Department of Defense Organizational Assessment FY 2011

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Message from the Deputy Secretary of Defense

The U.S. Department of Defense is one of the largest organizations in the world. It executes a budget more than twice that of the world's largest corporation, has more personnel than a third of the world's countries, and provides medical care for as many patients as the largest health management organization. The size and complexity of the Department's operations and the rapid pace of change, set against a backdrop of major military campaigns and worldwide economic uncertainty, make it imperative that we foster more agile, responsive, and efficient operations.

The Defense Department strives to continuously improve its performance, seeking even greater gains by actively managing and evaluating how our warfighting and business operations deliver quality and timely performance results. Through these improvements, the Department will provide the best support and services for our troops in the field and their families at home, while being responsible stewards of the Nation's resources.

While we have made significant progress, we recognize that there is always more we can do to improve the operational efficiency of business functions and to increase accountability for performance results across the Department.

William J. Lynn III

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Chapter One: Introduction

This assessment has been prepared, pursuant to title 5, U.S.C., section 4312 and Office of Personnel Management (OPM) implementing instructions, which require performance evaluations for Department of Defense (DoD) Senior Executive Service (SES) members and Senior Level/Scientific and Technical (SL/ST) professionals, based on both individual and organizational performance. OPM's instructions require the DoD to describe how it assessed organizational performance and communicated performance results to rating/reviewing officials and members of Performance Review Boards (PRBs), to inform individual performance decisions. This report contributes to these evaluations by providing a summary of DoD-wide performance results through the third quarter of Fiscal Year (FY) 2011.

The DoD Strategic Plan (i.e., 2010 Quadrennial Defense Review (QDR)), identifies five overarching strategic goals and 20 broad strategic objectives, and forms the basis for development of the Department's Annual Performance Plan. The DoD's FY 2011 Performance Plan reflects those goals and objectives, along with the 80 enterprise-level or DoD-wide performance goal priorities included in the DoD's annual budget request. Figure 1 shows how these DoD-wide performance goal results form the basis for the Department's annual organizational assessment that is used to inform individual performance decisions. Component-level strategic plans, aligned to the Department's overall Strategic and Annual Performance Plans, also provide supporting performance goals which are used in SES and SL/ST performance plans and evaluations.

*Figure 1. DoD Organizational Assessment*

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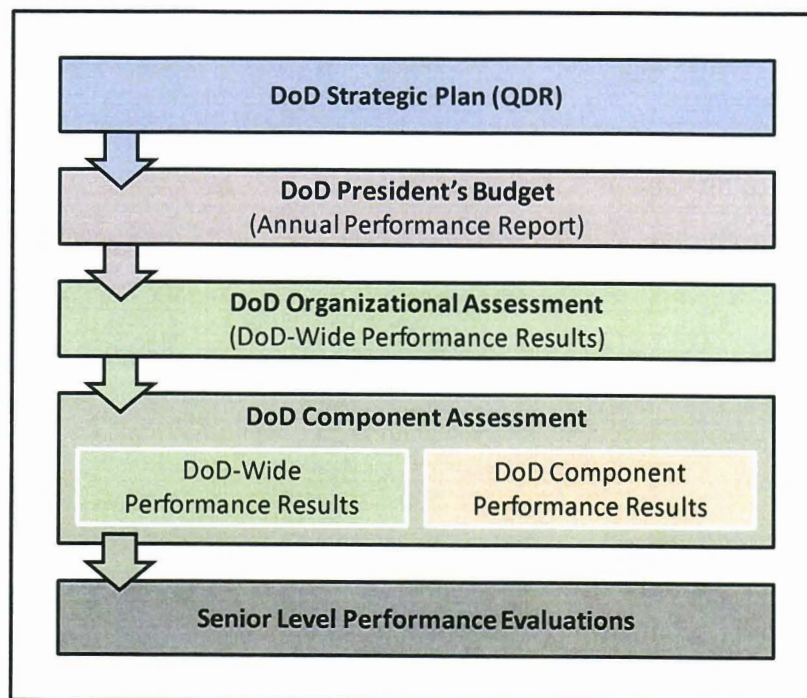
Chapter Two: Department of Defense Strategic Goals

In February 2010, Secretary Gates released the latest DoD's Strategic Plan (2010 QDR), which serves as the basis for the Department's FY 2011 performance plan.

To help defend and advance our national interests, DoD's Strategic Plan identifies priority objectives for the Department and the major actions to be taken to accomplish these objectives.   The DoD Strategic Plan also acknowledges that increased efficiency and effectiveness can be achieved in Defense business operations by implementing an agenda that reforms how it does business. Figure 2 illustrates the Department's Strategic Goals.

Figure 2. DoD Strategic Goals
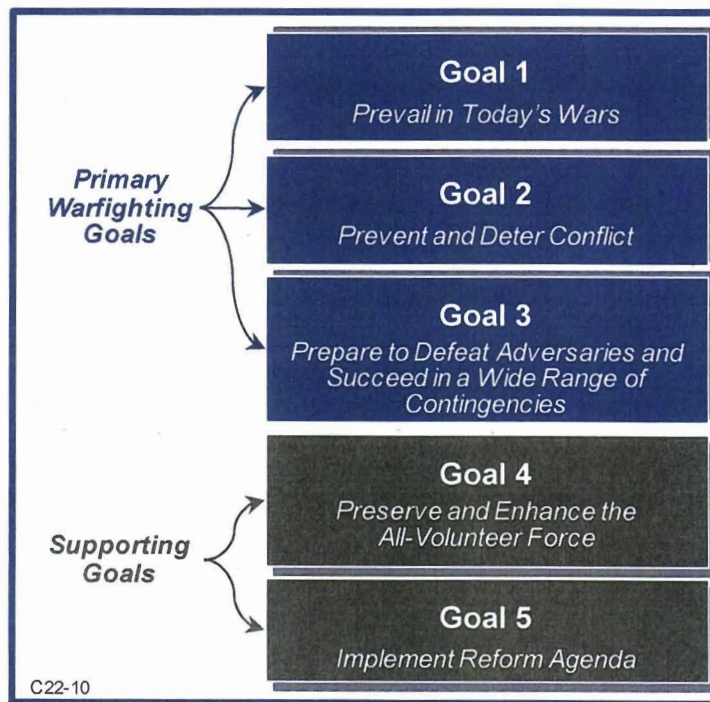
Following the release of the Department's Strategic Plan, 20 broad-based strategic objectives, representing major mission areas within the Department, were identified and approved by the Deputy Secretary of Defense for inclusion in the DoD's FY 2011 Annual Performance Plan.

Figure 3 provides a summary of the Department's five overarching strategic goals and 20 strategic objectives.

Figure 3. DoD Strategic Goals and Strategic Objectives

STRATEGIC GOAL 1: PREVAIL IN TODAY'S WARS

1.1-OCO: Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF.

1.2-OCO.   Execute a responsible drawdown of the U.S. military presence in Iraq.

STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT

2.1-1F1:   Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and by enhancing stability operations and foreign security force competency.

2.2-1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.

2.3-1F3:   Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.

2.4-1X2:   Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.

STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES

3.1-1F2B: Improve the responsiveness and flexibility of consequence management response forces.

3.2-1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities.

3.3-1F2C: Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.

3.4-1X1:   Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.

3.5-2D: Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.

STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE

4.1-2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.

4.2-2P: Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.

4.3-2R: Better prepare and support families during the stress of multiple deployments.

4.4-2T: Train the Total Defense Workforce with the right competencies.

STRATEGIC GOAL 5: IMPLEMENT REFORM AGENDA

5.1-2A: Increase use of renewable energy and reduce energy demand at DoD installations.

5.2-2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance.

5.3-2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.

5.2L: Provide more effective and efficient logistical support to forces abroad.

5.2U/V: Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.

Chapter Three: Summary Performance Plan Results

The 2011 Organizational Assessment focuses on the 80 performance goal priorities from the FY 2011 Annual Performance Plan. Eleven percent of performance results (9 of 80) were not assessed and are not included in the following analyses. However, these goals are included in Appendix B to provide for a full accounting of all 80 performance goals for FY 2011.

Sixty-seven percent of the results (six of nine) not assessed will not be available until after the fourth quarter. Two performance results, associated with pre-deployment training and review of personnel security investigative files, were not reported based on data collection and computation issues. The third result not reported is based on an Air Force decision to replace Contingency Response Groups with Mobility Support Advisory Squadrons to build partnership capacity.

Of the 71 DoD performance results that were assessed, eighty percent of these (57 of 71) demonstrate progress toward achieving their annual goals; 20 percent (14 of 71) are at risk of not achieving their annual goals by the end of the fiscal year. Results for all five DoD strategic goals are depicted at Figure 4. The Department achieved a 92 percent success rate in achieving core warfighting (DoD strategic goals 1, 2, and 3) results. However, less progress was made in the support establishment (DoD strategic goals 4 and 5), where the Department achieved a 73 percent success rate in achieving infrastructure results.

