



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

NOV 14 2012

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Fiscal Year (FY) 2012 Department of Defense (DoD) Organizational
Assessment (OA) Results

The attached assessment has been prepared pursuant to title 5, U.S.C., section 4312 and Office of Personnel Management (OPM) implementing instructions. This guidance requires that performance evaluations for DoD Senior Executive Service (SES) members and Senior Level/Scientific and Technical (SL/ST) professionals be based on both individual and organizational performance. This memorandum and its attachment comply by providing an assessment of Department performance through the third quarter of FY 2012.

DOD's FY 2012 performance goals, as reflected in the President's Budget, are the basis for department-wide organizational performance. The results represent DoD-wide performance priorities that are aligned to the strategic goals and objectives in DoD's Strategic Plan (i.e., 2010 Quadrennial Defense Review Report) and to direction provided by the President, Congress, and Secretary of Defense. DoD Component performance results also inform individual SES and SL/ST performance evaluations. Rating officials and members of PRBs should use the attached organizational assessment results, along with other relevant performance reports, to assess SES and SL/ST performance. PRBs should make pay-for-performance decisions and award determinations based upon results achieved that demonstrate success and improvement in both DoD-wide and component-specific performance.

As of the third quarter, nine percent (6 of 69) of DoD's FY 2012 performance results will not be available until after the end of the fourth quarter. Based on the remaining 63 results, 75 percent are on track to achieving their goals and 25 percent are at risk of not meeting their annual goals. In addition, 66 percent of results reflect improvement over FY 2011 performance levels. The assessment reflects substantially higher success and improvement rates in warfighting missions, compared to DoD infrastructure functions. And while we have made progress in many areas, we must continue to strive for even greater efficiency and effectiveness in our operations across the Department.

Attachment:
As stated



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Department of Defense Organizational Assessment FY 2012





NOV 14 2012

Message from the Deputy Secretary of Defense

The United States (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 improve continuously 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 and effectiveness of business functions and to increase personnel accountability for performance results across the Department.

A handwritten signature in black ink that reads "Ashton B. Carter". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Ashton B. Carter

Preparation of this report/study cost the Department of Defense a total of approximately \$54,000 in Fiscal Years 2012 - 2013.

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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 assessment contributes to individual evaluations by providing a summary of DoD-wide performance results through the third quarter of Fiscal Year (FY) 2012.

The DoD Strategic Plan (i.e., 2010 Quadrennial Defense Review (QDR) Report)), identifies five overarching strategic goals and 20 broad strategic objectives, and forms the basis for development of the DoD's Annual Performance Plan. Figure 1 shows that the Principal Staff Assistants (PSAs), within the Office of the Secretary of Defense (OSD), recommend the strategic objectives and performance goals determined to be the highest priority for DoD-wide management focus. Although these goals are assigned to specific PSAs for execution, the goals are cross-cutting in nature and require cross-functional support for achievement. The FY 2012 Performance Plan identifies 69 enterprise-level or DoD-wide performance goal priorities, as included in the DoD's annual budget request.

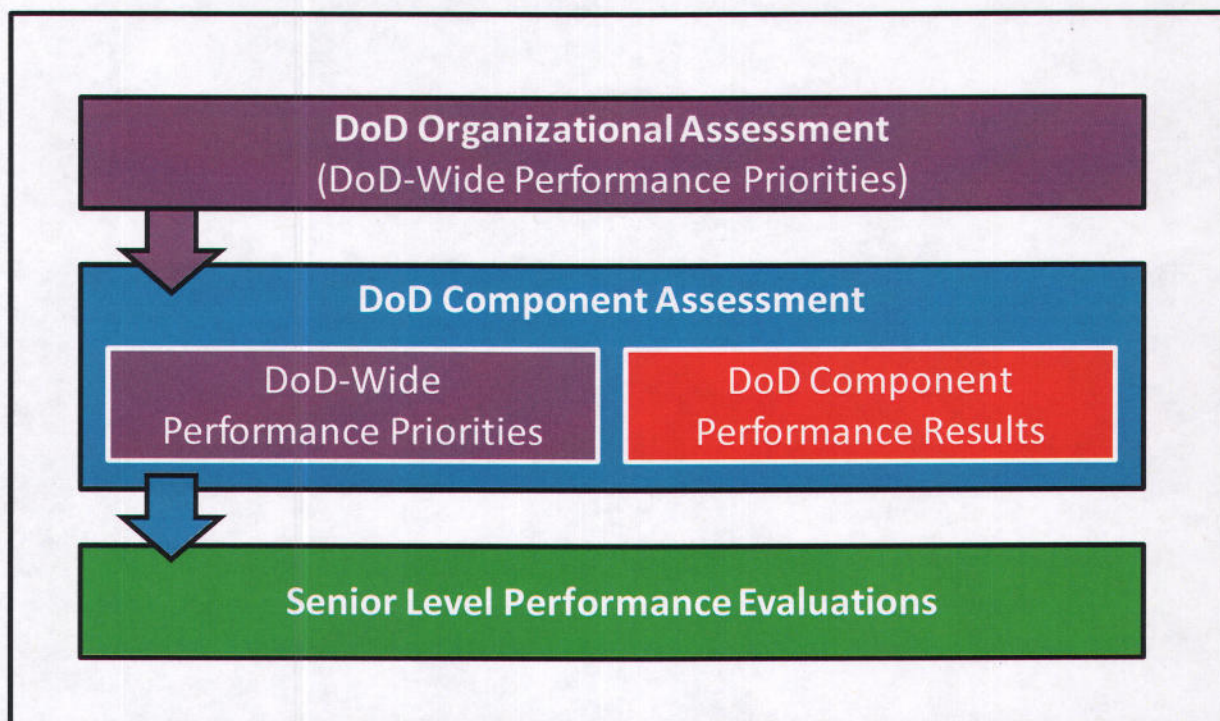
Figure 1. DoD-wide Senior Level Leaders and Performance Goal Priorities

DoD-wide Senior Level Leaders							Grand Total		FY 12 Performance Goals	
Office of the Secretary of Defense	SES	DISES	EX	SL	DISL	ST	No.	%	No.	%
Secretary of Defense	8						8	3%		
Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L))	73		2				75	26%	24	35%
Under Secretary of Defense for Comptroller/Chief Financial Officer (USD(C/CFO))	21						21	7%	4	6%
Under Secretary of Defense for Personnel and Readiness (USD(P&R))	31			1			32	11%	18	26%
Under Secretary of Defense for Policy (USD(P))	53						53	18%	11	16%
Under Secretary of Defense for Intelligence (USD(I))		12			24		36	12%	2	3%
Deputy Chief Management Officer (DCMO)	4		1				5	2%	3	4%
Director, Cost Assessment and Program Evaluation (DCAPE)	18						18	6%		0%
General Counsel of the Department of Defense (GC, DoD)	7			5			13	4%		0%
Assistant Secretary of Defense for Legislative Affairs (ASD(LA))	5						5	2%		0%
Assistant Secretary of Defense for Public Affairs (ASD(PA))	3						3	1%		0%
Department of Defense Chief Information Officer (DoD CIO)	12						12	4%	7	10%
Assistant to the Secretary of Defense for Intelligence Oversight	1						1	0%		0%
Director, Administration and Management (DA&M)	6						6	2%		0%
Director, Net Assessment (DNA)	3						3	1%		0%
TOTAL	245		3	6		0	291	100%	69	100%

The Annual Performance Plan establishes senior level accountability, in terms of the appropriate civilian oversight authority or Principal Staff Assistant (PSA) within the Office of the Secretary of Defense (OSD), for each performance goal. These officials are identified at the Appendix to this assessment. The 69 performance goals are a recognized subset from the 291 individual performance plans that typically average three performance goals per senior level member. As such, these performance priorities represent approximately eight percent of the total DoD-wide senior level performance goal inventory that are used to gauge organizational success across DoD strategic objective/major mission areas.

Figure 2 shows how DoD-wide performance priorities form the basis for the Department’s annual organizational assessment that is used to inform individual performance decisions within the OSD and across the Department.

