUTHORITY ARE BUDGETED FOR, ALONG WITH OTHER ADVANCE RESEARCH FUNDS, UNDER THE RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE AGENCIES APPROPRIATION. UPON APPROVAL TO CONSTRUCT AN ADVANCE RESEARCH FACILITY, THE NECESSARY FUNDS ARE TRANSFERRED TO THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION.
- THIS TRANSFER AUTHORITY IS RESTATED ON AN ANNUAL BASIS IN THE MILITARY CONSTRUCTION, DEFENSE AGENCIES APPROPRIATION LANGUAGE. THERE IS NO REQUIREMENT TO NOTIFY CONGRESS OF ITS USE.

CONSTRUCTION PROJECTS COST VARIATIONS

Example of Use

RECENTLY, IT WAS NECESSARY TO USE THIS AUTHORITY TO ACCOMMODATE A 54% INCREASE (FROM $118,200,000 TO $181,900,000) IN THE COST OF THE SPACE TRANSPORTATION SYSTEM (STS) LAUNCH COMPLEX AT VANDENBERG AIR FORCE BASE, CALIFORNIA.

CONSTRUCTION PROJECTS COST VARIATIONS

- THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION ACT PROVIDES THAT THE MILITARY DEPARTMENTS AND DEFENSE AGENCIES MAY INCREASE STATION AUTHORIZED TOTALS FOR CONSTRUCTION BY 5% IN CONUS AND 10% FOR OUTSIDE THE UNITED STATES. IF ONLY ONE PROJECT (FACILITY) IS AUTHORIZED FOR A STATION, AN INCREASE OF 25% MAY BE APPROVED. SUCH INCREASES ARE PERMITTED ONLY WHEN (1) THEY ARE REQUIRED FOR THE SOLE PURPOSE OF MEETING UNUSUAL VARIATIONS IN COST AND (2) THEY COULD NOT HAVE BEEN REASONABLY ANTICIPATED.
- INCREASES IN EXCESS OF THE ABOVE PERCENTAGES CAN BE INCURRED ONLY AFTER APPROVAL BY THE SECRETARY OF DEFENSE, NOTIFICATION OF THE COMMITTEES ON ARMED SERVICES OF THE SENATE AND HOUSE OF REPRESENTATIVES, AND EITHER (1) THIRTY DAYS HAVE ELAPSED FROM DATE OF NOTIFICATION, OR (2) BOTH COMMITTEES HAVE INDICATED APPROVAL.
- SUCH INCREASES ARE TO BE FUNDED FROM SAVINGS FROM OTHER CONSTRUCTION PROJECTS. FOR PROJECTS COSTING IN EXCESS OF $500,000, COST INCREASES EXCEEDING 25% OR $1,000,000, WHICHEVER IS LESSER, ARE SUBJECT TO PRIOR APPROVAL REPROGRAMMING BY THE COMMITTEES ON APPROPRIATIONS. IN NO EVENT MAY THE TOTAL AMOUNT AUTHORIZED FOR AN APPROPRIATION BE EXCEEDED BECAUSE OF COST VARIATIONS.

RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED

Example of Use

RECENT USE OF THIS AUTHORITY WAS FOR RESTORATION OF A TITAN II MISSILE COMPLEX AT MCCONNELL AFB, KANSAS, WHICH WAS DAMAGED AND RENDERED INOPERATIVE BY A MASSIVE OXIDIZER SPILL.

RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED

- 10 U.S.C. 2673 PROVIDES AUTHORITY FOR THE MILITARY DEPARTMENTS TO RESTORE OR REPLACE FACILITIES THAT HAVE BEEN DAMAGED OR DESTROYED BY FIRE, FLOODS, HURRICANES OR OTHER "ACTS OF GOD."
- THE LEGISLATION REQUIRES THAT EACH USE OF THIS AUTHORITY BE APPROVED BY THE SECRETARY OF DEFENSE, AND THAT THE COMMITTEES ON ARMED SERVICES OF THE SENATE AND HOUSE OF REPRESENTATIVES BE NOTIFIED.
- FUNDS TO FINANCE SUCH CONSTRUCTION MUST BE REPROGRAMED FROM SAVINGS OR FROM LOWER PRIORITY PROJECTS. SUCH REPROGRAMING REQUIRES THE PRIOR APPROVAL OF THE COMMITTEES ON APPROPRIATIONS OF THE SENATE AND HOUSE OF REPRESENTATIVES.

MINOR CONSTRUCTION

Example of Use

IN MAY, 1980, THE DIRECTOR, DEFENSE MAPPING AGENCY, APPROVED A $377,000 PROJECT FOR ALTERATION OF FACILITIES AT FORT SAM HOUSTON, TEXAS, TO ACCOMMODATE THE RELOCATION OF THE HEADQUARTERS, INTER-AMERICAN GEODETIC SURVEY, FROM THE PANAMA CANAL ZONE TO THE CONTINENTAL UNITED STATES.