Figure 4. DoD Performance Results by Strategic Goal
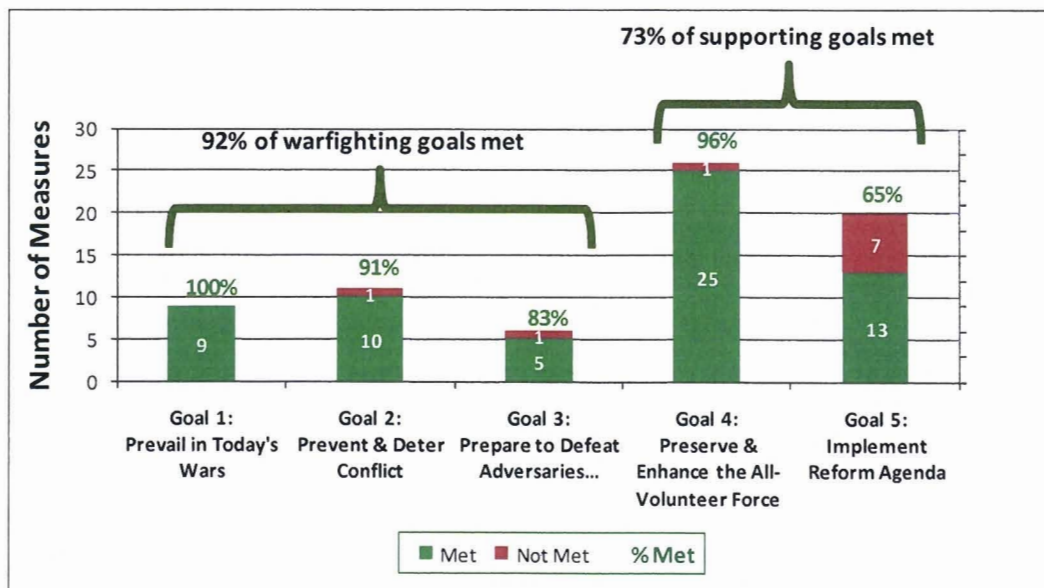
The following sections provide a discussion of FY 2011 performance results, assessed by DoD strategic goal and strategic objective, highlighting both areas of improvement and challenges along with associated mitigation strategies. Appendix B provides a detailed listing of all 80 FY 2011 performance goals.

STRATEGIC GOAL 1: PREVAIL IN TODAY'S WARS

Strategic Goal 1 acknowledges that first and foremost, the United States is a nation at war. Afghanistan and Pakistan continue to be the heart of the global violent extremism pursued by Al Qaeda, and the region from which the United States was attacked on 9/11. We have renewed efforts to help the governments of Afghanistan and Pakistan disrupt, dismantle, and defeat Al Qaeda and eliminate its safe havens within both nations.

In Iraq, U.S. military personnel advise, train, and support Iraqi forces as part of a responsible transition and drawdown. The United States seeks to assist in establishing an Iraq that is sovereign, stable, and a long-term partner contributing to regional peace and security. In February 2009, President Obama outlined the planned drawdown of U.S. forces in Iraq to 50,000 troops and a change in mission by August 31, 2010. Furthermore, in accordance with the Security Agreement, the DoD is on track to complete the withdrawal of U.S. forces by the end of 2011.

Strategic Goal 1 accounts for 11 percent of the Department's FY 2011 performance plan goals (9 of 80). The Department is on track to accomplish all nine Goal 1 performance results for FY 2011. Results, by specific performance goal and each strategic objective area, are identified at Appendix B-1 and discussed in detail below.

STRATEGIC OBJECTIVE 1.1-OCO: Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF.

Areas of significant improvement: The Department has increased the size and improved the capability of Afghan forces, and has begun the process of transferring responsibility of security to a capable Afghan partner. There has been a successful transition of three provinces and four municipalities to the ANSF security lead in the first of several areas of transition. The Department is well on track to achieve its end of FY 2011 ANSF goal of 305,600 personnel, with an end of the FY 2011 third quarter count of 301,672; this represents an increase of 30,826 since January 2011. As the ANSF develops, the Department has worked with other U.S government agencies to lay the groundwork for their sustainable future with a reduced U.S. presence. ANSF sustainability has been improving because of the Department's ongoing, successful professional training from the ministerial level down to the individual soldier and policeman. We have worked to develop institutional professionalism and individual Afghan capacity across a broad range of functions within the force, including operations; leadership development and accountability; literacy; gender integration programs; transparency; development of an Afghan instructor corps; and a host of others. Our literacy training program has just reached a milestone in that the one-hundred thousandth ANSF soldier has successfully completed a literacy course. We train the Afghans in formal classroom environments and partner closely with the ANSF in the field and at headquarters levels. As ANSF capabilities grow, they will correspondingly take more of the security lead.

The ability to successfully execute current operations is a core competency of the Department. Through the third quarter, 100 percent of Combatant Commanders reported that they met their readiness goals in terms of current operations. At the same time, the Department improved its contract and financial management support in theater by exceeding its personnel fill rate goals for Contracting Officer Representatives (CORs) who provide contract oversight to deployed commanders and fielded forces.

The Department's financial management community made significant progress in linking contracts to entitlement and disbursement actions, and reducing the percent of in-theater disbursement using U.S dollars. The "Cash off the Battlefield" initiative is needed to reduce costs, deprive the enemy of U.S. dollars, and improve usage of electronic commerce, while improving internal controls. In addition, providing an electronic interface among contracts, invoices, and receiving reports defines the strategic relationship between contracting and accounting functions, and ensures vendor payments are made within the timeframes allotted by the Prompt Payment Act. This interface demonstrates the success of the DoD procure-to-pay business systems in supporting the needs of a combatant command operating in a contingency environment. Flexible, robust, and deployable business systems are critical to ensure that DoD warfighters receive maximum acquisition support, while maintaining full financial responsibility and accountability to the U.S. taxpayer.

Areas of challenges: Key challenges to achieving goals in Afghanistan include criminal networks, immaturity of ANSF counter-insurgency capability, and the lack of secure borders with Pakistan. We are working closely with our Afghan partners to institutionalize mechanisms in the Afghan government that can quickly detect and react to corruption, and we have made notable headway in this arena. We are aggressively partnering with the ANSF to improve their overall counter-insurgency capacity. Our efforts in Afghanistan continue to be linked to our relationship with Pakistan and the ongoing effort to control the Afghanistan-Pakistan border. Our cooperation with Pakistan is also focused on confronting Al Qaeda and its affiliates who have found safe-haven within Pakistan's borders. America's interest in Pakistan's security and stability will endure long after the campaign ends.

Mitigation strategies: The United States is committed to strengthening Pakistan's capacity to target extremists who threaten both countries. The Department will continue to pursue a governance assistance strategy that strengthens the Afghan government at the national and sub-national levels as it transitions from a lead combat role.

While DoD achieved its financial improvement goals in theater, the Department will continue to monitor cash results and request regional commander assistance, as necessary, to ensure compliance with financial policies. The DoD will continue to monitor and provide feedback to Regional Contracting Centers and request corrective actions or provide additional training when performance results are not maintained.

STRATEGIC OBJECTIVE 1.2.OCO: **Execute a responsible drawdown of the U.S. military presence in Iraq.**

Areas of significant improvement: By the third quarter, the Department had already exceeded its drawdown goals in terms of reducing its military presence in Iraq, as shown at Appendix B-1. United States Forces-Iraq (USF-I) will continue the implementation of the Operations Plan (OPLAN) 1101, which directed the drawdown of U.S. forces in accordance with the United States-Iraq Security Agreement. To date, DoD drawdown efforts have exceeded their goals. The Department will continue the drawdown in a manner that protects our military forces and civilians, exercises good stewardship of the resources provided to us, and does not jeopardize the readiness of our military. Our goal is to leave a stable, secure, sovereign and self-reliant Iraq as a long-term strategic partner to the United States.

Areas of challenges: The drawdown from Iraq is a complex operation of significant magnitude. Much remains to be done to enable the Iraqi forces to assume full responsibility by Dec. 31, 2011.

Mitigation strategies: The strategies require compliance with OPLAN 1101 and associated drawdown fragmentary orders. USF-I has issued coordinated plans for the execution of the drawdown, created organizations to oversee, synchronize, and ensure unity of effort during the drawdown, and established goals and metrics for measuring progress.

STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT

Strategic Goal 2 focuses on preventing the emergence or reemergence of transnational terrorist threats and deterring other potential major adversaries. While U.S. forces are heavily engaged in current wars, the United States and its allies and partners remain engaged in a broader war—a multifaceted political, military and moral struggle against Al Qaeda and its allies around the world. The U.S. military must be prepared to support broad national goals of promoting stability in key regions, providing assistance to nations in need, and promoting the common good.

The 2010 Strategic Plan institutionalizes capabilities such as counterinsurgency and foreign military assistance. It continues to maintain a safe, secure, and effective nuclear arsenal to deter attack on the United States and on our allies and partners. Our deterrent remains grounded in land, air, and naval forces capable of fighting limited and large-scale conflicts. These forces are enabled by cyber and space capabilities and are enhanced by U.S. capabilities to deny adversaries' objectives through ballistic missile defense, counter-weapons of mass destruction (WMD), a resilient infrastructure, and our global basing and posture.