Figure 2. DoD Organizational Assessment



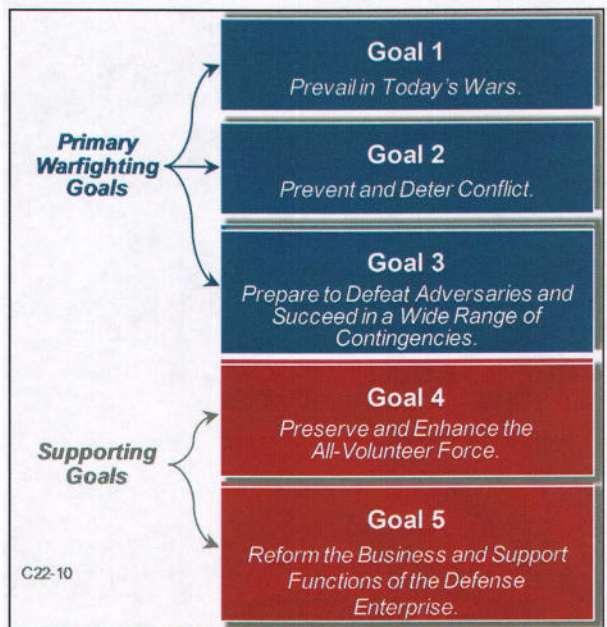
The Under Secretary of Defense (USD) for Personnel and Readiness (P&R) is responsible for ensuring that this organizational assessment is factored into appropriate senior level personnel evaluations. Other DoD-wide and Component-level performance results, aligned to the Department’s strategic goals and objectives, also contribute to SES and SL/ST performance evaluations.

Chapter Two: Department of Defense Strategic Goals

The Quadrennial Defense Review (QDR) Report satisfies the Government Performance and Results Act (GPRA) requirement for each federal agency to submit a strategic plan. The QDR Report forms the basis for the DoD’s overarching strategic goals and strategic objectives that are incorporated into the Department’s Annual Performance Plan. The Department last updated its strategic guidance in January 2012; relevant updates are reflected in this assessment.

In order to help defend and advance our national interests, the 2010 QDR Report recognized four priority objectives: prevail in today’s wars; prevent and deter conflict; prepare for a wide range of contingencies; and preserve and enhance the All-Volunteer Force. At the same time, the QDR Report acknowledged that the Defense Department had to implement an agenda that reforms how it does business. Consequently, these five imperatives reflect the Department’s 2010 QDR strategic goals and form the basis for the DoD’s Annual Performance Plan. Figure 3 indicates that the first three strategic goals represent the Department’s primary warfighting missions. Strategic goals 4 and 5, focused on DoD infrastructure, are considered supporting goals.

Figure 3. DoD Strategic Goals



Following the release of the Department’s 2010 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 2012 Annual Performance Plan.

Figure 4 provides a summary of the Department’s five overarching strategic goals and 20 strategic objectives.

Figure 4. 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: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.

- 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.
- 5.4-2L: Provide more effective and efficient logistical support to forces abroad.
- 5.5-U/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 2012 Organizational Assessment focuses on the 69 performance goal priorities from the FY 2012 Annual Performance Plan. An assessment could not be accomplished for nine percent of FY 2012 performance goals (6 of 69) since the results for these areas are not collected from DoD Components until after the end of the fiscal year. Figure 5 identifies when these elements will be completed. However, these goals are included at the Appendix to this assessment in order to provide for a full accounting of all 69 performance goals for FY 2012.

Figure 5. Incomplete Performance Results

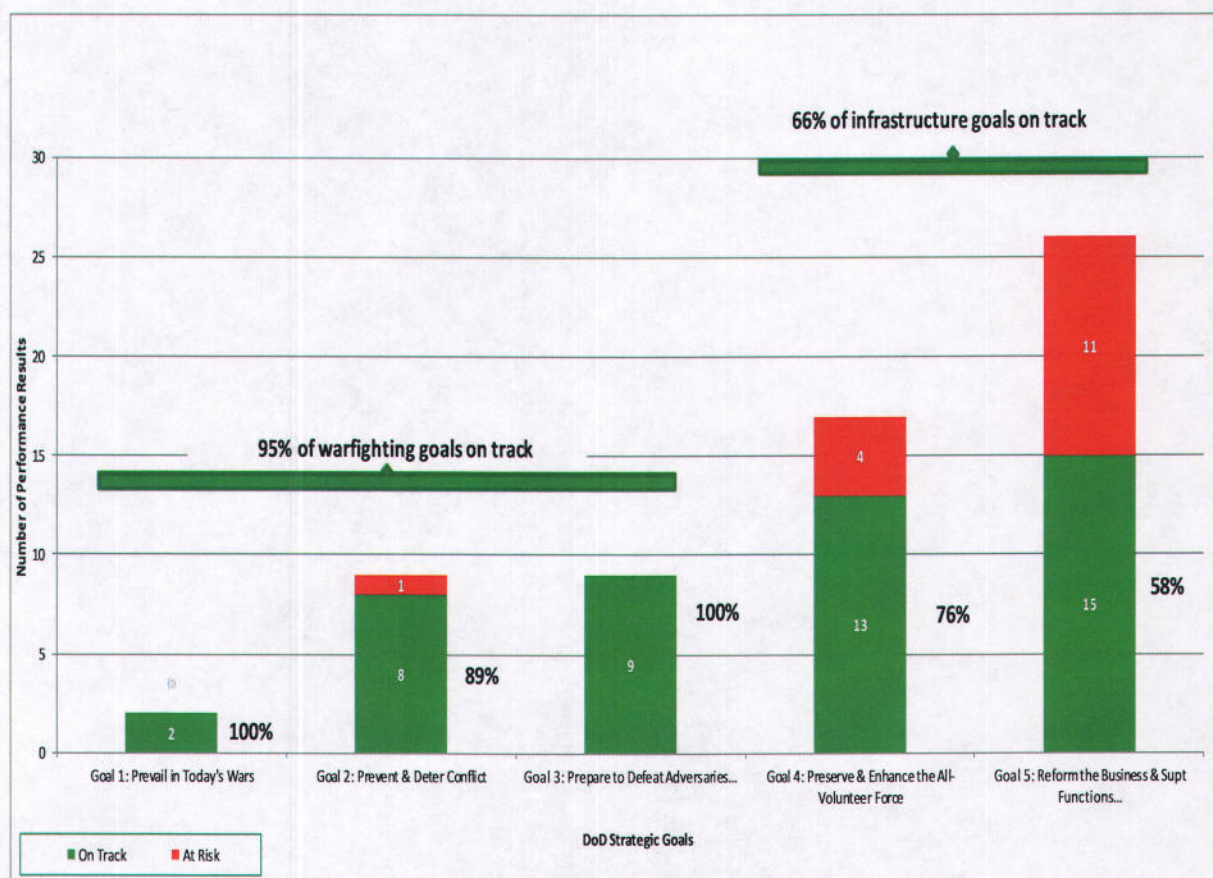
FY 2012 Performance Measure	Assessment Completed
4.3.1-2R: Percent of worldwide government-owned Family Housing inventory at good and fair (Q1-Q2) condition (USD(AT&L))	January 2013
4.3.2-2R: Percent of the worldwide inventory for government-owned permanent party unaccompanied personnel housing at good and fair (Q1-Q2) condition (USD(AT&L))	January 2013
4.4.3-2T: Percent of information assurance positions and contract requirements filled with personnel meeting certification requirements (DoD CIO)	November 2012
5.1.2-2A: Cumulative average percent reduction in building energy intensity (USD(AT&L))	January 2013
5.1.3-2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage (USD(AT&L))	January 2013
5.1.4-2A: Million square feet of excess or obsolete facilities eliminated (USD(AT&L))	January 2013

The Department's strategic goal priorities are assessed, at least quarterly, throughout the fiscal year. These quarterly assessments support the Government Performance and Results Modernization Act of 2010 and recurring Administration direction that Agencies measure and monitor progress on goals frequently by regularly analyzing data that can be used to accelerate progress, detect problems, and initiate timely corrective actions. Frequent assessments also support Executive Order (EO) 13450 "Improving Government Program Performance", calling for Agency Heads to ensure continuous accountability of specified agency personnel for the achievement of performance goals and related efficiency of resources.

Of the 63 DoD performance results that are assessed at the Appendix, 47 of 63 (or 75 percent) of these demonstrate progress toward achieving their annual goals; 16 of 63 (or 25 percent) are at risk of not achieving their annual goals for FY 2012.

Results for all five DoD strategic goals are depicted at Figure 6. At the end of the third quarter, the Department is meeting 95 percent (18 of 19) of core warfighting results (primarily DoD strategic goals 1, 2, and 3) and 66 percent (29 of 44) of infrastructure results (primarily DoD strategic goals 4 and 5 plus). One infrastructure result is included under strategic goal 3 for Science and Technology (S&T) transitions. The Appendix to this assessment displays results for all performance goals by strategic goal and strategic objective area.