MINOR CONSTRUCTION

- AUTHORITY IS PROVIDED BY 10 U.S.C. 2674 TO CONSTRUCT FACILITIES COSTING $500,000 OR LESS WHICH ARE NOT OTHERWISE AUTHORIZED BY LAW
- APPROPRIATIONS AVAILABLE FOR MILITARY CONSTRUCTION MAY BE USED FOR SUCH CONSTRUCTION, GENERALLY REFERRED TO AS "MINOR CONSTRUCTION". IN ADDITION, FUNDS AVAILABLE FROM APPROPRIATIONS FOR OPERATION AND MAINTENANCE MAY BE USED FOR ANY PROJECT COSTING NOT MORE THAN $100,000.
- THE LEGISLATION REQUIRES THAT PROJECTS COSTING $300,000 OR MORE BE APPROVED BY THE SECRETARY OF THE MILITARY DEPARTMENT OR DIRECTOR OF DEFENSE AGENCY CONCERNED AND, FURTHER, THAT PROJECTS COSTING $400,000 OR MORE BE APPROVED BY THE SECRETARY OF DEFENSE.
- AN ANNUAL DETAILED REPORT IS REQUIRED TO BE SUBMITTED TO THE COMMITTEES ON ARMED SERVICES AND APPROPRIATIONS OF THE SENATE AND HOUSE OF REPRESENTATIVES ON THE USE MADE OF THIS AUTHORITY. IN ADDITION, THESE COMMITTEES MUST BE NOTIFIED IN WRITING AT LEAST 30 DAYS BEFORE ANY FUNDS ARE OBLIGATED AGAINST ANY PROJECT COSTING MORE THAN $300,000.

BACKGROUND PAPERS

THIS SECTION CONTAINS A NUMBER OF BACKGROUND PAPERS AND FACT SHEETS ON SUBJECTS OF PARTICULAR INTEREST. INCLUDED ARE:

1. Impact of Executive Order 12036 (National Foreign Intelligence Program) on PPBS
2. Financing of procurement - full funding
3. Aircraft procurement, advance procurement
4. Exemption of DoD Appropriations from apportionment
5. Apportionment on a Deficiency Basis
6. General Transfer Authority
7. Section 3732 Authority
8. Reprograming of Appropriated Funds
9. Military Construction Appropriations Legislation and Administration
10. Unbudgeted Inflation in Stock Fund Prices
11. Budgeting for Inflation in Operation and Maintenance Appropriations
12. Civilian Personnel Ceilings
13. Restraints/Limitations Imposed by the Congress
14. Authorizing of O&M Appropriations

BACKGROUND PAPER

Topic: Impact of Executive Order 12036 (National Foreign Intelligence Program) on DOD PPBS

Discussion:

o E.O. 12036 of January, 1978 prescribes "full and exclusive" authority for the Director of Central Intelligence (DCI) over National Foreign Intelligence Program (NFIP) resource levels. The DCI manages NFIP formulation through the Intelligence Community (IC) Staff.

o The Defense Intelligence Program constitutes the bulk of the NFIP. Resources for it are programed in approximately 32 DOD program elements and budgeted in a variety of DOD appropriations involving OSD, the Military Departments, DIA and NSA.

o Annually each Spring, the President approves an explicit fiscal ceiling for the NFIP, to be accommodated within fiscal guidance levels prescribed for the agencies whose budgets will include NFIP resources. Changes in NFIP fiscal guidance levels, unless accompanied by parallel changes in fiscal guidance levels for DOD, can cause increases or decreases in allowances for non-Intelligence DOD programs, but not vice versa. Similarly, approved resource levels for the Defense portion of the NFIP may be changed by DCI decisions during the subsequent program and budget reviews, or by Presidential decisions made later, before the budget is finalized. Normally, these fluctuations are not accompanied by changes to overall DOD allowance levels, and must be accommodated by changing non-Intelligence program levels.

o To preserve the "full and exclusive" authority of the DCI over NFIP resources, we fence the Defense Intelligence Program during the DOD PPB cycle. DCI program decisions are reflected in the SECDEF Program Decision Memoranda or Amended Program Decision Memoranda, often in separate Intelligence issuances. DCI budget decisions are recorded in standard Decision Package Sets, whereby the SECDEF approves the inclusion in the DOD budget of Defense Intelligence Program resources approved by the DCI.

o The IC Staff program/budget review process is similar to ours. OMB, the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence), and this office participate in it. During the Fall, joint hearings are held, followed by formulation of budget issues for DCI consideration.

o The Secretary of Defense has the right, under terms of E.O. 12036, to appeal DCI budget decisions to the President, should he feel that DOD interests are adversely impacted.

o Separate NFIP Congressional Justification Books are prepared by the program managers under IC Staff direction. The DCI takes the lead in justification of NFIP requests to the Congress, including appeals on Congressional action. NFIP budget proposals are reviewed by the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence, which initiate authorizing legislation, and the House and Senate Appropriations Committees. For items covered by 10 U.S.C. 138, the Armed Services Committees include NFIP fiscal and manpower resources in their authorizing legislation also.

o Under E.O. 12036, the Secretary of Defense has day-to-day management responsibility (including financial management) for the Defense Intelligence Program. Resource realignments must, however, be approved by the DCI.