Strategic Goal 2 accounts for 15 percent of the Department's FY 2011 performance goals (12 of 80). However, one Goal 2 performance result was not reported, based on an Air Force decision to replace Contingency Response Groups with Mobility Support Advisory Squadrons to build partnership capacity. The Department is on track to accomplish 91 percent of the Goal 2 performance results assessed (10 of 11) for FY 2011. One Goal 2 performance result is at risk of not achieving its goal by the end of the fiscal year. Results, by specific performance measure and each objective area, are identified at Appendix B-2 and discussed in detail below.

STRATEGIC OBJECTIVE 2.1.1F1: Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and enhancing stability operations and foreign security force competency.

Areas of significant improvement: In FY 2011, the Department continued to balance its armed forces between current conflicts and future contingencies. Through the third quarter, all Combatant Commanders met their Theater Campaign Plan readiness goals. The Department is on track with planned force structure for all of the Services and is ahead of schedule with increases to Special Forces and SEAL capabilities and actions to balance Marine Corps Expeditionary Forces. In addition, the Department is on track with continuing the Army conversion to modular brigades and meeting Navy fleet goals. Detailed results are shown at Appendix B-2.

Areas of challenges: The U.S. military must be prepared to support broad national goals. This will require integrated use of diplomacy and defense, along with intelligence, law enforcement, and economic tools of statecraft to maintain and promote stability.

Mitigation strategies: The Department will adopt an approach that leverages existing alliances to create conditions that advance common interests. The Department will continue to

meet force structure requirements to support current operations and core or Theater Campaign and Contingency Plans, while sustaining our critical industrial capacity.

STRATEGIC OBJECTIVE 2.2.1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.

Areas of significant improvement: The Department achieved 50 percent of its performance goals in the area of nuclear deterrence by the third quarter of FY 2011, as shown at Appendix B-2.

As part of the Nuclear Posture Review (NPR) report implementation, the United States has increased opportunities to engage allies in discussion and collaboration on strategic issues related to extended deterrence. The number of formal official meetings has doubled since the release of the NPR report, and plans for additional meetings are in development.

Defense Nuclear Surety Inspection (DNSI) first-time passing rates have consistently improved over the last three years, indicating sustained Services' excellence and senior leadership focus on the nuclear enterprise.

Areas of challenges: The Department's nuclear arsenal continues to be safe, secure, and effective. However, the result assessed (percentage passing rate of first-time Defense Nuclear Surety Inspections) is a poor indicator of this. Maintaining a 100 percent passing rate on first-time DNSIs may appear to be a good standard, but it could generate unrealistic expectations and a potential "zero tolerance" culture that is neither sustainable nor appropriate for achieving long-term excellence in the nuclear enterprise. The Department is committed to determining a more representative measure for FY 2012.

Mitigation strategies: The DoD will re-examine the measure associated with DNSI to emphasize the value of reducing DNSI repeat deficiencies (critical and significant only) as a better measure of the sustained Services' excellence and senior leadership focus on the nuclear enterprise.

Over the past fiscal year, the Defense Threat Reduction Agency (DTRA) and Service inspection teams assessed that nuclear weapons in DoD custody are safe, secure, and reliable. The inspection team's assessment indicates there are infrequent instances when units fail to perform their nuclear surety mission in a satisfactory manner. Based on subsequent re-inspections, DTRA also concludes that the actions taken to correct underlying problems of units rated unsatisfactory have been effective.

STRATEGIC OBJECTIVE 2.3.1F3: Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.

Areas of significant improvement: The Department continues to meet its goal of strengthening missile defense cooperation with allies and partners. By the third quarter, the Department had already achieved its annual goal of increasing the number of Aegis Ballistic Missile Defense (BMD)–capable ships for FY 2011, as shown at Appendix B-2. We continue to

pursue productive cooperative relationships with a number of allies and partners in key regions. The cooperation is taking several forms, such as hosting missile defense assets, acquiring U.S.-made missile defense capabilities, and supporting U.S.-led initiatives in international forums. In addition, NATO announced in November 2010 that it plans to pursue a missile defense capability. Our allies and partners increasingly view missile defense as a valuable capability to counter the proliferation of ballistic missiles, and they are working with the United States bilaterally and multilaterally to enhance their ballistic missile defenses.

Areas of challenges: Budgetary uncertainties in FY 2013 and forward could affect the pace of missile defense acquisition and fielding. The Department has programmed to have a total of 43 Aegis BMD-capable ships by FY 2018. However, budgetary uncertainties could place further fielding at risk. The DoD budget will be affected by the ongoing budget negotiations between Congress and the President. Budget reductions to missile defense are expected. The nature and scope of the reductions remain to be seen, but will likely affect ongoing efforts to field regional missile defense capabilities, including Aegis BMD ships.

Mitigation strategies: The Department will work within budgetary limitations to develop and field robust, pragmatic, and cost-effective missile defense capabilities. We will evaluate the scope and nature of the reductions, if any, and decide where reductions and efficiencies can be taken without diminishing the level of protection provided to the warfighters.

STRATEGIC OBJECTIVE 2.4.1X2: Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.

Areas of significant improvement: By the third quarter, the Department had exceeded its annual goal in the number of Predator (MQ-1) and Reaper (MQ-9) ISR Combat Air Patrols (CAPs) by ten percent, as shown at Appendix B-2. Predator and Reaper CAPs directly affect the ability of our warfighters to Find-Fix-Engage the enemy in both Afghanistan and Iraq. Increasing the number of CAPs expands the capability of General Purpose and Special Operations forces and allows them to more effectively carry out their missions.

Areas of challenges: The DoD is above the FY 2011 goal, due to two Secretary of Defense-directed surges in the last four months. The key challenge associated with fielding and maintaining increased CAPs is our ability to train operators. Currently, the Department relies upon activated Reservists/Guardsmen. These activations end in late 2011 and early 2012. Furthermore, the last two surges were supported partially by shutting down one of the training squadrons to support operational requirements. This stand-down of the training squadrons reduces our ability to meet the growing need for MQ-1 and MQ-9 operators.

Mitigation strategies: The planned mitigation strategy involves reducing CAPs in the winter 2011 timeframe and using those resources to ramp up the training pipeline. A three to four month surge in training will ameliorate the reduction of training throughput associated with the earlier stand-down of the training squadron, and will also backfill the loss of the activated reservists in early FY 2012.

STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES

Strategic Goal 3 recognizes that the United States must be prepared to respond if deterrence fails and adversaries challenge our national interests with the threat or use of force. Not all contingencies will require the involvement of U.S. military forces. However, the Department must be prepared to provide the President with options across a wide range of contingencies that include:

- Supporting a response to an attack or natural disaster at home
- Defeating aggression by adversary states
- Supporting and stabilizing fragile states facing serious internal threats
- Preventing human suffering due to mass atrocities or large-scale natural disasters abroad

The potential spread of weapons of mass destruction (WMD) poses a grave threat and continues to undermine global security, complicating efforts to sustain peace and prevent harmful arms races. As the ability to create and employ WMD spreads globally, so must our efforts to detect, interdict, and contain the effects of these weapons. Deterrence of such threats and defense against them can be enhanced by securing and reducing dangerous materials, positioning forces to track lethal agents, and defeating the agents themselves.

Strategic Goal 3 accounts for 11 percent of the Department's FY 2011 performance goals (9 of 80). However, 33 percent of Goal 3 results (or three) will not be available until after the end of the fourth quarter. Eighty three percent of the Goal 3 results assessed (five of six) demonstrate progress toward achieving their goals. One result is at risk of not achieving its annual goal by the end of the fiscal year. Results, by specific performance goal and each objective area, are identified at Appendix B-3 and discussed in detail below.

STRATEGIC OBJECTIVE 3.1.1F2B: Improve the responsiveness and flexibility of consequence management response forces.

Areas of significant improvement: The 2010 QDR calls for improving the responsiveness of consequence management response forces. Two established performance goals focus on reducing the response times for Homeland Response Forces (HRFs) and Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) to 6-12 hours. However, performance results for these goals will not be available until after the end of the fourth quarter. For the first time, the Department was called upon to deploy consequence management forces to support Japan, a vital ally, following the damage to the Fukushima Nuclear Power Plant Complex. This deployment highlighted numerous areas for continued improvement in responsiveness and integration into a Whole of Government response effort.

The Department is well on the way to implementing the new Chemical, Biological, Radiological, and Nuclear (CBRN) Response Enterprise and is on track for these forces to be fully capable of operations by the end of FY 2012. Once established, this new Federal/State

construct represents a significant improvement over the current construct, which concentrates forces under Federal control. Based on capabilities of National Guard forces, HRFs will provide the benefits of regional distribution and integration, faster response times, and a focus on dedicated life-saving capability. However, the HRFs represent only one element of the greater restructured CBRN Response Enterprise. The full Department capability also includes the Weapons of Mass Destruction (WMD) Civil Support Teams, Defense CBRNE Response Forces, and Command and Control CBRNE Response Elements – a total exceeding 18,000 personnel – which can be employed, if necessary, to bring additional life-saving capability swiftly in response to a domestic WMD incident.

Areas of challenges: The Department's efforts related to CBRN response are highly dependent on the current excellent partnership with other Federal departments and agencies, particularly the Department of Homeland Security and the states that host the HRFs. The current fiscal environment presents an additional challenge to domestic CBRN response, a non-warfighting mission executed by the Department in support of other Federal departments and agencies.