Figure 6. FY 2012 Third Quarter Performance Results

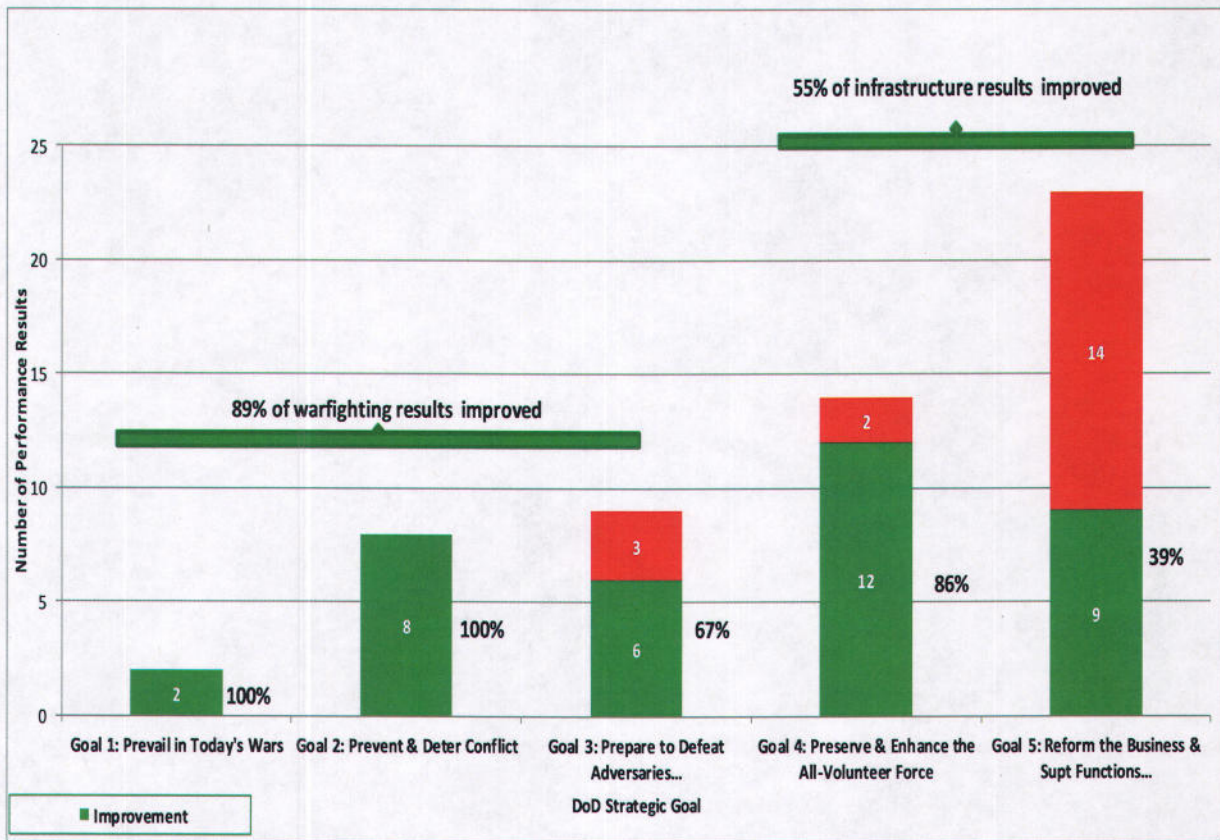


While Figure 6 provides a summary of results against FY 2012 goals, Figure 7 compares FY 2012 performance against the levels that were achieved in the prior year (FY 2011).

Overall, 66 percent (37 of 56) of results reflect improvement over FY 2011 performance levels. Seven results, associated primarily with measures that did not exist in FY 2011, are excluded from the performance improvement analysis identified at Figure 7.

At the end of the third quarter, 89 percent (16 of 18) of core warfighting results (primarily DoD strategic goals 1, 2, and 3) reflect improvement over FY 2011 performance levels. Here again, less progress was made in the support establishment (primarily DoD strategic goals 4 and 5), where only 55 percent (21 of 38) of results reflect positive improvement over FY 2011 performance levels.

Figure 7. FY 2011-FY 2012 DoD Performance Improvement



The following sections provide a discussion of FY 2012 performance results, assessed by DoD strategic goal and strategic objective, highlighting both areas of improvement and challenges along with associated mitigation strategies.

STRATEGIC GOAL 1: PREVAIL IN TODAY'S WARS.

Strategic Goal 1 accounts for three percent of the Department's performance plan goals (2 of 69) in FY 2012, as the Department implements the President's announcement, on June 22, 2011, to withdraw 33,000 troops from Afghanistan by the summer of 2012. Consequently, the two remaining performance goals in the area of Overseas Contingency Operations (OCO) are focused on maintaining Combatant Commander (COCOM) readiness for current operations and transitioning primary responsibility for Afghanistan security to the Afghan National Security Force (ANSF) by the end of FY 2014.

Performance results, by strategic objective area, are discussed in more 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: Page 27 of the Appendix indicates that the Department is on track to accomplish both OCO-related performance goals for FY 2012. The ability to successfully execute current operations is a core competency of the Department. Through the third quarter, Combatant Commanders have maintained optimum readiness levels in

terms of current operations, and the Department continues to improve the size and capability of the Afghan forces.

The ANSF are the backbone of long-term security and stability plans for Afghanistan. During the third quarter of fiscal year 2012, the Afghan National Army (ANA) and Afghan National Police (ANP) continued their quantitative and qualitative progress, while improving operational effectiveness. Security progress and the development of the ANSF have enabled the security transition process to continue in accordance with Lisbon Summit commitments.

The ANSF have grown to a force of 338,000, including 185,000 soldiers, 147,000 police, and 5,500 airmen. As the ANA and ANP have achieved growth goals, the ANSF and the North Atlantic Treaty Organization (NATO) Training Mission – Afghanistan (NTM-A) have shifted focus from force generation to training and development.

As the ANA approach and reach its surge-level end strength, NTM-A, the Ministry of Defense (MoD), and the Ministry of Interior (MoI) continue their shift in focus from force generation and growth to the qualitative development of the force. Literacy training efforts have expanded, logistics and enabler capability have improved, and the ANSF's 12 branch schools provide higher-level training to promote self-sufficiency and long-term sustainability.

Force generation and development efforts continue to translate into operational effectiveness. During the reporting period, the ANSF made impressive strides in performance, demonstrating their effectiveness as they assumed the lead for security responsibility in transitioning areas in many parts of the country. Violence levels are down approximately 16 percent in transitioning districts where the ANSF has assumed the security lead. The ANSF partners with International Security Assistance Force (ISAF) on nearly 90 percent of all coalition operations, and the ANSF is in the lead for more than 40 percent of partnered operations. Additionally, the number of ANA and ANP units rated as "Independent with Advisors" increased substantially over the last six months. The ANSF demonstrated their increased capability in their professional and largely independent response to the April complex attack in Kabul and the June attack on the Spogmai Hotel.

Areas of challenges: While on target to achieve their surge end strength, the ANSF continues to address on-going challenges, including attrition, leadership shortfalls, and developing capabilities in staff planning, management, and logistics. The ANSF also have not fully developed enabling support, including air; logistics; intelligence, surveillance, and reconnaissance (ISR); and medical. They will require coalition resources to perform at the level necessary to produce the security effects required for transition. While polls show that the ANSF continues to rise in public esteem, corruption and the influence of criminal patronage networks remain a concern that could jeopardize the legitimacy of the ANSF and pose a threat to the transition process. The rise of insider threats and "green-on-blue" attacks also remains a challenge.

Mitigation strategies: The ISAF and the ANSF are implementing mitigation measures, such as additional ISAF force protection procedures and more thorough ANSF recruit vetting, to address insider threats.

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

Thanks to the extraordinary sacrifices of our men and women in uniform, we have executed a responsible drawdown of U.S. military personnel in Iraq in accordance with the U.S.-Iraq Security Agreement. Years of effort have helped enable the Iraqi government to take the lead in protecting its people and providing essential services. While U.S. military personnel, under Chief of Mission authority, will continue to play an important role in expanding the security assistance and security cooperation relationship, no performance goals were established in the Department's Annual Performance Plan for this objective area in FY 2012 and beyond.

STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT.