Summary: E.O. 12036 has created the unusual situation wherein another party, the DCI, controls resource level determinations for a significant portion of the Defense program.

June 11, 1980
Directorate for Construction

FINANCING OF PROCUREMENT PROGRAMS

Department of Defense procurement programs are presented and financed on a full funded basis consistent with the expressed wishes of the Congress.

The concept of full funding was initially applied to Navy shipbuilding authorized by the act of March 10, 1951 (65 Stat. 4). Prior to enactment of the act, the Navy shipbuilding program operated under contract authorizations with funds appropriated in annual increments as estimated to be required for contract expenditures during the budget year. After the passage of the act, the Congress appropriated funds for the entire cost of the Navy shipbuilding programs.

This principle has been applied to all procurement programs since that time.

In a letter dated May 15, 1957, to the Secretary of Defense, Congressman Mahon, as Chairman of the Department of Defense Subcommittee, House Committee on Appropriations, stated, in part, that:

> "The general prevailing practice of this Committee is to provide funds at the outset for the total estimated cost of a given item so that the Congress and the public can clearly see and have a complete knowledge of the full dimensions and cost of any item or program when it is first presented for an appropriation.
>
> "During the course of these hearings, the Committee has learned that one or more contracts have been executed for materiel on a partially funded basis with the apparent expectation of completing the financing by ultimately fully obligating the transactions with succeeding years appropriations."
>
> * * * * * *
>
> "It is recommended that all necessary action be taken to prevent such practice in the future and to insure that procurement funds are administered so as to accomplish the full program for which the appropriation was justified."

On May 21, 1957, the Secretary of Defense issued DOD Directive 7200.4 which stated the concept of full funding.

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Financing of Procurement Programs (Continued)

Application of the full funding concept has been monitored closely by Congress over the years. In 1968, Congress requested the General Accounting Office to conduct a review to determine whether DOD was complying fully with the policy. A favorable report was issued by GAO in February 1969 and DOD Directive 7200.4 was updated and strengthened on October 30, 1969. The HAC report (93-662, Pg 147) on the 1974 Budget request re-emphasized the importance of the full funding principle. The Department of Defense strongly supports this Congressional policy of full funding and believes that the one time savings in New Obligational Authority would not compensate for the disadvantages inherent in incremental funding of procurement appropriations.

Specific disadvantages are:

. Loss of visibility and controls built into present program year full funding.

. Potential for disruption of scheduled and approved program execution if projected timing of obligations vary.

. Commits future Congresses to finance the balance of incremental starts, thereby reducing Congressional impact on annual budgets.

. Invalidates present reprogramming procedures and arrangements, which are built on principle of full funding.

. Would require significant funding of contingent liability termination costs not required under a full funding system.

. Would create serious uncertainties for contractors, since total programs would not be funded at time of authorization and appropriations. They would be bidding on partial programs.

. Would increase difficulty of administering programs under Continuing Resolution Authority (CRA) in view of varying obligation patterns and changing program requirements.

. Would create serious problems with contractors responsible for weapons system integration, since funding would be out of phase with responsibilities.

. Production planning would be seriously disrupted.

Financing of Procurement Programs (Continued)

. Would increase number of line items by the number of program years for which funding is required (varying between 3 to 5 years), thereby greatly increasing number of line items Congress would have to address. This would also result in loss of program year integrity which exists under the present full funding system.

. In view of recent Congressional action terminating continuing appropriations in favor of multiple year accounts, most procurement items would be financed in three separate and distinct appropriations - 5 in the case of ship programs. This could require a complete revamping of government and industry accounting systems.

. The total effect would be to completely restructure the budget and financial management system within the DOD and throughout Defense industry. This would lead to the same unmanageable situation that existed prior to 1957. Congressional control over programs would be decreased. Defense program management would be greatly complicated - returning to a situation which was corrected by Congressional direction 23 years ago.

FACT SHEET

Aircraft Procurement, Advance Procurement

- Service current and proposed budgeting practices for Aircraft Advance Procurement items are inconsistent with DoD Directive 7200.4 Full Funding of DoD Procurement Programs.

- DoD 7200.4 states "... permit the procurement of long leadtime components (underlining added) in advance of the fiscal year in which the related end item (aircraft) is to be procured ... It is important that proposals for advance procurement be made on a selective basis with consideration of the applicability of the components as spares in the event that the prospective program fails to materialize."

- At one time services were consistent with the directive.

- Increasing leadtimes in early 70's have caused the services to deviate from the Full Funding Policy (increases from 18 months to 30 and 40 months).

  - Air Force: All advance procurement for A-10, F-16, F-15, E-3A is funded at Termination Liability levels with the exception of some GFE (Government Furnished Equipment).

  - Navy: Same as Air Force for all major programs.