Mitigation strategies: The Department participates in a number of forums, including the National Security Staff-facilitated interagency policy committee structure, that are designed to increase collaboration and establish coordination procedures within the Executive Branch. Department and state collaboration is enhanced by the President-directed Council of Governors and at an operational level, by the liaison of active duty and National Guard military members assigned to regional and state operations centers during a crisis.

STRATEGIC OBJECTIVE 3.2.1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction (WMD), key materials, and related facilities.

Areas of significant improvement: The Department achieved 50 percent of its performance goals in the area of WMD neutralization by the third quarter of FY 2011, as shown at Appendix B-3. During 2011, the Department directed that the Commander of the Strategic Command (USSTRATCOM) establish a Standing Joint Force Headquarters for the Elimination of WMD (SJFHQ-E), capable of deploying and providing operational command and control of specialized forces. Continued fielding of the STRYKER Nuclear, Biological, and Chemical Reconnaissance Vehicle (NBCRV), along with bilateral exercises with the Republic of Korea and multilateral exercises with Canada, Australia, and the United Kingdom, have improved the Department's ability to locate and characterize WMD programs. Additionally, updates to contingency planning have improved the abilities of Geographic Combatant Commands (GCCs) to plan for the full range of counter WMD (CWMD) missions.

Areas of challenges: While the Department is on track to meet its destruction goal for treaty-declared category 1 chemical weapons, it is behind schedule in constructing overseas zonal diagnostic labs that are designed for biological agent detection and response. Establishment of fully functioning and integrated labs is dependent upon our partnership with both the host nation and the construction teams. The upgrades at Ukraine's (Ministry of Health)

Dnepropetrovsk, Zakarpatia, and Lviv Oblast Biosafety Level-2 Diagnostic Laboratories were delayed due to a partial Stop Work Order that changed the concept of operations to a more regionally-focused approach. This new regional approach was jointly agreed to by both the DoD and the Government of Ukraine, and will result in a more effective surveillance network.

In order to effectively meet this objective, the Department must complete several ongoing tasks. Over the next fiscal year, the plan for implementing the activation of the Standing Joint Force Headquarters for Elimination (SJFHQ-E) will be completed and an initial operating capability will exist. Closely associated with this will be the USSTRATCOM's demonstration of a global CWMD situational awareness tool. This tool will allow the SJFHQ-E and GCCs to monitor all aspects of WMD programs, to include proliferation pathways, facilities, and key personnel. Finally, completing the WMD-Elimination Integrated Capabilities Document will identify and prioritize the capabilities across the Doctrine, Organization, Training, Materiel, Leadership and Training, and Personnel and Facilities (DOTMLP-F) that are necessary to locate, characterize, secure, and neutralize not only WMD weapons, but all nodes (e.g., facilities, delivery systems, transportation networks, command and control, and personnel) associated with a WMD program.

Mitigation strategies: Based on a new schedule, all three remaining labs for FY 2011 are expected to be completed in the first and second quarters of FY 2012. All three lab upgrades are approximately 50 percent complete at this time.

STRATEGIC OBJECTIVE 3.3.1F2C: Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.

Areas of significant improvement: The Department has one performance goal focused on providing foreign security assistance. The Department continued to meet its statutory timelines in adjudicating munitions and dual-use licenses back to the Departments of State and Commerce, as shown at Appendix B-3.

While the Department continues to move forward on export control reform and to meet its statutory timelines in adjudicating munitions and dual-use licenses back to the State and Commerce Departments, the Department has also made additional investments in institutionalizing capabilities to conduct security force assistance. All of the Military Services have increased the number of train-the-trainer personnel and improved the language, regional expertise, and cultural awareness training that these personnel receive prior to deployment. The U.S. Army and Air Force have made sizable investments in force structure to support this mission area with the 162nd Infantry Training Brigade, the Contingency Response Groups, and the Mobility Support Advisory Squadrons. In addition, the Department has steadily increased its non-standard rotary wing capability in support of Afghanistan through increases in the United States Special Operations Command's (USSOCOM) capabilities. The expanding and successful Ministry of Defense Advisor (MODA) program for Afghanistan has met the Department's most immediate requirements and provides a model for further expansion.

Areas of challenges: The FY 2011 performance goal, "Percent of Munitions and Dual-Use License applications adjudicated back to State and Commerce Departments within statutory timelines," is not an appropriate indicator to measure performance under Strategic Objective 3.3-1F2C. Funding for the Department's expanded train, advise, and assist capabilities has predominantly been from Overseas Contingency Operations (OCO) accounts in support of combat operations in Iraq and Afghanistan. As the forces and funding levels draw down for these two contingency areas, there will be less resource flexibility for expanded investment in this mission area. The Department has been less successful in increasing investments in capabilities to train and advise partner nations on non-standard fixed wing aircraft due to budget constraints. Defense Institution Building (DIB) objectives will require additional training and personnel investment to meet the Department's objectives. In addition, there are some legislative restrictions that currently prevent universal expansion of the MODA program beyond Afghanistan.

Mitigation strategies: The Department will develop an appropriate performance goal to measure performance under this strategic objective for FY 2012 and beyond. Some of the current OCO funding will be moved into Service and USSOCOM's baseline budgets to continue the current investment strategy. The Department will continue to adjust resources to balance future improvements in the capability to train, advise, and assist foreign security forces with other competing mission areas. The Department is pursuing legislative initiatives to expand MODA beyond Afghanistan along with other DIB initiatives. The Department will also work to develop a performance goal that more appropriately addresses the significant contributions made by the Department to the Administration's export control reform and reform of the Department's Technology Security and Foreign Disclosure processes.

STRATEGIC OBJECTIVE 3.4.1X1: Expand capacity to succeed against adversary states armed with advanced anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.

Areas of significant improvement: The Department is on track to meet all three of its performance goals in the area of cyberspace and space operations, as shown at Appendix B-3. No operational availability gaps have been detected in the space segments of military satellite communications. In addition, the Department is on track to execute its FY 2011 cryptographic modernization plan for nuclear command, control, and communications.

Areas of challenges: Improving the Department's ability to attribute nuclear threats to their source can help deter aggressors from considering the use of nuclear weapons. Additional resources are required to enhance the Department's air and ground sample collection mission and to augment current laboratory assessment capabilities.

Mitigation strategies: Research is underway to identify new means by which we can more quickly complete reliable technical nuclear forensics assessments.

STRATEGIC OBJECTIVE 3.5.2D: **Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.**

Areas of significant improvement: The Department's Strategic Plan calls for maintaining the Department's technological edge via its science and technology (S&T) investments. However, performance results on the Department's S&T program will not be available until after the end of the fourth quarter.

Areas of challenges: No challenges have been identified in the DoD's S&T program.

Mitigation strategies: No mitigation strategies are required in the DoD's S&T program.

STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE

Strategic Goal 4 acknowledges that our men and women in uniform constitute the Department's most important resource. Years of war have significantly stressed our military personnel and their families. Multiple and extended deployments have taken a toll and the Department remains focused on military health and welfare. Given the continuing need for substantial and sustained deployments in conflict zones, the Department must do all it can to take care of our people, physically and psychologically. The health of the All-Volunteer Force depends on substantial and enduring efforts to improve mental health, readiness, family support, and leader development programs across the Total Force. The Department is focused on several fronts, including:

- Recruiting and retention
- Supporting military families
- Managing the deployment tempo
- Providing wounded warrior care
- Developing the total Defense workforce

Strategic Goal 4 accounts for 33 percent of the Department's FY 2011 performance goals (26 of 80). However, one Goal 4 result associated with pre-deployment training was not available. Ninety-six percent of Goal 4 results assessed (25 of 26) demonstrate progress toward achieving their annual goals. One measure is at risk of not achieving its annual goal by the end of the fiscal year. Results, by specific performance goal and each objective area, are identified at Appendix B-4 and discussed in detail below.

STRATEGIC OBJECTIVE 4.1.2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.

Areas of significant improvement: The Department met 66 percent of the performance goals (four of six) that it established in the area of military healthcare, as identified at Appendix B-4. The Department remains committed to providing the best possible physical and psychological care to our wounded, ill, or injured (WII) Service members. Despite the increased cost in medical care utilization, the cost associated with non-Active duty medical care is actually below our goal. As of August 24, 2011, the Department is on schedule with conversion to a single Integrated Disability Evaluation System (IDES) with a total of 111 Medical Treatment Facilities using this system. Virtual Lifetime Electronic Record (VLER) health information exchanges are progressing and will continue to improve as more private sector entities join the Nationwide Health Information Network. Individual medical readiness for both Active and Reserve Service members, while below target, continues to show steady improvement.

Areas of challenges: Active duty health care utilization continues at a high rate due to war-related care. With the increasing number of suicides and Service members diagnosed with depression or Post Traumatic Stress Syndrome (PTSD), it is imperative to screen, diagnose, and treat our Service members before the acuity of disorders significantly impacts their health and

quality of life. Medical and dental shortfalls among Guard and Reserve Service members will continue to challenge our ability to meet individual readiness goals. VLER challenges include immaturity of available software and electronic health information sharing in the private sector. However, the Department remains committed to expanding the scope of the electronic health record initiative to encompass a military member's entire lifecycle record.