Strategic Goal 2 begins implementing the Department's updated strategic guidance, published January 2012, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense." This guidance begins shifting force structure and investments toward the Asia-Pacific and Middle East regions, while sustaining key alliances and partnerships in other regions. In addition, the new guidance sizes forces to be able to defeat a major adversary in one theater, while denying aggression or imposing unacceptable costs elsewhere.

Strategic Goal 2 accounts for 13 percent of the Department's FY 2012 performance goals (9 of 69) and focuses on some of the force restructuring called for in the new defense strategy. Page 28 of the Appendix indicates that the Department is on track to meet 8 of 9 (or 89 percent) of performance results for FY 2012 and reflects improvement in 100 percent of results when compared to FY 2011. However, one performance result, focused on increasing the number of Aegis Ballistic Missile Defense (BMD)-capable ships, is at risk of not achieving its goal by the end of the fiscal year. Performance results, by strategic objective area, are discussed in more 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: Page 28 of the Appendix indicates that the Department began revisiting and eliminating DoD force structure in FY 2012. Through the third quarter, all Combatant Commanders have maintained their readiness posture, as established in Theater Campaign and Contingency Plans to ensure surge capability and effective mobilization. The Army completed the modular conversion on 228 of its 229 planned Multi-functional and Functional (MFF) brigades, with the final MFF brigade activation scheduled for the fourth quarter of FY 2013. Since the new strategic guidance prescribes a smaller and leaner force structure, page 28 of the Appendix also shows that the Army is beginning to eliminate the approved reduction of eight Brigade Combat Teams (BCTs) by FY 2017.

Areas of challenges: End strength reductions associated with budget reductions will necessitate the reduction of some number of Army BCTs--yet to be determined.

Mitigation strategies: The Army is exploring redesign options for the BCTs to make them more capable and is continuing to assess the risk associated with a reduced end strength.

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: Page 28 of the Appendix indicates that the Department is meeting and improving on two key performance goals in the area of nuclear deterrence as of the third quarter of FY 2012.

As part of the Nuclear Posture Review (NPR) implementation, the United States has increased opportunity to engage allies in discussion and collaboration on strategic issues related to extended deterrence. The number of formal official meetings has doubled since release of the NPR report, and there is an ever increasing demand for additional meetings.

In addition, Defense Nuclear Surety Inspections (DNSI) first-time passing rates have consistently improved over the last four years and currently are achieving the desired goal of 100 percent first-time pass rate. This is a positive indication of sustained Services' excellence and senior leader focus on the nuclear enterprise.

Areas of challenges: The Department's nuclear arsenal continues to be safe, secure, and effective. However, the results assessed (percent passing rate of first-time DNSIs is a poor indicator of this. Maintaining a 100 percent passing rate on first-time DNSIs is a worthy goal, but it does little to measure safe and effective and could generate unrealistic expectations and a zero tolerance culture that is neither sustainable nor appropriate for achieving long term excellence in the nuclear enterprise. The current assessment process does not allow the Department to measure the critical implementation tasks of the NPR. In addition, the number of meetings with allies is a poor indicator if the meeting did not produce an officially-documented deterrence commitment.

Mitigation strategies: The DoD submits numerous reports to the President and Congress on the safety, security, and effectiveness of the U.S. nuclear deterrent. These reports provide greater detail and fidelity on the sustainment and modernization of the nuclear deterrent. In addition, the Defense Threat Reduction Agency (DTRA) and Service inspection teams conduct frequent assessments of the surety of weapons in DoD custody, which contribute to the security, safety, and reliability of nuclear weapons while in DoD custody.

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: Overall, the DoD has achieved significant success in implementing the goals of the February 2010 Ballistic Missile Defense (BMD) Review, as well as the associated regional objectives involving BMD with allies in Europe (North Atlantic Treaty Organization), the Middle East (Gulf Cooperation Council and Israel), and the Asia-Pacific region (primarily Japan, South Korea, and Australia). As noted on page 27 of the Appendix, the one area that the Department is considered at risk of not meeting a performance goal for this Strategic Objective is related to the report's reference to numbers of BMD-capable AEGIS ships. While the Department has fielded one more AEGIS BMD-capable ship in FY 2012 than FY 2011, the FY 2012 third quarter result (24 ships) falls below the third quarter goal (27 ships) and the year-end projection (29 ships). However, when viewed in perspective, the Department has achieved considerable success overall in fielding cost-effective missile defense capabilities to-date.

For homeland defense, the Department completed construction of the recently activated 14-silo Missile Field-2 at Fort Greely, Arkansas to support Ground-based Midcourse Defense and continued aggressive component testing and refurbishment of currently deployed Ground Based Interceptors to improve reliability. The DoD also completed the initial 48 interceptors for the two fielded Terminal High Altitude Area Defense batteries. To meet its commitment to protect European North Atlantic Treaty Organization (NATO) allies against a growing ballistic missile threat, the United States completed Phase 1 deployment of the European Phased Adaptive Approach, consisting of a command and control, battle management system in Germany, forward-based radar in Turkey, and an Aegis BMD ship in the Eastern Mediterranean Sea. The Department also deployed a forward-based radar to the U.S. Central Command Area of Responsibility.

Areas of challenges: Budgetary uncertainties in FY 2014 and forward could affect the pace of missile defense acquisition and fielding. Due to an austere budget environment in FY 2013, the Department reduced the number of planned Aegis BMD-capable ships to 32. However, budgetary uncertainties could place further fielding at risk. The DoD budget could be reduced significantly should cuts mandated by sequestration take effect. Should this occur, the nature and scope of the reductions to the missile defense program 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 with the least impact to 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: Page 28 of the Appendix indicates that the Department is on track to meet its ISR goal for FY 2012. While the FY 2012 performance result (57 orbits or Combat Air Patrols (CAPs)) is below the level achieved in FY 2011 (59 CAPs), this reduction does not reflect a negative trend since it was specifically approved by the Secretary of Defense and is necessary to reconstitute MQ-1 Predator and MQ-9 Reaper CAPs, due to surge operations. The Air Force is continuing to make progress in balancing crew levels for combat operations and training. This is key for resuming the planned build to 65 CAPs by May 2014. Improvements include greatly expanded Remotely Piloted Aircraft (RPA) pilot and sensor operator crew force, normalized crew ratios, and staff assignment opportunities to enhance career development for RPA crew members. Reconstitution is also enabling a limited number of pilots to return to their original major weapon systems.

Areas of challenges: At this time, the Department does not foresee any challenges that will prevent standing up CAP 58 in November 2012 and continuing growth to 65 CAPs by May 2014.

Mitigation strategies: Reconstitution is expected to end in November 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. 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

Consequently, this strategic goal focuses on improving the responsiveness of consequence management forces; detecting, interdicting, and containing the effects of nuclear weapons; conducting effective cyberspace operations; and delivering technological advancements to balance a reduced DoD force structure.

Strategic Goal 3 accounts for 13 percent of the Department's FY 2012 performance goals (9 of 69). Page 29 of the Appendix indicates that all nine results are on track to achieving their FY 2012 goals. However, only 67 percent of these results (6 of 9) reflect improvement over prior year (FY 2011) performance levels. Performance results, by strategic objective area, are discussed in more detail below.

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

Areas of significant improvement: Four performance goals are key indicators for improving the responsiveness of consequence management response forces in FY 2012. Two performance goals carry over from FY 2011 and are focused on certifying Homeland Response Forces (HRFs) and Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) at a response time of 6-12 hours.

HRFs are operationally focused on one of the ten Federal Emergency Management Agency (FEMA) regions and sourced by either a single state or a collection of states in that region. HRFs, under control of the state governors, deploy in 6-12 hours with life-saving capabilities (emergency medical, search and extraction, decontamination, security, and command and control) supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents. By the end of the second quarter, the DoD had certified 6 of 10 HRFs projected for FY 2012 for the states of California, Missouri, Georgia, Pennsylvania, Ohio, Washington, Texas, and certified two more for New York and New Jersey by the end of the third quarter. The two remaining HRFs, for the states of Utah and Massachusetts, will be certified by the end of FY 2012.

In addition, the Department continues to maintain an inventory of 17 CERFPs that were established in FY 2011. The 17 CERFPs are operationally focused in the ten FEMA regions and sourced by either a single state or a collection of states in that region. There is at least one CERFP per FEMA region with multiple CERFPs in FEMA regions with the highest population concentration. CERFPs, under control of the state governors, deploy in 6-12 hours with life-

saving capabilities (emergency medical, search and extraction, and decontamination) supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents.