  - Army: Advance Procurement is fully funded (components) in FY 1981 budget, but Army is proposing in POM 1982 to fund UH-60 advance procurement on the basis of termination liability.

- Navy and Air Force Aircraft DPS (FY 1981 budget cycle) directed services to full fund advance procurement in POM 82.

- Recent Air Force and Navy correspondence request relief from that direction due to the funding that would have to be diverted to fully fund advance procurement and the resultant major impact on on-going programs.

- Congress provided advance procurement funds for the F-18 in the FY 1980 budget (termination liability) and recommended services budget in this fashion (Armed Services Conference Committee Report).

- Costs to Fully Fund Advance Procurement: During the FY 1981 budget cycle Air Force estimated the additional cost to fully fund advance procurement at over $770 million. Navy indicated it would be over a billion.

ALTERNATIVES:

A. Direct Services to Full Fund Advance Procurement.

Pros: Consistent with existing directives.

Cons: Unless significant TOA increases are granted, this alternative will require services to reduce aircraft quantities to full fund advance procurement thereby stretching out programs and increasing costs and will require reduction of other mod, spares or support programs.

B. Direct Services to Fully Fund Advance Procurement for those items that are otherwise useable as spares if procured at the component level and to budget for Air Frame Structure long lead at the termination liability level since structure is not useable as spares. This would require revision of 7200.4.

Pros: Would result in a directive that is similar to the current directive but one that recognized unique aircraft procurement problems and related full funding at the component level to only those components otherwise useable as spares if program cancelled. Would also result in funding requirements of a lesser magnitude (20 to 40 percent) than full funding with less disruption.

Cons: Would still require some disruption and would result in significantly greater administrative and contract effort to determine what components are required and to write and negotiate such contracts.

C. Allow Aircraft Advance Procurement on a total termination liability basis. Requires revision of 7200.4.

Pros: Minimizes program disruption, consistent with recent congressional direction, recognizes unique problems with aircraft advance procurement.

Cons: Opens door for all other procurement programs to fund in this fashion which could have serious implications in monitoring and controlling ship procurement costs if Navy subsequently pressed for funding of ship advance procurement at the termination liability level.

OASD(C) P/B
Procurement Dir.
May 5, 1980

FACT SHEET

Exemption of Department of Defense Appropriations from Apportionment

DEFINITION

Section 714(A) of the FY 1980 DoD Appropriations Act (and similar general provisions in earlier acts) provides that the President may exempt appropriations, funds, and contract authorizations from the provisions of subsection (c) of R.S. 3679. This exempts the accounts from apportionment controls. Invocation of this provision does not permit obligation in excess of available resources but does permit obligations to be incurred at an increased rate.

MOST RECENT USE

The last time this authority was invoked was for the Army, Navy, and Air Force O&M accounts on February 27, 1980, by President Carter for increased fuel and stock fund costs.

HOW INVOKED

- The Secretary of Defense requests OMB to request the President to exempt specific appropriations from apportionment.
- OMB forwards the request to the President who determines that the specific appropriations are exempt.
- The Secretry of Defense notifies the Congress that the authority has been exercised.
- The DoD Components involved are advised of the exemption and any related reporting requirements.
- Internal DoD fund release documents are adjusted to reflect the exemption from apportionment.

OASD(C)P&FC
June 13, 1980

FACT SHEET

Apportionment on a Deficiency Basis

DEFINITION/BACKGROUND

In certain instances, the law (Anti-Deficiency Act) permits requests to anticipate the need for supplemental budget authority. Generally, the permissions are based on laws enacted subsequent to the basic act that require expenditures beyond administrative control; emergencies involving safety of human life, property, or human welfare; and pay increases granted to wage-board employees. Provision is also made to apportion on a deficiency basis where other laws may be enacted that authorize apportionments that anticipate the need for supplemental estimates of appropriation (e.g. a continuing resolution that authorizes deficiency apportionments necessitated by civilian and military pay increases). This latter category is used annually in DoD accounts which are impacted by pay. Further explanations of the other categories can be found in Section 43.2 of OMB Circular A-34.

HOW INVOKED

- Upon advancement of the fall budget review to the point where it is known which accounts will require a pay supplemental, a memo to the Secretary of Defense is prepared requesting his determination that apportionment on a deficiency basis is necessary. Retired pay increases based on the CPI also qualify.

- The Services submit reapportionment requests to align the accounts with the current year column of the budget. The DD 1105's contain a prescribed footnote that "This apportionment request indicates a necessity for a supplemental appropriation now estimated at $xx,xxx,xxx." A copy of the Secretary's determination is attached to each DD 1105 and the original is provided to OMB (no transmittal).

- The amount in the footnote must be in exact agreement with the President's Budget Request.

- OMB approves the request, including a similar footnote, and usually adjusts the amount of the pay raise from the 4th Quarter obligation phasing.

OASD(C)P&FC
June 13, 1980

FACT SHEET

General Transfers

DEFINITION/BACKGROUND

Program execution and unforeseen military requirements leading to a need for additional resources in excess of those available within an appropriation account can be financed by reducing or eliminating lower priority programs in other accounts and transferring the funds.