Mitigation strategies: Expansion of the Patient-Centered Medical Home and Outpatient Prospective Payment System for purchased care is continuing and has shown improvements. Aggressive preparedness and use of joint planning sessions will ensure that the Integrated Disability Evaluation System (IDES) remains on track to achieve world-wide implementation in Fiscal Year 2011. VLER receives continued emphasis by leadership. Medical and dental readiness remains a high priority.

STRATEGIC OBJECTIVE 4.2.2P: Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.

Areas of significant improvement: Through the third quarter, the Department met 88 percent of its performance goals (eight of nine) in the area of DoD force management, as shown at Appendix B-4. The Services continue to meet their end strength goals for both Active and Reserve components. Both recruiting and retention programs continue to succeed. Meeting end strength goals is critical to meeting mission requirements, maintaining national security, and retaining the skills necessary for future requirements. The Army has been able to eliminate the use of Stop Loss for deploying units well ahead of its goal. Managing the deployment tempo remains among the most tangible demonstrations of commitment to our Service members and their families, and all Services have shown improvement in compliance with the Department's planning objectives for time deployed and time at home.

Areas of challenges: The only goal not achieved is in the area of civilian personnel management. While the Department is meeting its timeline for all civilian hires, it is not meeting its annual goal (101 days) of reducing cycle time for external civilian hires, using delegated examining authority. While a third quarter only result (106 days) was provided for this assessment, it does not reflect an annualized result through the third quarter of FY 2011. Since this result (106 days) excludes actions processed in the first quarter (averaging 114 days) and in the second quarter (averaging 126 days), it will be revised in the fourth quarter to reflect the required weighted average for all actions for FY 2011.

Meeting end strength with an all-volunteer force will continue to challenge the Department. The Department must continue to carefully plan and manage personnel and units to keep our commitment to our Service men and women with service obligations and deployment planning objectives. Our ability to keep these commitments depends upon predictability in force deployment plans.

Mitigation strategies: The Department must continue developing innovative programs to attract and retain qualified men and women into the Armed Forces. Additionally, continued

training of DoD managers to increase adoption and familiarity with automated staffing tools will allow the Department to achieve its long-term civilian hiring goal of 80 days by FY 2012. The Department will continue to analyze the impact of decisions and adjust strategies appropriately to meet operational requirements.

> **STRATEGIC OBJECTIVE 4.3.2R: Better prepare and support families during the stress of multiple deployments.**

Areas of significant improvement: Through the third quarter, the Department met 80 percent of its performance goals (four of five) in the area of military family support, as shown at Appendix B-4. The Department is exceeding its annual goal in terms of providing quality world-wide family housing and is meeting its enlisted unaccompanied housing goals at foreign locations. In this era of high operating tempo, it is essential that deployed warfighters be assured that their families are in suitable, well-maintained housing. Almost all of the military family housing (FH) in the U.S. has been privatized, which has set a high standard for quality construction and effective maintenance. Accordingly, at installations where privatization is not feasible (e.g., foreign locations), it is essential that high standards also be maintained for government owned housing.

The Department of Defense Education Activity (DoDEA) has begun an aggressive construction program to bring all DoDEA schools up to a good or fair condition rating. Sixty-three schools now meet that standard and five more schools are under construction. New schools will enhance dependent education and improve retention goals with the reassurance that the well-being of Service members' families is important to the Department. In addition, the Department is on track to meet its renovation goals for DoD dependent schools.

Areas of challenges: Although the Services' family housing appropriations are fenced, they still must compete for resources in an increasingly constrained fiscal environment. Furthermore, most of the government owned housing is now located outside the United States where there are special management challenges due to host nation requirements (technical, environmental, and acquisition), language differences, foreign national employees, local customs, potential for future base closures or realignments, etc.

DoD is under-executing its quality goals for permanent party enlisted unaccompanied housing (UH) in the United States by 16 percent. With major advances made in FH quality, there has been a recognition that the quality of UH deserves an equal focus. To this end, the Services have made large financial commitments to modernize their UH inventories. This performance goal is a practical tool to ensure UH is increased to a comparable level as FH, and then is maintained over the long-term. The main challenges are programming the necessary military construction funds to complete build-out plans (primarily Navy) and programming sufficient sustainment funds to prevent deterioration of the inventory, which would adversely impact quality of life and readiness.

Any reductions in DoDEA funding will delay progress and cause schools to fall short of quality standards.

Mitigation strategies: While the Department met its overall goal for worldwide family housing in FY 2011, the Air Force and Marine Corps do not expect to meet the long-term 90 percent quality goal until FY 2012. In addition, the Army and Navy have projected that their corresponding performance in FY 2012 will be 81 percent and 69 percent, respectively, based on environmental and fiscal issues.

In the area of enlisted unaccompanied housing (UH) in the United States, the Army, the Air Force, and the Marine Corps are on track to achieving or coming close to the long-term 90 percent quality goal by FY 2017. However, the Navy's corresponding performance by FY 2017 is 58 percent. In an approved FY 2011 Resource Management Decision (RMD), the Navy was directed to spend an additional $70 million per year through the program period to advance their UH quality in the United States.

In the area of UH at foreign locations, the Army and the Air Force are on track to achieving the long-term 90 percent quality goal by FY 2017. However, the Navy and Marine Corps' corresponding performance by FY 2017 is 61 percent and 68 percent, respectively. The Department will review Service FY 2013 budget submissions to assess the adequacy of UH funding.

The Department will continue to closely review personnel strengths in locations supported by DoDEA schools to assess impact on school size requirements and adjust projects for most efficient use of assets.

STRATEGIC OBJECTIVE 4.4.2T: Train the Total Defense Workforce with the right competencies.

Areas of significant improvement: Through the third quarter, the Department met 80 percent of performance results (four of five) assessed in the area of training acquisition professionals and training in security cooperation and language proficiency, as shown at Appendix B-4.

A highly qualified workforce is a critical element for achieving and improving acquisition outcome success. Certification standards drive workforce quality. A key quality objective is ensuring that acquisition workforce members meet position certification requirements. Certification requirements are comprised of training, education, and experience standards which are established by level for each acquisition functional category. For both the Level II and Level III, certification percentage levels increased relative to FY 2010. The actual numbers of members certified increased, while the size of the workforce (and number of positions) increased at a greater rate.

The Department exceeded its goal to increase the proficiency of language program graduates, which in turn, sharply reduced the need for remedial training at their units of assignment. These linguists begin mission training at higher proficiency levels and assume operational duties sooner.

In addition, the Department has increased the percentage of incumbents that have been trained in security cooperation to 95.1 percent, thereby increasing the effectiveness of the security cooperation workforce. This includes those Security Cooperation Officers (SCOs) overseas who work directly with the foreign countries on their requirements for U.S. defense articles and services, in support of building international partner capacity.

Areas of challenges: The primary challenge for the security cooperation community is to sustain the high level of incumbents trained, especially in view of overseas personnel rotations. An additional challenge is to keep the curriculum of the various security cooperation courses current (resident, on-line, or by mobile education teams) and easily accessible to those who need the training.

By the third quarter, the Department had not met its goal for having DoD personnel security adjudicators certified, and is experiencing data collection problems in assessing pre-deployment competency training to Afghanistan. Adjudicator certification supports reciprocity by ensuring a commonality of standards and competencies across adjudicators. The DoD is just below its adjudicator certification goal, due to a July moratorium on testing while the program undergoes review. Resumption of testing is planned for September of 2011. Therefore, it is not expected that DoD will achieve its annual goal of 50 percent for FY 2011. Efforts to collect, report, and assess the percent of personnel, who complete regional language and cultural skill training before deployment to Afghanistan, remain on-going.

The acquisition workforce certification goals remain a challenge due to the calculation of the acquisition certification percentage. It is the number of members meeting or exceeding position certification requirements (numerator) divided by the number of acquisition workforce members (denominator). As certification levels and progress are tracked, it is important to understand the impact of workforce growth, turnover, and those members of the workforce that are in the process of pursuing certification within policy timeframes. All of these factors affect the resulting certification percentage. The strategy to increase the size of the workforce increases the denominator, which has the effect of lowering the percent certified. By policy, workforce members are allowed 24 months to achieve position certification requirements. Due to workforce turnover, position coding updates, and the 24 month grace period, a significant percentage of members are normally within the 24-month certification grace period.

Mitigation strategies: The Department's attention to improving the security cooperation workforce will continue. This includes the proper education and training of the workforce to ensure personnel are fully prepared for an assignment in security cooperation. In the area security adjudication, authorities for certification determined that the certification program needed recalibration to ensure it meets the objectives of appropriate and common standards for adjudications.

The Department will continue to work with the cadre of commissioned and non-commissioned officers to ensure that they are prepared for the full range of complex missions that the future security environment demands. Initiatives include building expertise in foreign language, regional, and cultural skills. Revised guidance will be prepared for deploying units on

what and how to report language and cultural skill training data. The Department will continue to coordinate training requirements with the Services and Defense Agencies to anticipate language and cultural skill requirements.

The Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L) has championed improved acquisition workforce quality as a top Departmental priority. The DoD is maximizing the opportunity for acquisition workforce members to achieve required certifications by expanding the training capacity of the Defense Acquisition University and continuing to improve training demand/supply management. The positive outcome of these efforts is expected to continue to increase the number of members who have met their position certification requirements. Lastly, the Department plans to place more emphasis on acquisition personnel who should have, but have not, attained the certification level required by their positions.