However, the HRFs and CERFPs represent only two elements of the greater restructured Chemical, Biological, Radiological, and Nuclear (CBRN) Response Enterprise (CBRNE). During FY 2012, the Department maintained a new Defense Chemical, Biological, Radiological, and Nuclear Response Force (DCRF) that was created at the end of FY 2011 and nationally-focused and sourced from Active and Reserve component forces throughout CONUS. The DCRF, under control of the U.S. Northern Command, deploys in 24-48 hours with command and control and extensive life-saving (emergency medical, search and extraction, and decontamination) and logistics and sustainment capabilities supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents.

In addition, the Department is on track to certify an additional Command and Control (C2) CBRNE Response Element (C2CRE) by the fourth quarter of FY 2012. The C2CREs are nationally-focused and sourced from Active and Reserve component forces throughout the continental United States. C2CREs, under control of US Northern Command, deploy in 96-hours or less with command and control and limited life-saving capabilities (emergency medical, search and extraction, and decontamination). The C2CREs are designed to provide command and control (C2) for follow-on, contingency sourced specialized and general purpose supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents.

Areas of challenges: Oversight of the certification of the CBRNE elements has been a significant accomplishment. Implementation has been challenging due to the high dependency on partnerships and collaboration with other Federal departments and agencies and the HRF Host States. Future challenges include keeping the CBRN Enterprise intact in the challenging fiscal environment and progressing on developing an integrated Enterprise planning architecture and other detailed implementation tasks related to process and procedures rather than fielding of capabilities.

Mitigation strategies: The Department participates in a number of forums, including the National Security Staff-facilitated interagency policy committee, 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: By the end of the third quarter, page 29 of the Appendix indicates that the Department continues to show progress and has already achieved its FY 2012 goal for destroying treaty-declared category 1 chemical weapons. In addition, the DoD is ahead of schedule in constructing two more overseas zonal diagnostic labs that are designed for working with dangerous pathogens at risk of exploitation.

By January 2012, the Army-managed portion of the Chemical Demilitarization Program (U.S. Army Chemical Materials Agency (CMA)), which started destruction operations in 1990,

completed the destruction of approximately 90 percent of the U.S. chemical weapons stockpiles at seven sites.

Areas of challenges: In March 2012, the new Acquisition Program Baseline for the life cycle cost and schedule estimates were approved by the Under Secretary of Defense (USD) for Acquisition, Technology and Logistics (AT&L) for the restructured Assembled Chemical Weapons Alternatives (ACWA) program. This is the only document which identifies the approved chemical weapons destruction schedule.

Mitigation strategies: The DoD-managed portion of the Chemical Demilitarization Program will destroy the remaining 10 percent of the U.S. stockpile. The ACWA is currently in the construction phase and is expected to resume chemical weapons destruction at the Colorado facility in December 2015 and at the Kentucky facility in April 2020. Destruction of the remaining U.S. chemical weapons stockpile is expected when the Kentucky site completes destruction in September 2023.

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.

No performance goals were established for this strategic objective area in FY 2012. However, building partnership capacity in the world remains important for sharing the costs and responsibilities of global leadership. Across the globe, we seek to be the security partner of choice, pursuing new partnerships with a growing number of nations whose interests and viewpoints are merging into a common vision of freedom, stability, and prosperity. Therefore, DoD's FY 2013 Annual Performance Plan includes three performance goals focused on enhancing general purpose forces training in specialized security force assistance, on increasing the number of civilian expeditionary advisors, and on expanding the Defense Institution Reform Initiative (DIRI). The DIRI, like the Ministry of Defense Advisory Program, is a global security cooperation initiative to support the development and enhancement of partner defense ministries. Both programs are being expanded to other critical theaters based on their success in Afghanistan.

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: Specific goals and results associated with cyber readiness are not reflected in this assessment since these are considered sensitive. However, the Department is on track to its performance goal in the area of cyber readiness and had fully executed its nuclear command, control, and communications (NC3) cryptographic modernization plan for FY 2012 by the end of the third quarter.

Areas of challenges: The Department's cyber readiness posture for FY 2012 is running slightly below the level achieved in FY 2011. The DoD changed the cyber readiness scoring criteria in May 2011 to make the inspection more rigorous, which has caused individual inspection scores to drop. However, this has not directly affected the overall passing rate. In addition, the DoD expanded the number of units inspected, which may skew trending but helps address the DoD's cybersecurity posture more broadly. Finally, Cyber Command occasionally

orders cyber security inspections of problematic organizations to identify the scope of the problems. These units almost always fail the inspection. Adding failing scores to a fairly small sample size can have an adverse impact on the result, but assists in improving DoD's overall cybersecurity posture.

Mitigation strategies: The Department is currently performing analysis on the small fluctuation in results for the third quarter of FY 2012 and is coordinating with DoD components to mitigate any issues that may risk achievement of the annual FY 2012 performance goal. In the process, the Department identified one DoD component that was under-performing and thereby negatively affecting the DoD's overall score. This issue is being worked with senior leadership at that component in order to improve performance promptly.

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 success rates of S&T transitions to warfighter application have progressively improved from 43 percent in FY 2008 to 83 percent in FY 2011 and FY 2012.

Areas of challenges: None identified.

Mitigation strategies: None required.

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. Performance goals for this strategic area remain focused on several key 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 29 percent of the Department's FY 2012 performance goals (20 of 69), as detailed on pages 30-31 of the Appendix. However, 15 percent of results (3 of 20) for this strategic goal are not assessed until after the end of the fiscal year. The Appendix indicates that 13 of 17 results (or 76 percent) demonstrate progress toward achieving their annual goals and four results are at risk of not achieving their annual goals. The Appendix also depicts 12 of 14 results (or 86 percent) that show improvement over prior year performance levels. Performance results, by strategic objective area, are 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: Page 30 of the Appendix reflects Individual Medical Readiness (IMR) results, for both Active and Reserve members combined, surpassed the third quarter goal of 80 percent and the FY 2012 annual goal of 82 percent. This represents a

nine percent increase when compared to the third quarter of FY 2011. The Active Component (AC) achieved 87 percent and the Reserve Component (RC) achieved 79 percent (a 15 percent improvement from last year).

In the area of military health care costs, outpatient prospective payment systems continue to provide pricing reductions for private sector care as these are phased into full implementation. Pharmacy rebates provide reductions in retail pharmacy which is the highest cost pharmacy venue.

Areas of challenges: Conversion to the Integrated Disability Evaluation System (IDES) was 100 percent completed in September FY 2011. Some progress has been made with IDES processing time and in Wounded, Ill and Injured (WII) care. However, these programs still fall significantly short of achieving DoD performance goals.

Currency of Periodic Health Assessments (PHA) and dental shortfalls continue to challenge the Department's ability to meet IMR goals in the RC.

Outpatient prospective payment systems and rebates provide short term pricing decreases, but once fully phased in, pricing will become stable and utilization will again become a cost driver.

Mitigation strategies: Medical and dental readiness remain a high priority since it contributes to overall Departmental readiness goals. Active duty health care utilization continues at a high rate due to war-related care. The Military Health System continues expansion of Patient Centered Medical Home (PCMH). PCMH is a practice model where a team of health professionals, coordinated by a personal physician, works collaboratively to provide high levels of care, access and communication, care coordination and integration, and care quality and safety. Care delivered in a PCMH has been associated with better outcomes, reduced mortality, fewer preventable hospital admissions for patients with chronic diseases, lower overall utilization, improved patient compliance with recommended care, and lower spending.

To date, the Army has hired 94 percent (1,328) of their required 1,410 staff members. The Air Force has added Physical Evaluation Board (PEB) manpower to enhance PEB performance. An inter-disciplinary IDES Task Force has been established to develop and present recommendations to DoD and Veteran Affairs Secretaries.

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: Pages 30-31 of the Appendix indicates that the Department has met and shows improvement in all eight of its force management-related performance goals. The Services continue to meet recruiting and retention goals, and Service member quality goals. The percentage of AC Soldiers who meet the deployment to dwell ratio (1:2) for the Army has made significant progress from 86 percent at the end of FY 2011 to 90 percent at the end of third quarter of FY 2012--significantly ahead of quarterly and annual goals. In addition, the percentage of AC Navy, Marine Corps and Air Force personnel, who meet the 1:2 goal, exceeds 95 percent. The percentage of RC Service members who meet the 1:5 goal for time mobilized has shown some fluctuation, but has improved over FY 2011 and is ahead of the annual performance goal for FY 2012 (71 percent).