General transfer authority authorizing the Secretary of Defense to transfer up to a statutory amount of working funds or funds made available by appropriation to the DoD for Military functions (except Military Construction) between appropriations, funds or any subdivision was included in the FY 1971 DoD Appropriation Act. Transfer authority had previously been available under provisions of the Emergency Fund, Defense.

UTILIZATION

- The use of general transfer authority by the Department of Defense requires a determination by the Secretary of Defense that such action is necessary in the national interest and requires approval by the Office of Management and Budget. Transfers must be made to higher priority items but in no case to items for which funds have been denied by Congress.

- The reduction or elimination of programs to generate resources for transfer and the increase in or initiation of programs must be approved by applicable Congressional Committees on reprograming requests prior to the actual transfer of resources.

- The amount of transfer authority is established annually in the DoD Appropriation Act and expires at the end of the fiscal year.

- Amounts of transfer authority available and amounts used.

	$ Millions	
	Available	Used
FY 1972	750	694
FY 1973	750	672
FY 1974	625	65
FY 1975	750	533
FY 1976	750	167
FY 1977	750	230
FY 1978	750	688
FY 1979	750	383
FY 1980	750	

OASD(C)P&FC
June 13, 1980

FACT SHEET

Section 3732, Revised Statutes

AUTHORITY

Title 41, United States Code, Section 11, as amended.
Appropriation Bills each fiscal year often expand upon the Code.

DEFINITION

Section 3732, Revised Statutes, authorizes military departments to incur obligations in excess of available appropriations in procuring or furnishing clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies not to exceed the necessities of the current fiscal year (DoDD 7220.8, August 16, 1956).

HISTORY OF USE

The Department of Defense has invoked the authority in seven fiscal years since 1960:

FY	Circumstance Requiring Use
1962	Berlin Airlift
1966	Southeast Asia
1967	Pending enactment of Supplemental Appropriations
1968	Pending enactment of Supplemental Appropriations
1969	Pending enactment of Supplemental Appropriations
1972	Southeast Asia
1978	Pending enactment of Supplemental Appropriations

HOW INVOKED

- Memorandum from Military Department to the Secretary of Defense
- "Recognition of the need" from the Secretary of Defense to the Secretary of the Military Department
- Immediate notification to the Speaker of the House and President of the Senate
- Concurrently advise OMB

REPORTING

Estimated obligations incurred pursuant to the subject authority are required to be reported quarterly to the Congress.

OASD(C) P&FC
12 June 1980

FACT SHEET

Reprograming of Appropriated Funds

DoD Directive 7250.5, January 9, 1980, states the DoD reprograming policies relating to the appropriation accounts covered by the DoD Appropriations Act.

DoD Instruction 7250.10, January 10, 1980, implements the policies of DoDD 7250.5 and reflects recognition by the Congress of the practice of reprograming DoD funds covered in the DoD Appropriation Acts as a necessary, desirable, and timely device for achieving flexibility in the execution of Defense programs.

1. History

Reprograming procedures have been in effect to some extent since the early 1960s but, in consultation with the congressional committees, have been formalized, refined and modified to meet changing needs. Both DoDD 7250.5 and DoDI 7250.10 were revised in January 1980, (previous revision was in January 1975). These policies are based on long-standing agreements between DoD and the Congressional Armed Services and Appropriations Committees.

2. Provisions

a. Actions Requiring Prior Approval of Congressional Committees: Reprograming actions involving the application of funds, regardless of amount, which:

(1) Increases the procurement quantity of an individual aircraft, missile, naval vessel, tracked combat vehicle, and other weapon or torpedo and related support equipment for which funds are authorized under 10 USC 138.

(2) Affects an item that is known to be or has been designated as a matter of special interest to one or more of the congressional committees.

(3) Involves the use of general transfer authority.

b. Actions Requiring Notification to Congressional Committees: Actions involving changes in the application of funds in significant amonts (thresholds) as agreed upon with the committees and outlined in DoDI 7250.10, as follows:

Military Personnel and Operations & Maintenance	An increase of $5 million or more in a budget activity.
Procurement	An increase of $5 million or more in a procurement line item, or the addition to the procurement line item data base of a procurement line item of $2 million or more.
RDT&E	An increase of $2 million or more in any program element, including the addition of a new program of $2 million or more, or the addition of a new program the cost of which is estimated to be $10 million or more within a 3-year period.

c. Actions Internal to DoD: These actions are audit-trail type actions processed within DoD when not otherwise constrained by law or other provisions within DoDI 7250.10, and include reclassification actions not involving any changes from the purposes justified in budget presentations to Congress. These actions are approved by the ASD(C).