STRATEGIC GOAL 5: IMPLEMENT REFORM AGENDA

Strategic Goal 5 is focused on reforming how the DoD does business. For too long, the processes by which the Department provides needed equipment and platforms have been under-emphasized. One goal is to provide a mixture of flexible capabilities to respond to a spectrum of contingencies. A second goal is to achieve predictable cost, schedule, and performance outcomes based on demonstrated technologies and realistic estimates.

The Department will reform its institutions and processes to better support the urgent needs of the warfighter. The 2010 QDR established the following priority objectives to enhance future security and make the best use of taxpayer dollars.

- Reform what DoD buys
- Reform how DoD buys
- Improve logistics support
- Improve financial management

Strategic Goal 5 accounts for 30 percent of the Department's FY 2011 performance goals (24 of 80). However, 17 percent of Goal 5 results (or 4 of 24) are not included in the third quarter analyses. Two results associated with energy utilization and one result associated with information technology deployment will not be available until after the fourth quarter. The fourth result, focused on personnel security investigations, is not assessed based on data collection issues.

Sixty-five percent of Goal 5 results assessed (13 of 20) demonstrate progress toward achieving their annual goals; 35 percent of results (7 of 20) are at risk of not achieving their annual goals by the end of the fiscal year. Results, by specific performance goal and each objective area, are identified at Appendix B-5 and discussed in detail below.

STRATEGIC OBJECTIVE 5.1.2A: Increase use of renewable energy and reduce energy demand at DoD installations.

Areas of significant improvement: Climate change and energy will continue to play significant roles in the future security environment. The DoD is working to meet energy-related efficiency goals at hundreds of installations throughout the United States.

Areas of challenges: Based on third quarter data, the Department is significantly under-executing its average facilities sustainment rate by approximately 20 percent, as identified at Appendix B-5. In addition, the Department will not know how it did in terms of reducing energy intensity and increasing renewable energy usage in FY 2011 until January of 2012.

Mitigation strategies: Execution rates for sustainment are lower mainly because of the FY 2011 continuing resolution and are expected to increase in the fourth quarter.

STRATEGIC OBJECTIVE 5.2.2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase DoD mission assurance.

Areas of significant improvement: As of the third quarter, the DoD is on track to meet its mission assurance goal by having 90 percent of its information technology (IT) and National Security systems certified and accredited, as shown at Appendix B-5.

Areas of challenges: No challenges have been identified in the area of DoD mission assurance.

Mitigation strategies: No mitigation strategies are required in DoD mission assurance.

STRATEGIC OBJECTIVE 5.3.2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.

Areas of significant improvement: By the third quarter, the Department is on track to meet 50 percent of acquisition-related performance results assessed (three of six) for FY 2011, as shown at Appendix B-5. The Department is slightly above schedule in certifying Major Defense Acquisition Program (MDAPs), as required by the Weapons Systems Acquisition Reform Act of 2009. In addition, the Department has only incurred one "critical" breach for Major Automated Information Systems (MAIS) and is operating within the five percent goal established for controlling average MDAP cycle time.

Areas of challenges: Less progress has been achieved in monitoring the number of "significant" MAIS breaches, the number of MDAP cost breaches, and the percentage of contract obligations that are competitively awarded. By the second quarter, the Department exceeded the projected number of MDAP cost breaches by 40 percent (from five to seven breaches). In the third quarter, the DoD exceeded the number of "significant" MAIS breaches by 100 percent (from one to two breaches) and is executing eight percent fewer competitively-awarded contracts than projected. In addition, the Department will not know how it fared in deploying enterprise-level business services until after the end of the fourth quarter.

Mitigation strategies: The DoD is working to match requirements with mature technologies, to maintain disciplined system engineering approaches, to institutionalize rapid acquisition capabilities, and to implement comprehensive testing. Several initiatives are underway to strength DoD's acquisition workforce, improve upfront cost estimates, prevent frequent changes in system requirements, and ensure proper contract oversight and program execution.

Recently, the DoD has implemented an Overarching Integrated Product Team (OIPT) structure to ensure DoD business system investments stay within cost, schedule, and performance baselines. Three other existing OIPTs are assigned for strategic and tactical systems; space and intelligence systems; and command, control, and communications (C3) space and spectrum systems. Additionally, the Department is updating DoD Instruction 5000.02 on acquisition to address changes in statute and policy. For example, the DoD has mandated that a

Preliminary Design Review be conducted before Milestone B and that independent reviews certify the maturity of key program technologies before entry into the Engineering and Manufacturing Development phase. Other changes include implementation of the "Better Buying Power" initiative, the Business Capability Lifecycle Process, and changes evolving from an ongoing IT acquisition study.

STRATEGIC OBJECTIVE 5.4.2L: Provide more effective and efficient logistical support to forces abroad.

Areas of significant improvement: The Department is on track to accomplish 75 percent of its annual performance goals (three of four) in the area of logistics support, as shown at Appendix B-5. All Services (except the Air Force) and the Defense Logistics Agency are exceeding their customer wait time and perfect order fulfillment goals, respectively.

Areas of challenges: The Air Force is close to meeting its customer wait time goal; the primarily challenge is delinquent deliveries from commercial vendors.

Mitigation strategies: The Air Force is working with procurement activities to identify alternative sources, award bridge contracts, and expedite product testing from potential vendors.

STRATEGIC OBJECTIVE 5.5.2U/2V: Increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.

Areas of significant improvement: The Department is on track to meet 75 percent of the performance results assessed (six of eight) in the headquarters and support activities, as shown at Appendix B-5. Of particular note, the Department continues to exceed its goals with regard to improper military and civilian pay and the number of days its takes to adjudicate initial top secret and secret personnel security clearances.

The Department uses four primary performance indicators or measures to assess its progress with regard to becoming audit ready. All of the measures are focused on the accuracy and reliability of the Department's ledgers, accounting systems, and associated financial reports. The DoD's mission critical asset measure is designed to move the Department closer to achieving its long-standing goal of total asset visibility; more reliable and accurate logistics supply chain and inventory systems; more effective utilization of assets; better control over asset misuse, theft, or loss; and reducing unnecessary reordering. While the Department did not achieve its third quarter goal with regard to appropriations validated, the Army, Navy, and Air Force received clean opinions based on an independent public accounting examination of their appropriations received in August.

The number of late Anti-Deficiency Act (ADA) investigations is above the FY 2011 goal by 60 percent, due to the prior year backlog and complexity of cases being reviewed. Although the Department did not meet its FY 2011 ADA reduction goal, the DoD has decreased the number of overage cases from FY 2009 by 36 percent and continues to move in a positive direction.

Areas of challenges: Timeliness of adjudications is important for Intelligence Reform and Terrorism Prevention Act (IRTPA) 2004 compliance and the readiness of the military and civilian workforce. While the Department is meeting its timeliness goal, adjudications face special challenges associated with Central Adjudication Facility (CAF) consolidation, reductions in staffing due to DoD efficiencies initiatives, and increasing demands for more detailed documentation of adjudicative rationale. Adjudication facilities continue to monitor staffing levels and potential disruptions to manpower from consolidation and added requirements. To date, they have not had a decline in timeliness.

Based on third quarter goals, the Department met three out of four audit readiness goals. However, the three results do not reflect improvement over FY 2010 readiness levels. The Military Services continue to face significant challenges with business and financial legacy systems because most of these do not record all financial transactions at the transaction level and do not have the capability of system-to-system interfaces. In addition, supporting documentation for financial transactions is either not acceptable or not readily available to auditors. Therefore, manual interfaces and work-arounds between systems are required to provide the entire transactions cycle from origination to financial reporting. In addition, delays in Air Force military equipment documentation and Navy aircraft validations will cause the DoD to miss the FY 2011 annual goal of 20 percent in mission-critical asset validation.

Although the Department achieved its pay accuracy goals, payroll clerk turnover continues to be a challenge and will remain high as personnel rotate. In addition, complex issues involving personnel disciplinary actions increase the time it takes to close ADA investigations.

Mitigation strategies: Pay accuracy is a very important incentive and morale booster for both military and civilian employees. Most errors are caused by late or inaccurate documentation. Numerous pre- and post-payment strategies have been put into place to reduce pay errors. In addition, the Office of the Secretary of Defense is working with the Services to address ADA-related violations. Initiatives include: (1) Requiring key fund control personnel to have appropriations law training every three (vice five) years so they stay apprised of new regulations and statutes; and (2) Keeping DoD financial management regulations updated and current.

Each Component's audit readiness effort is being monitored, and feedback is regularly provided on its financial improvement plans. Corrective action plans are in the process of being executed for identified deficiencies. The Navy and Air Force are working to provide the additional documentation for mission-critical assets by late August 2011.

Chapter Four: Conclusion

The Department can be proud of its accomplishments over the past year. The Department achieved a 92 percent success rate in achieving core warfighting (Strategic Goals 1, 2, and 3) results. However, less progress was made in the support establishment (Strategic Goals 4 and 5), where the Department achieved a 73 percent success rate in achieving infrastructure results. While the DoD made notable progress in taking care of its military members and their families, there is much more that has to be done to improve the operational efficiency of support functions across the Department.