The length of time for civilian hiring has also shown some fluctuation, which may be attributed to seasonality, but has made progress over FY 2011 and is well ahead of the goal for the third quarter. The Department met its quarterly goal for civilian hiring for the first three quarters of FY 2012 and is on track to meet the annual, federal-wide goal of 80 days for external hires. A comparison of quarterly time-to-hire for the first three quarters of FY 2012 compared to the first three quarters of FY 2011 reflects a reduction from 94 to 82 (12 days), or a 13 percent improvement. The use of USA Staffing has improved the Department's hiring timeliness and enabled human resource professionals to manage the end-to-end process more effectively. As of June 30, 2012, over 3,500 USA Staffing licenses were deployed across the DoD, representing 83 percent of the FY 2012 full deployment level.

Areas of challenges: 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.

Although the DoD has been successful in meeting the milestones and objectives set forth in the civilian hiring action plan, there are several remaining challenges that need to be addressed. System-related changes make it easier to identify the specific areas needing improvement. Coordinated efforts between the data analysts and human resource specialists continue to have the most significant impact on hiring reform across the Department. While enhancements to USA Staffing and technologies have improved key processes and enabled the DoD's swift adoption of hiring reform mandates, continued attention to these mission-critical systems will be key in ensuring these efforts are sustainable.

Mitigation strategies: The Department must continue to aggressively recruit and retain Service members of the requisite quality. Strategies and deployment schedules must be closely monitored and adjusted to meet both operational requirements and maintain faith with our Service members for mobilization and deployments.

Training, outreach, and collaboration are the key focus areas for continued success with expeditious and efficient civilian hiring. DoD is committed to successful delivery of enhancements to key systems; increased reliability and ease-of-use for job seekers and system administrators. Additionally, efforts are underway to identify and obtain appropriate hiring authorities and remove barriers to efficient hiring of quality candidates.

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

Areas of significant improvement: The quality of family and unaccompanied housing has progressively improved since FY 2011.

Areas of challenges: Page 31 of the Appendix includes three primary goals associated with improving support to military families. However, 67 percent (2 of 3) of results for this objective area (focused on the quality of family and unaccompanied housing) are not assessed until after the end of the fiscal year. Consequently, this assessment is limited to a single indicator that is focused on the quality of the facilities for the Department of Defense Education Activity (DoDEA) schools.

While the Department continues to meet its obligation to provide a quality education for Active Component military families' elementary and high school education, the percentage of DoDEA school facilities meeting the acceptable DoD condition rating has remained at 33 percent since the end of FY 2011. The uncertainty of Services' end-state force structure and basing locations make it difficult to identify long range community needs upon which to base schools requirements. Any reductions in military construction (MILCON) funding will delay progress and result in school facilities not meeting quality standards.

Mitigation strategies: The DoDEA currently has 49 MILCON projects in design and 8 projects under construction.

The quality of DoD housing for FY 2012 will not be available until January 2013.

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

Areas of significant improvement: Page 31 of the Appendix identifies four primary goals that are directed at improving workforce competency. However, the competency of information assurance personnel (including contractors) will not be evaluated until after the fiscal year has expired. Consequently, this assessment is limited to results associated with improving the quality of the Department's acquisition workforce, DoD personnel security adjudicators, and the proficiency levels of Foreign Language Institute (DLI) graduates.

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. Based on third quarter results, the Department has already exceeded its FY 2012 annual goals governing DoD acquisition professionals and personnel security adjudicators and shows significant improvement from prior year levels.

The Department exceeded its annual goal to certify 90 percent of adjudicators by FY 2012 by achieving 95.9 percent Adjudicator Professional Certification (APC) during the third quarter. The APC is a rigorous accredited certification program administered for the DoD enterprise by the Defense Security Service's Center for Development of Security Excellence. A competent corps of adjudicators improves adjudicative timeliness and enables compliance with Intelligence Reform and Terrorism Prevention Act mandates. Additionally, it provides assurance that adjudicators are reviewing cases based on shared standards that enable greater confidence in reciprocal acceptance of other adjudications. Finally, a robust trained corps of adjudicators is the first line of defense to deny potential malicious insiders' access to national security positions in DoD.

Areas of challenges: The Defense Language Institute Foreign Language Center (DLIFLC) has graduated 4,416 students with 2/2/1+ Listening, Reading, and Speaking proficiency from the FY 2010 baseline of 1,400. However, the Department has encountered difficulties in achieving its FY 2012 annual proficiency goal of 80 percent. During the third quarter, the percentage reached 75 percent, but was still eight graduates below the FY 2012 annual goal and reflects a negative trend with compared to the performance level achieved in FY 2011 (77 percent).

Mitigation strategies: The Deputy Assistant Secretary of Defense (Readiness), as the DoD Senior Language Authority (SLA), chaired a special session of the Defense Language Steering Committee (DLSC) in June. After receiving the DLIFLC Annual Performance Review, the DLSC evaluated courses of action for DLIFLC's strategy; mission focus; budget execution; end-user perspectives; student qualifications; graduation rates; and cryptologic linguist career management. The DLSC validated five high-level strategic measures: 1) Increase quality fill rate of documented language positions; 2) Increase the number of DoD language-enabled personnel; 3) Prepare for language needs for the most strategic contingencies; 4) Increase working proficiency in the most mission essential languages; and 5) Increase language and regional professionals engaged in partnership activities. Two DLSC standing working groups are addressing DLIFLC governance issues and immediate initiatives to improve the process for training language professionals at DLIFLC.

The competency of information assurance personnel will not be available until November 2012.

STRATEGIC GOAL 5: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.

Strategic Goal 5 is focused on reforming how the DoD does business by reforming its institutions and processes to better support the urgent needs of the warfighter. Consequently, this goal focuses on 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 42 percent of the Department's FY 2012 performance goals (29 of 69). However, ten percent of results (3 of 29) for this strategic goal are still pending yearend analysis. Pages 32-34 of the Appendix reflect 15 of 26 results (or 58 percent) demonstrate progress toward achieving their annual goals; 11 of 26 of results (or 42 percent) are at risk of not achieving their annual goals. Page 32-34 of the Appendix also indicates that only 9 of 24 results (or 38 percent) show improvement over prior year performance levels. Performance results, by strategic objective area, are 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: Energy and demolition results for FY 2012 will not be available until January 2013.

Areas of challenges: Page 32 of the Appendix identifies four key performance goals governing DoD installations. However, 75 percent (3 of 4) of the results for this objective area (focused on energy utilization and demolition activities) are not assessed until after the end of the fiscal year. Consequently, the only result that has been provided for this assessment is limited to facilities sustainment.

Page 32 of the Appendix indicates that the Department is under-executing facilities sustainment and will be challenged to meet its annual goal of 85 percent by the end of the fourth quarter.

Mitigation strategies: None provided.

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: Page 32 of the Appendix indicates that the Department is on track to achieve 25 percent (1 of 4) mission assurance goals for FY 2012. As of the third quarter, over 88 percent of DoD Non-classified Internet Protocol Router Network (NIPRNet) accounts had Public Key Infrastructure (PKI) cryptographic login capability.

Areas of challenges: Less progress has been made in FY 2012 with regard to certifying and accrediting DoD information technology (IT) and National Security systems (currently at 90 percent vice the goal of 95 percent), achieving DoD's share of the federal-wide reduction in DoD data centers, and transitioning DoD Secret Internet Protocol Router Network (SIRPNet) accounts to PKI cryptographic login capability.

Less progress has been made in FY 2012 with regard to closing DoD data centers due, in part, to new Office of Management and Budget (OMB) guidance in March 2012 on definition of a data center. This new definition discounts some of data centers closures that had been previously reported in FY 2011. The DoD closed 87 data centers between the fourth quarter of FY 2010 and the third quarter of FY 2012. While a large number of data centers were closed, the DoD did not achieve stated goals due to unanticipated closure costs and complications with execution.

Mitigation strategies: DoD Components continue to identify their data center inventories and are executing Business Case Analyses to update their annual plans. Compliance rates are closely monitored on a monthly basis by the DoD Chief Information Officer (CIO) Federal Information Security Management Act (FISMA) Reporting team. The DoD CIO sent a memorandum to senior Component leadership directing corrective action to those who fell short. Components with lower or falling scores were also addressed individually to resolve issues. Military Department CIOs were reminded about this goal during the CIO's Executive Board meeting, and the DoD CIO called on those who were lagging to provide comments on their plans to reach the goal.