3. Major Changes in Last Revision

a. Special Interest Items: Prior to FY 1980, when an item was reduced by congressional action, it was considered to be an item of "special interest" by the Congress and could not be increased without prior committee approval. The revision established the policy that noncontroversial dollar adjustments would no longer cause an item to be of "special interest".

b. Appeals to Committees on Reprograming Decisions: Prior to the latest revision, there was no specified policy on how to appeal an adverse committee decision or how to amend a pending request. The revision established a policy that committee decisions may be appealed by the Secretary or Deputy Secretary of Defense, and that any DoD action on a reprograming request taken after its submission to the committees is subject to the same review and approval procedures as the original action.

c. New Starts: Advance letter notification to the Appropriations Committees is required on all below-threshold new starts. These "new starts" are below-threshold reprogramings for new programs or line items not otherwise requiring prior approval of, or notification action to, the committees. Previously, DoD could initiate these actions on its own authority and inform the committees later on a quarterly report. The Appropriations Committees directed that notification be made in advance. This is done by letter directly to the committees by the DoD component involved after advance coordination with OASD(C).

d. Source of Funds: Complete identification of the detail of the sources of funds on each reprograming action is now required. Previously, DoD did not have to formally identify the individual programs which were being reduced or canceled when the funds came from another appropriation account. As a practical matter, the programs being decreased can be of equal, or sometimes greater, significance to the committees than the program or item being increased. This has become a rather significant point with the Authorization (Armed Services) Committees since, as a general trend, funds have been transferred from the procurement accounts to the operating accounts.

4. Some Current Issues

Proposed for inclusion in the latest DoDI 7250.10 were increases to the dollar thresholds which require notification action to the committees. These thresholds have not been revised in the past two decades. By increasing the thresholds, the number of reprogramings submitted to the Committees could be reduced considerably. However, this proposal was not accepted by all of the committees. New thresholds proposed were:

Military Personnel and Operation and Maintenance	An increase of $10 million or more.

Procurement	An increase of $10 million or more in a procurement line item, or the addition of a new item of $5 million or more.
RDT&E	An increase of $5 million or more in any program element, or the addition of a new program element of $5 million or more, or a new program element which is estimated to be $25 million or more within a three-year period.

There were mixed reactions to the need for the increases within DoD. The Military Departments pressed strongly for the increases. Within OASD(C) were the following reactions:

- Procurement Directorate felt that the approved thresholds for Procurement were not overly restrictive since the majority of Procurement reprogramings far exceed the $5 million threshold; therefore, a doubling would not benefit the Department.

- R&D Directorate strongly supported efforts to revise reprograming thresholds since current thresholds do not keep pace with inflation.

- Military Personnel Directorate does not encounter significant problems at the $5 million threshold at the budget activity level. Typically, increases and decreases within a budget activity can be netted against each other and, with application of pay supplementals, programs can be balanced without exceeding the budget activity thresholds.

- Operations Directorate indicated that the current O&M thresholds are satisfactory, and cautioned that any efforts to increase them could trigger committee imposition of line item controls in O&M.

5. Some "Open" Items

- In proposing the new thresholds, ASD(C) secured the agreement of SAC, HASC, and SASC to raise the thresholds to the new limits. HAC objected to the reprograming process based on the "newness" of the Subcommittee Chairman. ASD(C) was invited to reintroduce the subject with Mr. Addabbo after the Chairman had a year of experience with the system. This year of experience, although not specifically identified, could be identified as FY 1980. This would provide a "window" for reintroducing the subject to HAC at the close of FY 1980.

- There are still problems attendant with clear-cut identification of "special interest" items. SAC and HASC presently show listings of such items in their committee reports. SASC has given us specific guidance on what to consider special interest items. This places the decision on DoD of identifying HAC special interest items, where, if we judge in error, can lead to criticism.

OASD(C)P&FC
June 13, 1980

BACKGROUND PAPER

Topic: Military Construction Appropriations Legislation and Administration

Discussion:

o The annual legislation for Military Construction programs is provided under authorization and appropriation acts which are separate and distinct from the acts providing legislation for the balance of Defense programs. There are currently thirteen separate construction appropriations covered under existing or proposed (FY 1981) legislation. A listing of these, with brief description, is included at the end of this background paper.

o Under current legislation, funds appropriated annually for military construction programs remain available for obligation for five years (including the fiscal year for which enacted). The two exceptions are the amounts appropriated annually for Family Housing operation and maintenance (one year life) and the Homeowners Assistance Fund (available until expended), discussed further in the attachment.

o The total FY 1981 request for military construction appropriations is $5.4 billion.

o The lead review in Congress is undertaken by four Subcommittees chartered to focus on installations and facilities. These include two Subcommittees on Armed Services (House and Senate) and two on Appropriations (House and Senate). Their review is exhaustive, involving examination and hearings at the level of the individual construction project. Congressional mark-up is also at the level of the individual project.

o Rather broad flexibility is available to the Defense Department in the program execution phase, but under rather tight Congressional oversight which is imposed either in the form of prior Congressional notification and/or reprograming procedures. Subject to these, we are provided authority to: (1) restore facilities damaged or destroyed through accident or natural disaster; (2) undertake (within certain limitations) urgent or emergency projects required in the interest of national security, and which cannot be delayed until the next budget cycle; (3) exceed the dollar amounts justified to Congress for individual construction projects, and (4) undertake, within lump sums provided annually, projects costing $500,000 or less which are not otherwise authorized by law (generally referred to as "minor construction").

o In-house, program administration and execution follows the same level of review (project detail) imposed during the program and budget review leading to development of the President's budget. For military construction, the OMB apportionment process controls apportionment of funds at the level of the individual construction project. Under this system, each project is re-validated as to need prior to release of funds to the Defense component. Requirements to use unobligated balances remaining at the end of each fiscal year are monitored throughout the life of each appropriation.