Consistent with the President's vision, the United States continues to advance its interests by strengthening its domestic foundation and integrating all elements of national power; engaging abroad, based on mutual interest and respect; and reinforcing the rights and responsibilities of all nations. During FY 2011, the Department invested in increased intelligence, surveillance, and reconnaissance support for the warfighter, and fielded more of its most capable theater missile defense systems to better protect our forces and those of our allies in theater.

The Department focused on reshaping America's defense establishment by continuing to implement needed reforms that improve the effectiveness of how it acquires new defense systems that maintain the U.S. military's technological and conventional edge. Additionally, the business environment within the operational theater was strengthened to improve contract management and financial management accountability over resources.

In summary, the Department sustained a military and provided necessary capabilities to fight two wars, confront global terrorist threats, provide needed humanitarian assistance and disaster relief, and take care of its military families.

In FY 2011, the Department applied the lessons learned in Afghanistan and Iraq, while also confronting a range of other potential threats around the world. It struck an improved balance in three dimensions: between prevailing in current conflicts and preparing for a complex future; between institutionalizing proven wartime adaptations and preserving this nation's existing conventional and strategic advantages; and between accelerating acquisition and management reform, while retaining proven best practices.

From ensuring greater responsiveness in acquisition, to enhancing resource allocation decisions, to Total Force management, the Department must be postured to provide our forces with the capabilities they need, when they need them. The Department will continue to enhance U.S. capabilities to fight today's wars and counter future threats by actively managing and continuously evaluating how our warfighting and infrastructure operations deliver quality and timely performance results.

Appendix A: FY 2011 Results Not Assessed

DEPARTMENT OF DEFENSE PERFORMANCE PLAN
RESULTS NOT ASSESSED

		FY 2011 Q3	
Strategic Goal and Objective	**Performance Measure**	**No.**	**%**
DEPARTMENT OF DEFENSE	Not Assessed	9	100%
STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT	Not Assessed	1	11%
2.1-1F1: Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and by enhancing stability operations and foreign security force competency.	Not Reported	1	
2.1.8-1F1: Cumulative number of Contingency Response Groups (CRGs) reaching initial operational capability (IOC) to support irregular warfare and build partnership capacity		**Mobility Support Advisory Squadrons (MSASs) established to address need**	
STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES	Not Assessed	3	33%
3.1-1F2B: Improve the responsiveness and flexibility of consequence management response forces.	Not Available	2	
3.1.1-1F2B: Cumulative number of Homeland Response Forces (HRFs) trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours		**Assessed annually in Q4**	
3.1.2-1F2B: Cumulative number of Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) trained, equipped, evaluated, and validated at a response time of 6-12 hours		**Assessed annually in Q4**	
3.5-2D: Maintain a strong technical foundation within the Departments Science and Technology (S&T) program.	Not Available	1	
3.5.1-2D: Percent of completing demonstration programs transitioning each year		**Assessed annually in Q4**	
STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE	Not Assessed	1	11%
4.4-2T: Train the Total Defense Workforce with the right competencies.	Not Reported	1	
4.4.4-2T: Percent of personnel who complete regional language skill, regional expertise, and cultural competency programs either prior to deployment or within 60 days of deployment to Afghanistan		**Data collection problems**	
STRATEGIC GOAL 5: IMPLEMENT REFORM AGENDA	Not Assessed	4	45%
5.1-2A: Increase use of renewable energy and reduce energy demand at DoD installations.	Not Available	2	
5.1.2-2A: Cumulative average percent reduction in building energy intensity		**Assessed annually in Q4**	
5.1.3-2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage		**Assessed annually in Q4**	
5.3-2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.	Not Available	1	
5.3.5-2E: Percent of enterprise level Information Technology (IT) software and hardware deployed as business services within 18 months of the capability business cases approval		**Assessed annually in Q4**	
5.5-2U/2V: Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.	Not Reported	1	
5.5.09-2U: Cumulative percent of Single Scope Background Investigations (SSBIs) and Top Secret (TS) reinvestigation files that meet 2009 adjudicative documentation standards		**Data collection problems**	

Appendix B: Department of Defense Performance Plan Results

FY 2011 ORGANIZATIONAL ASSESSMENT

DEPARTMENT OF DEFENSE PERFORMANCE PLAN RESULTS

Strategic Goal and Objective	Performance Measure	FY 2011 Q3	
		Goal	Results
DEPARTMENT OF DEFENSE (80)	Met.	57	71%
	Not Met	14	18%
	Not Assessed	9	11%
STRATEGIC GOAL 1: PREVAIL IN TODAY'S WARS (9)	Met	9	10%
	Not Met	0	0%
	Not Assessed	0	0%
1.1-OCO: Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF. (6)	Met	6	100%
	Not Met	0	0%
	Not Assessed	0	0%
1.1.1-OCO: Cumulative number of Afghan National Army (ANA) end strength trained, equipped and assigned		165,260	171,050
1.1.2-OCO: Cumulative number of Afghan National Police (ANP) end strength trained, equipped and assigned		127,163	130,622
1.1.3-OCO: Percent of the Combatant Commanders' (CoComs) Current Operations which they report ready to execute		100%	100%
1.1.4-OCO: Percent assigned of required Contracting Officer Representatives (CORs) supporting Afghan contingency operations		85%	92%
1.1.5-OCO: Percent of in-theater Army central disbursements, using cash		2.1	0.9
1.1.6-OCO: Percent of contract actions tied to entitlements and disbursements in the systems of record		81.3%	92.1%
1.2.OCO: Execute a responsible drawdown of the U.S. military presence in Iraq. (3)	Met	3	100%
	Not Met	0	0%
	Not Assessed	0	0%
1.2.1-OCO: Cumulative number of U.S. military troops in Iraq		50,000	46,000
1.2.2-OCO: Cumulative number of pieces of rolling stock in Iraq supporting U.S. military troops		16,500	12,569
1.2.3-OCO: Cumulative number of U.S. military installations in Iraq supporting U.S. military troops		95	60

		FY 2011 Q3	
Strategic Goal and Objective	**Performance Measure**	**Goal**	**Results**
STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT (12)	Met	10	84%
	Not Met	1	8%
	Not Assessed	1	8%
2.1-1F1: Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and by enhancing stability operations and foreign security force competency. (8)	Met	7	88%
	Not Met	0	0%
	Not Assessed	1	12%
2.1.1-1F1: Percent of the DoD Combatant Commanders (CoComs) that are ready to execute their Core or Theater Campaign Plan mission		100%	100%
2.1.2-1F1: Percent of the Combatant Commanders' (CoComs) Contingency Plans which they report ready to execute		80%	84.6%
2.1.3-1F1: Cumulative percent increase in DoD Special Operations Forces and Navy SEAL personnel achieved		0	35%
2.1.4-1F1: Cumulative number of Army Brigades Combat Teams (BCTs) converted to a modular design and available to meet military operational demands		55	55
2.1.5-1F1: Cumulative Number of Army Multi-functional and Functional Support (MFF) brigades converted to a modular design and available to meet military operational demands		206	206
2.1.6-1F1: Cumulative percent of unit initiatives completed to balance three Marine Corps Expeditionary Forces (MEFs)		90%	95%
2.1.7-1F1 Cumulative number of ships in the fleet		287	284
2.1.8-1F1: Cumulative number of Contingency Response Groups (CRGs) reaching initial operational capability (IOC) to support irregular warfare and build partnership capacity			
2.2-1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners. (2)	Met	1	50%
	Not Met	1	50%
	Not Assessed	0	0%
2.2.1-1F2A: Number of formal DoD-led meetings with international partners to reaffirm U.S. commitments to extended deterrence		5	6
2.2.2-1F2A:: Passing percentage rate for Defense Nuclear Surety Inspections		100%	85.7%
2.3-1F3: Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities. (1)	Met	1	100%
	Not Met	0	0%
	Not Assessed	0	0%
2.3.1-1F3: Cumulative number of Aegis Ballistic Missile Defense (BMD)-capable ships		22	23
2.4-1X2: Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations. (1)	Met	1	100%
	Not Met	0	0%
	Not Assessed	0	0%
2.4.1-1X2: Cumulative number of MQ-1 (Predator) and MQ-9 (Reaper) aircraft intelligence, surveillance, and reconnaissance (ISR) orbits		49	55