Applying industry best practices for data centers, components are aggressively rationalizing their applications and systems, and converting them to virtualized environments in order to consolidate them into designated core data centers.

In an effort to mitigate lagging performance on the issuance of SIRPNet PKI tokens and the enabling of cryptographic logon, the DoD Deputy CIO met with the Services' senior leaders and required them to submit updated improvement plans.

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: Pages 32-33 of the Appendix indicates that 4 of 11 acquisition results (or 36 percent) demonstrate progress toward achieving their annual goals.

Two results reflect policy initiatives that were implemented at the beginning of FY 2012. These policy changes were directed by the USD (AT&L) in his “Implementation Directive for Better Buying Power – Obtaining Greater Efficiency and Productivity in Defense Spending.” Specifically, this directive requires the establishment of an affordability target (initially, average unit acquisition cost and average annual operating and support cost per unit), prior to Milestone B, that will be used to drive design trades and choices about affordable priorities. The directive also requires a competitive strategy for each Acquisition Category (ACAT) 1 program going through a milestone review.

The third result achieves a Departmental goal to contain the number of “critical” Major Automated Information System (MAIS) breaches to no more than two per year. The Department has exceeded its FY 2012 annual goal to contain the number of “significant” MAIS breaches to one per year.

The fourth, and perhaps most noteworthy result, shows the average rate of Major Defense Acquisition Program (MDAP) cost growth (at 0.13 percent)--significantly below the annual FY 2012 goal of three percent.

Areas of challenges: Pages 32-33 of the Appendix indicates that 7 of 11 acquisition-related results (or 64 percent) are at risk of not achieving their annual goals. In addition, only 2 of 8 results (or 25 percent) show improvement over prior year performance levels.

While the Department continues to stress the importance of increased competition, the Department is not meeting its FY 2012 competition goal and reflecting a negative trend in the number of competitive contract awards. Significant barriers to competition include directed source Foreign Military Sales (FMS) buys, reliance on non-competitive follow-on procurements for weapon systems, and limited new starts of MDAPs, based on the current budget environment. According to the Air Force and the Navy, the primary cause for the shortfall in competitive contract obligations was high dollar, non-competitive contract awards for major weapon systems. Specifically, the Air Force noted a significant increase in directed FMS source for the F-15 and F-16 aircraft programs, and the Navy cited non-competitive production contract awards for the Joint Strike Fighter and P8 aircraft programs.

The Department is not meeting its FY 2012 cycle time goal and reflecting a negative trend in average cycle time growth for MDAPs starting in FY 2002 and after. Average cycle time growth, from the Acquisition Program Baseline starting in FY 2002 and after, increased from 4.84 percent at the end of the second quarter to 6.26 percent at the end of the third quarter. Most of the 28 programs in the portfolio of MDAPs, starting in FY 2002 and after, have experienced no, little, or even in some cases, negative cycle time growth. However, there are 10 programs with cycle time growth exceeding the five percent target. Collectively, the portfolio averages cycle time growth of 6.26 percent.

The Department will not achieve its FY 2012 goal, calling for zero MDAP cost breaches for reasons other than approved changes in quantity. However, the Department is experiencing a positive trend line, in this area, when compared to the three breaches that occurred in FY 2011. Specific to FY 2012, one breach has already occurred for the Evolved Expendable Launch Vehicle (EELV) program. While the EELV program reduced the total launch vehicles, this was not the sole driver for the breach. Another main source is associated with increases in supply chain costs such as those for the propulsion subsystem. The remaining cost growth is largely attributable to a combination of increased material costs and other supplier management issues.

The Department met 20 percent (or 1 of 5) of its Small Business goals for FY 2012. While the DoD actually exceeded its five percent goal for contracts to Disadvantaged businesses, the Department did not achieve its overall goal for Small Business contracts or the specific goals established for Women-owned; Service-disabled, Veteran-owned; and Historically-underutilized business entities.

The Department is making progress, but will not complete the certifications of MDAPs, that is required by the Weapons Systems Acquisition Reform Act (WSARA) of 2009. This is based on decisions to re-scheduled several acquisition milestone reviews where certification occurs.

Although the Department assesses the percentage of competitive contract awards on a quarterly basis, it does not assess its progress in meeting Small Business contact obligations until after the end of the fiscal year.

Mitigation strategies: The most common reason for DoD non-competitive awards is that one contractor is the only responsible source for the procurement. The challenge is to strengthen the supplier base so the Department has more supply options.

To prevent cost breaches and cycle time growth for newer MDAP programs, the DoD has strengthened the front end of the acquisition process through new policy and procedural guidance. All programs must enter into the process via a mandatory process entry point, the Materiel Development Decision. This will ensure programs are based on rigorous assessments of alternatives and requirements. At Milestone B, the DoD aims to reduce technical risk by requiring completion of a Preliminary Design Review and by ensuring that an independent review is conducted to assess and certify the maturity of technologies. Also at Milestone B, the Milestone Decision Authority, on the basis of a business case analysis, must certify in writing to the Congress that:

- The program is affordable, when considering the ability to accomplish the program's mission using alternative systems;
- Trade-offs among cost, schedule, and performance objectives have been made to ensure that the program is affordable when considering the per-unit cost and the total acquisition cost, in the context of the total resources available during the five-year programming period;
- The Director, Cost Assessment and Program Evaluation (CAPE) concurs with reasonable cost and schedule estimates to execute the program development and production plans; and
- Funding is available to execute the product development and production plan under the program, through the five-year programming period.

However, when program schedules are stretched for overall affordability constraints, program costs will likely increase.

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

Areas of significant improvement: Page 33 of the Appendix indicates that the Department is on track to meet all six of its logistics support goals for FY 2012. All of the Services and the Defense Logistics Agency (DLA) are meeting their targeted performance goals for customer wait time and perfect order fulfillment, respectively. In addition, the Army improved average customer wait time (CWT) by 12 percent (from 14 days in FY 2011 to 12.3 days in FY 2012). The Army's improvement was associated with receiving materiel at selected sites through the nearest supply activity which allowed closing orders faster. The DLA also improved its perfect order fulfillment rate from 86.2 percent in FY 2011 to 87.2 percent in FY 2012.

Areas of challenges: While the Army and the DLA reflect improvements in logistics support, customer wait times for the Navy and the Air Force reflect negative trends when compared to prior year (FY 2011) performance levels. Preliminary analysis indicates that the increase in Navy CWT (from 11 to 12.9 days) is mainly due to an increase in demand for items that are not normally stocked and an increase in demand for items carried but not in stock.

While the Department is meeting its two inventory management goals for FY 2012, it is experiencing negative trends in terms of excess secondary items. As of March 2012, the Department's excess of secondary items on-hand grew from 9.2 to 9.9 percent and the DoD's excess of secondary items on order grew from 4.8 to 5.8 percent from FY 2011 yearend levels.

Mitigation strategies: The measures associated with logistics support will continue to be monitored for compliance with desired execution.

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 relies on four key 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. Page 34 of the Appendix indicates that the Department is on track to meet all four audit readiness goals for FY 2012. As of the third quarter, the Department has already exceeded its FY 2012 annual goal (40 percent) pertaining to the audit readiness of DoD mission-critical assets. In addition, this assessment updates the status of DoD's Statement of Budgetary Resources for Appropriations Received from 80 (at the end of the third quarter) to 88 percent as of August 31, 2012.

Areas of challenges: While the DoD is on track to meet all four audit readiness goals for FY 2012, only 50 percent of these results (2 of 4) reflect improvement over prior year audit readiness levels.

The DoD Components continue to face significant challenges with business and financial legacy systems. Most legacy systems do not record all of the financial transactions at the transaction level and do not have the capability of system-to-system interface with key financial systems.

Mitigation strategies: Each DoD Component must continue to proactively track and monitor key capabilities to demonstrate audit readiness—e.g., “Controls over recording appropriations are effective,” and “Supporting documentation is retained and available to meet audit standards.” Each DoD Component tests their control activities and supporting documentation to ensure reliability, accuracy, and timeliness of reported data. Manual interfaces and workarounds between systems will require training personnel in the types of documentation needed to support the entire transaction cycle, from origination to financial reporting.

Chapter Four: Conclusion

As previously stated, the Department has achieved a 95 percent success rate in meeting core warfighting results (primarily Strategic Goals 1, 2, and 3) at the end of the FY 2012 third quarter. In addition, 89 percent of warfighting results reflect improvement over FY 2011 performance levels.