Family Housing, Defense

o This appropriation finances the cost of construction of on-base housing for military families, leasing of off-base housing units, and the operation and maintenance of the total family housing inventory. This account is unique in that it is both on investment and operating account. Funds appropriated for the investment portion remain available for obligation for a period of five years, whereas funds appropriated for maintenance and operation remain available for obligation only until the end of the fiscal year of enactment. A third feature of this appropriation is that it provides annual amounts in excess of $100 million for retirement of mortgage debt incurred in the 1950's when Defense purchased substantial interests in privately owned housing. The indebtedness is being retired as slowly as possible because of the extremely favorable interest rates (4-4 1/2%).

Homeowners Assistance Fund, Defense

o This program provides, in accordance with Public Law 89-754, assistance to military and civilian employee homeowners by reducing losses on resale values of their homes incurred as a result of the closure of military installations or reduction in the scope of operations at such installations.

Foreign Currency Fluctuation, Construction, Defense

o This appropriation was established in FY 1980 as a Congressional initiative with initial capitalization of $125 million. The funds were made available for transfer only to military construction accounts to help compensate for loss in the purchasing power of dollars budgeted as a result of unfavorable fluctuation of the dollar relative to other currencies. All of the funds provided have been transferred to the regular construction accounts. No additional funds are being sought in the FY 1981 President's budget.

June 11, 1980
Directorate for Construction

Military Construction Appropriations

Active Forces:

Military Construction, Army
Military Construction, Navy
Military Construction, Air Force

o These appropriations finance facilities needed to support the active forces, including air, fleet and troop operations, training, equipment maintenance, bachelor housing, medical and dental services, research efforts, and community support such as clubs, theatres, post exchanges and the like.

Reserve Forces:

Military Construction, Army National Guard
Military Construction, Air National Guard
Military Construction, Army Reserve
Military Construction, Naval Reserve
Military Construction, Air Force Reserve

o These appropriations finance those facilities needed to support the training and readiness of the Guard and Reserve forces including armories, reserve centers and facilities for storage and maintenance of equipment.

Defense Level Accounts:

Military Construction, Defense Agencies

o This appropriation provides funds for construction of facilities for the Defense Agencies, which provide common-service support to the military departments in such areas as logistics, intelligence and mapping, and construction of facilities to support selected activities which do not fall under the purview of the Defense Agencies, but nonetheless serve requirements of more than one military service such as the overseas dependent school program and certain operational, training and research functions.

NATO Infrastructure

o This appropriation provides funds for the United States share of the NATO Infrastructure program, a program which provides those minimum essential dedicated wartime facilities required to support the deployment and operation of NATO military forces, including U.S. forces committed to NATO. The program is financed collectively by NATO member countries in accordance with a negotiated cost sharing formula. NATO Infrastructure is proposed to be established as a new and discrete appropriation in the FY 1981 President's budget. Currently, it is a separate budget activity under the appropriation "Military Construction, Defense Agencies".

Unbudgeted Inflation in Stock Fund Prices

Stock Fund price stabilization policy for nonfuel related purchases requires that standard prices be updated annually based on actual product procurement cost experienced during the year of execution. Actual user cost is then adjusted by approved surcharges or a stabilization factor, which takes into account an estimate for anticipated inflationary price growth, changes in transportation rates, efficiencies in operations, etc. approved during the budget year review.

The current system is an improvement over our previous pricing system, since it enables customers to more readily execute planned purchases and the stock fund manager to maintain stock fund cash levels. However, there remains a major difference from our price/rate stabilization policy relative to fuel sales and services provided by industrial fund activities. Sales prices/rates in both these areas are established during the budget year review and customer related funds are adjusted accordingly. These budgeted sales rates remain fixed or stabilized when the fiscal year commences and variances in cost experienced during the execution, whether plus or minus, are considered during subsequent budget year reviews.

By allowing the stock fund manager to update the cost "baseline" to reflect actual versus programed inflationary price growth, we force customers or program managers to effect program changes in order to accommodate the "baseline" update. We should eliminate this disruptive factor and implement a price stabilization policy which will not cause unbudgeted user cost increases.

Ops. Dir./13 June 1980

Budgeting for Inflation in Operation and Maintenance Appropriation

Beginning in FY 1978, the Congress, by Public Law 94-361, authorized the Department of Defense to include in the budget estimates for operating funds an estimate of price growth anticipated in the cost of goods and services. Prior to FY 1978, price increases occurring subsequent to submission of the President's budget had to be offset through program reductions.