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Strategic Goal and Objective	Performance Measure	Goal	Results
STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES (9)	Met	5	56%
	Not Met	1	11%
	Not Assessed	3	33%
3.1-1F2B: Improve the responsiveness and flexibility of consequence management response forces. (2)	Met	0	0%
	Not Met	0	0%
	Not Assessed	2	100%
3.1.1-1F2B: Cumulative number of Homeland Response Forces (HRFs) trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours			
3.1.2-1F2B: Cumulative number of Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) trained, equipped, evaluated, and validated at a response time of 6-12 hours			
3.2-1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities. (2)	Met	1	50%
	Not Met	1	50%
	Not Assessed	0	0%
3.2.1-1F2C: Cumulative percent of treaty-declared category 1 chemical weapons destroyed		87.4%	87.6%
3.2.2-1F2C: Cumulative number of zonal diagnostic labs built and equipped for biological agent detection and response		35	34
3.3-1F2C Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces. (1)	Met	1	100%
	Not Met	0	0%
	Not Assessed	0	0%
3.3.1-1F2C: Percent of Munitions and Dual-Use License applications adjudicated back to State and Commerce Departments within statutory timelines		100%	100%
3.4-1X1: Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space. (3)	Met	3	100%
	Not Met	0	0%
	Not Assessed	0	0%
3.4.1-1X1: Number of operational availability gaps in protected MILSATCOM mission area (space segment)		0	0
3.4.2-1X1: Number of operational availability gaps in narrowband MILSATCOM mission area (space		0	0
3.4.3-1X1: Percent of DoD's nuclear command, control, and communications (NC3) cryptographic modernization plan completed		12%	12%
3.5-2D: Maintain a strong technical foundation within the Departments Science and Technology (S&T) program. (1)	Met	0	0%
	Not Met	0	0%
	Not Assessed	1	100%
3.5.1-2D: Percent of completing demonstration programs transitioning each year			

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Strategic Goal and Objective	Performance Measure	Goal	Results
STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE (26)	Met	20	77%
	Not Met	5	19%
	Not Assessed	1	4%
4.1-2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs. (6)	Met	4	66%
	Not Met	2	33%
	Not Assessed	0	0%
4.1.1-2M: Average percent Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase		0%	1.2%
4.1.2-2M: Percent of military members, in the fourth quarter of FY 2011, participating in a single, disability evaluation/transition medical exam to determine fitness for duty and disability rating		90%	90%
4.1.3-2M: Cumulative number of DoD sites with Virtual Lifetime Electronic Record (VLER) production capability		0	5
4.1.4-2M: Percentage of Armed Forces who meet Individual Medical Readiness (IMR) requirements		78%	75%
4.1.5-2M: Rate of Follow-up on Active Duty Service members having positive screens for Depression, based on Post-Deployment Health Assessments (PDHAs) or Post-Deployment Health Reassessments (PDHRAs), as documented by a qualified professional		68%	82%
4.1.6-2M: Rate of Follow-up on Active Duty Service members having positive screens for Post Traumatic Stress Disorder (PTSD), based on Post-Deployment Health Assessments (PDHAs) or Post-Deployment Health Reassessments , as documented by a qualified professional		68%	81%
4.2-2P: Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component. (9)	Met	8	88%
	Not Met	1	12%
	Not Assessed	0	0%
4.2.01-2P: Percent variance in Active component end strength		3%	0%
4.2.02-2P: Percent variance in Reserve component end strength		3%	0.2%
4.2.03-2P: Number of soldiers under stop loss		0	0
4.2.05-2P: Number of days for external civilian hiring (end-to-end timeline)		104	*106
4.2.06-2P: Percentage of the Department's active duty Army who meet the planning objectives for time deployed in support of combat operations versus time at home		74%	86.9%
4.2.07-2P: Percentage of the Department's active duty Navy who meet the planning objectives for time deployed in support of combat operations versus time at home		95%	96.3%
4.2.08-2P: Percentage of the Department's active duty Marines who meet the planning objectives for time deployed in support of combat operations versus time at home		94%	94.9%
4.2.09-2P: Percentage of the Department's active duty Air Force who meet the planning objectives for time deployed in support of combat operations versus time at home		95%	96.2%
4.2.10-2P: Percent of Reserve Component (RC) Service members mobilized in the evaluation period that have dwell ratios greater than or equal to 1:5		59%	71.4%

* Reflects Q3 actions only; does not include actions processed in Q1 (averaging 114 days) and Q2 (averaging 126 days).

Strategic Goal and Objective	Performance Measure	FY 2011 Q3	
		Goal	Results
4.3-2R: Better prepare and support families during the stress of multiple deployments. (5)	Met	4	80%
	Not Met	1	20%
	Not Assessed	0	0%
4.3.1-2R: Percent of worldwide government-owned Family Housing inventory at good and fair (Q1-Q2) condition		81%	89%
4.3.2-2R: Percent of the inventory for government-owned permanent party enlisted unaccompanied personnel housing in United States at good and fair (Q1-Q2) condition		89%	75%
4.3.3-2R: Percent of the inventory for government-owned permanent party enlisted unaccompanied personnel housing at foreign locations at good and fair (Q1-Q2) condition		75%	75%
4.3.4-2R: Cumulative number of Department of Defense Education Activity (DoDEA) schools that meet good or fair (Q1 or Q2) standards		62	63
4.3.5-2R: Rating of Military OneSource usefulness by Service members who deployed and have dependents.		2.8	2.8
4.4-2T: Train the Total Defense Workforce with the right competencies. (6)	Met	4	66%
	Not Met	1	17%
	Not Assessed	1	17%
4.4.1-2T: Percent of acquisition positions filled with personnel meeting Level II certification requirements		52.1%	54.2%
4.4.2-2T: Percent of acquisition positions filled with personnel meeting Level III certification requirements		67.5%	69.3%
4.4.3-2T: Cumulative percent of incumbents that have been trained in security cooperation in positions that require security cooperation training		90%	95.1%
4.4.4-2T: Percent of personnel who complete regional language skill, regional expertise, and cultural competency programs either prior to deployment or within 60 days of deployment to Afghanistan			
4.4.5-2T: Percent of certified DoD adjudicators		35%	32%
4.4.6-2T: Cumulative increase in the number of students who achieve a 2/2/1+ Defense Language Proficiency Test (DLPT) score in reading, listening, and speaking modalities, as measured by the Interagency Language Roundtable performance scale		2,400	2,623

Strategic Goal and Objective	Performance Measure	FY 2011 Q3	
		Goal	Results
STRATEGIC GOAL 5: IMPLEMENT REFORM AGENDA (24)	Met	13	54%
	Not Met	7	29%
	Not Assessed	4	17%
5.1-2A: Increase use of renewable energy and reduce energy demand at DoD installations. (3)	Met	0	0%
	Not Met	1	33%
	Not Assessed	2	66%
5.1.1-2A: Average facilities sustainment rate		67.5%	47%
5.1.2-2A: Cumulative average percent reduction in building energy intensity			
5.1.3-2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage			
5.2-2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance. (1)	Met	1	100%
	Not Met	0	0%
	Not Assessed	0	0%
5.2.1-2C: Percent of applicable IT and National Security Systems (NSS) that are Certification and Accreditation (C&A)-compliant		90%	90%
5.3-2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items. (7)	Met	3	43%
	Not Met	3	43%
	Not Assessed	1	14%
5.3.1-2E: Number of Major Defense Acquisition Program (MDAP) breaches equal to or greater than 15 percent of current Acquisition Program Baseline (APB) unit cost or equal or greater than 30 percent of original APB unit cost) unit cost		5	7
5.3.2-2E Percentage of contract obligations that are competitively awarded		62%	56.7%
5.3.3-2E: Average percent increase from the Approved Program Baseline (APB) cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after		5%	5%
5.3.4-2E: Cumulative percent of Major Defense Acquisition Programs certified, as required by the Weapon Systems Acquisition Reform Act of 2009		55%	55.2%
5.3.5-2E: Percent of enterprise level Information Technology (IT) software and hardware deployed as business services within 18 months of the capability business cases approval			
5.3.6-2E: Number of Major Automated Information System (MAIS) "significant" breaches (equal to or greater than 55 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages of one year or more)		1	2
5.3.7-2E: Number of Major Automated Information System (MAIS) "critical" breaches (equal to or greater than 25 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages of one year or more)		3	1.0
5.4-2L: Provide more effective and efficient logistical support to forces abroad. (3)	Met	3	75%
	Not Met	1	25%
	Not Assessed	0	0%
5.4.1-2L: Perfect Order Fulfillment (POF) rate for Defense Logistics Agency (DLA) stock items		84.9%	86.1%
5.4.2-2L: Army Customer Wait Time		16	13.2
5.4.3-2L: Navy Customer Wait Time		12.5	10.8
5.4.4-2L: Air Force Customer Wait Time		5.0	5.3

Strategic Goal and Objective	Measure	FY 2011 Q3	
		Goal	Results
5.5-2U/2V: Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts. (9)	Met	6	66%
	Not Met	2	22%
	Not Assessed	1	11%
5.5.01-2U: Percent DoD Statement of Budgetary Resources Appropriations Received (line 3A) validated		53%	19%
5.5.02-2U: Percent of DoD Funds Balance with Treasury validated		9%	9%
5.5.03-2U: Percent of DoD Statement of Budgetary Resources validated		14%	14%
5.5.04-2U: Percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) validated for existence and completeness		4%	4%
5.5.05-2U: Percent of improper military pay payments		1.3%	0.5%
5.5.06-2U: Percent of improper civilian pay payments		0.3%	0.2%
5.5.07-2U: Cumulative number of late formal Anti-Deficiency Act investigations from the FY 2009 baseline		12	16
5.5.08-2U: Average number of days required to adjudicate the fastest 90 percent of initial top secret and secret personnel security clearance cases		20	9
5.5.09-2U: Cumulative percent of Single Scope Background Investigations (SSBIs) and Top Secret (TS) reinvestigation files that meet 2009 adjudicative documentation standards			