In determining the amounts required to offset the impact of increased costs, the Department uses the most recent economic assumptions provided by the administration. The FY 1981 President's budget, as amended, reflects a general inflation factor of 9.7 percent. A slightly higher rate for purchases from the DoD Stock Funds and for purchased utilities has been included. To the extent that actual inflation exceeds these predictions, program reductions will be required. For each (one) percent that inflation exceeds the budgeted rate, an additional $300 million in the operating accounts will be required - either through supplemental appropriations or by program reductions.

Program areas that lend themselves to the flexibility required to cope with inflation are, for the most part, those programs directly related to readiness. For example, flying hours, ship steaming hours, and unit training are controllable programs at the lowest organizational level and therefore are the first to suffer when inflation exceeds the budgeted amount.

Civilian Personnel Ceilings

Limits as to the total number of civilian personnel the Department may employ have been a continuing problem for several years. Congress authorizes the total number of civilian personnel we may have during a given fiscal year. OMB also places various restrictions on civilian employment in terms of full time permanent positions and from time-to-time other categories. Some hiring restrictions are imposed by the President in his fiscal guidance, limiting the total number of civilian personnel the Department may budget for in a given fiscal year. Each of these ceiling actions seriously limit the Department's flexibility in managing its many programs. We have continually opposed the implementation of ceiling limits on civilian personnel. We consider personnel to be a resource not a program. We feel the total amount of funds available should control the number of people a manager is able to employ. This would obviously give each manager the flexibility to manage his program by managing his dollar resources. If contracting certain functions out to private industry become cost effective, we could do so. If however, it becomes more cost effective to accomplish the task in house we could obtain the personnel required without the restrictions of a ceiling on personnel. The Department operated without civilian ceilings in FY 1973 and FY 1974 and it worked very well. GAO has also supported the elimination of civilian ceilings. At the same time, we could protect matters of special congressional interest such as headquarters by controlling the total number of personnel in the headquarters function. This could satisfy the congressional concern, but still provide the Department with enough flexibility to better manage its programs.

If, however, it is not possible to eliminate ceilings, we have an internal OSD staff problem in that OASD MRA&L manages the ceiling limitations while the Comptroller manages the fiscal resources. These two functions should be combined and we feel they should be managed by this office.

Restraints/Limitations Imposed by the Congress

In the review and markup of the Defense budget, Congressional Committees oftentimes impose certain restraints or limitations in the form of funds reductions or limitations without regard or an appreciation of program impact or the capability within Defense to effect policy changes. For example, the FY 1980 House Appropriations Committee report effected adjustments relative to resources requested for Studies and Analyses, employee compensation claims, foreign national pay raises and use of civilian personnel sick leave. Also specific language appended to the Defense Bill limited expenditures relative to funds appropriated for travel and transportation activities. Resources requested for compensation claims are based on actual claim settlements negotiated by the Department of Labor. Foreign national pay raises are effected via State Department country-by-country agreements. Policy governing the use of sick leave is promulgated by the Office of Personnel Management . Dialogue on the part of the Defense Department with other agencies concerning these areas does take place and can be effective. However, resource requirements are based on policy external to Defense. Funding adjustments become in fact unprogrammatic reductions; for example, we have no option but to finance foreign national pay raises negotiated by State.

Limitations such as that imposed on travel and transportation expenditures become disruptive and often impact on direct readiness related training. We do not regard travel and transportation as a program. It is a vehicle for accomplishing logistic support of operating forces and moving both people and supplies to perform training activities. The Department has had a problem in conveying to the Congressional Appropriations Committee members and staff appreciation of this problem.

Authorization of Operation and Maintenance (O&M) Appropriation

The House Armed Services Committee has proposed addition of a Section (802) in the FY 1981 House Report on the Authorization Bill for prior authorization beginning in FY 1982. This proposal stems primarily as a reaction to service comments that the House Appropriations Committee as well as OSD and the Office of Management and Budget have effected reductions in the O&M budgets which impact readiness areas. Congress has maintained there was no intention to reduce readiness areas in any of their adjustments and that such effects occur from misapplication of specific non-readiness reductions.

Notwithstanding the merit of the rational for service application of congressional reductions, it appears likely authorization of O&M will occur. It will cause the following:

- Constrain flexibility in program execution in accounts subject the dynamics and urgency of rapidly changing requirements not only from national security considerations but also from price (inflation) impacts.

- Complicate and lengthen the budget and reprograming process. We must satisfy two additional committees - hearings and responses to staff questions. Also, developments after authorization, but before appropriation, will require additional authorization action. New authorization will also be necessary before requesting additional funds through notification reprogramings, supplementals and amendments.

- Increase Department staff requirements in order to be responsive to four committees. This is important because of significant reductions in headquarters staff over the past decade. Departmental accounting systems will need, perhaps significant, modification to meet identification and tracking requirements of authorization level detail. This will also drive up overhead costs.

Ops. Dir./13 June 1980