The United States has successfully executed a responsible drawdown in Iraq in accordance with the U.S.-Iraq Security Agreement. In addition, the U.S. is also now closer than ever to achieving its strategic objectives in Afghanistan, and is beginning to transition security responsibility to Afghan security organizations. The ANSF continues to develop into a force capable of assuming the lead for security responsibility throughout Afghanistan by the end of 2014. 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.

In FY 2012, all Combatant Commanders maintained their readiness postures by ensuring surge capability and effective mobilization. In addition, the Department completed almost all of the enhancements to consequence management response forces called for in the 2010 QDR. As part of the NPR implementation, the DoD increased opportunities to engage allies in discussion on extended deterrence and continued to strengthen missile defense cooperation with partners in key regions. Finally, the DoD began implementing a new defense strategy that will create a smaller and more flexible joint force to defend U.S. national interests.

In FY 2012, the Department kept faith with its men and women in uniform and their families with initiatives to improve care to our wounded, ill, and injured and carefully managing military personnel to comply with deployment planning objectives.

While the DoD achieved notable progress in achieving core warfighting results (primary strategic goals 1, 2, and 3) and improving military force management (strategic goal 4), there is much more that has to be done to improve the operational efficiency and effectiveness of business support functions across the Department. At the end of the third quarter, the Department is meeting 58 percent of FY 2012 business goals (Strategic Goal 5) and reflecting positive improvement in only 39 percent of these. Consequently, the Department will need to demonstrate much more progress to resolve the major economy, efficiency, and effectiveness challenges associated with DoD business functions.

**FY 2012 ORGANIZATIONAL ASSESSMENT
DEPARTMENT OF DEFENSE PERFORMANCE PLAN RESULTS**

Strategic Goal, Strategic Objective, and Performance Goal	FY 2011 Actual	FY 2012 Q3			FY 2011 to 2012 Performance Trends					Average Score
		Status	Goal	Result	Improvement			No Improvement		
					Optimum or Exceeds w/Improvement	Met w/Improvement	Not Met w/Improvement	Exceeds or Met w/o Improvement	Not Met w/o Improvement	
					4	3	2	1	0	
DEPARTMENT OF DEFENSE (69)										2.6
		On Track		47						
		At Risk		16						
		Unknown		6						

Strategic Goal, Strategic Objective, and Performance Goal	FY 2011 Actual	FY 2012 Q3			FY 2011 to 2012 Performance Trends					Average Score
		Status	Goal	Result	Improvement			No Improvement		
					Optimum or Exceeds w/Improvement	Met w/Improvement	Not Met w/Improvement	Exceeds or Met w/o Improvement	Not Met w/o Improvement	
					4	3	2	1	0	
STRATEGIC GOAL 1: PREVAIL IN TODAY'S WARS. (2)										4
		On Track		2						
		At Risk		0						
		Unknown		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. (2)										4
		On Track		2						
		At Risk		0						
		Unknown		0						
1.1.1-OCO: Percent of the Combatant Commanders' (COCOM's) Current Operations which they report ready to execute (USD(P&R))	100%		100%	100%	4					
1.1.2-OCO: Cumulative number of Afghan National Security Forces (ANSFs) end strength (USD(P))	306,903		Classified	337,351	4					
1.2-OCO: Execute a responsible drawdown of the U.S. military presence in Iraq.										N/A
Objective achieved in first quarter of FY 2012.										

Strategic Goal, Strategic Objective, and Performance Goal	FY2011 Actual	FY 2012 Q3			FY 2011 to 2012 Performance Trends					Average Score
		Status	Goal	Result	Improvement			No Improvement		
					Optimum or Exceeds w/Improvement	Met w/Improvement	Not Met w/Improvement	Exceeds or Met w/o Improvement	Not Met w/o Improvement	
				4	3	2	1	0		
STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT. (9)										3.5
		On Track		8						
		At Risk		1						
		Unknown		0						
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. (4)										3.6
		On Track		5						
		At Risk		0						
		Unknown		0						
2.1.1-1F1: Percent of the DoD Combatant Commanders (COCOMs) that are ready to execute their Core or Theater Campaign Plan mission (USD(P&R))	100%		100%	100%	4					
2.1.2-1F1: Percent of the Combatant Commanders' (COCOM's) Contingency Plans which they report ready to execute (USD(P&R))	85%		80%	91%	4					
2.1.3-1F1: Cumulative number of Army Brigades Combat Teams (BCTs) converted to a modular design and available to meet military operational demands (USD(P))	71		68	68		3				
2.1.4-1F1: Cumulative number of Army Multi-functional and Functional Support (MFF) brigades converted to a modular design and available to meet military operational demands (USD(P))	225		227	228	4					
2.1.5-1F1 Cumulative number of ships in the fleet (USD(P))	284		284	286		3				
2.2-1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners. (3)										4
		On Track		2						
		At Risk		0						
		Unknown		0						
2.2.1-1F2A: Number of formal DoD-led meetings with international partners to reaffirm U.S. commitments to extended deterrence (USD(P))	11		4	14	4					
2.2.2-1F2A: Passing percentage rate for Defense Nuclear Surety Inspections (USD(P))	85.7%		100%	100%	4					
2.3-1F3: Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities. (1)										2
		On Track		0						
		At Risk		1						
		Unknown		0						
2.3.1-1F2A: Cumulative number of Aegis Ballistic Missile Defense (BMD)-capable ships (USD(AT&L))	23		27	24		2				
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)										*
		On Track		1						
		At Risk		0						
		Unknown		0						
2.4.1-1X2: Cumulative number of MQ-1 (Predator) and MQ-9 (Reaper) aircraft intelligence, surveillance, and reconnaissance (ISR) orbits (USD(I))	59		56	57						
* Not counted in performance improvement analysis (Figure 7) since reduced performance level is necessary for reconstitution.										

Strategic Goal, Strategic Objective, and Performance Goal	FY 2011 Actual	FY 2012 Q3		FY 2011 to 2012 Performance Trends					Average Score	
		Status	Goal	Result	Improvement			No Improvement		
					Optimum or Exceeds w/Improvement	Met w/Improvement	Not Met w/Improvement	Exceeds or Met w/o Improvement		Not Met w/o Improvement
				4	3	2	1	0		
STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES. (9)									3.4	
		On Track		9						
		At Risk		0						
		Unknown		0						
3.1-1F2B: Improve the responsiveness and flexibility of consequence management response forces. (4)									2.5	
		On Track		4						
		At Risk		0						
		Unknown		0						
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 (USD(P))	2		8	8	3					
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 (USD(P))	17		17	17			1			
3.1.3-1F2B: Number of Defense CBRNE response Forces (DCRFs) trained, equipped, evaluated, and certified at a response time of 24-48 hours (USD(P))	0		1	1	3					
3.1.4-1F2B: Number of Command and Control (C2) CBRNE Response Elements (C2CREs) trained, equipped and evaluated, as well as certified or validated as applicable at a response time of 96 hours (USD(P))	0		1	1	3					
3.2-1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities. (2)									3.5	
		On Track		2						
		At Risk		0						
		Unknown		0						
3.2.1-1F2C: Cumulative percent of treaty-declared category 1 chemical weapons destroyed (USD(AT&L))	89.1%		89.8%	89.8%	3					
3.2.2-1F2C: Cumulative number of labs working with dangerous pathogens at risk for exploitation (USD(AT&L))	37		37	39	4					
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. (0)									N/A	
No performance goals established for FY 2012.										
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. (2)									2	
		On Track		2						
		At Risk		0						
		Unknown		0						
3.4.1-1X1: Percent of DoD's nuclear command, control, and communications (NC3) cryptographic modernization plan completed (DoD CIO)	12%		32	32	3					
3.4.2-1X1: Percent of inspected DoD military cyberspace organizations that attain a passing grade (score of 70% or better) on a Command Cyber Readiness Inspection (CCRI) (DoD CIO)	Sensitive		Sensitive	Sensitive			1			
3.5-2D: Maintain a strong technical foundation within the Departments Science and Technology (S&T) program. (1)									1	
		On Track		1						
		At Risk		0						
		Unknown		0						
3.5.1-2D: Percent of completing demonstration programs transitioning each year (USD(AT&L))	83%		30%	*83%			1			
*Reflects FY 2012 yearend status.										

					FY 2011 to 2012 Performance Trends					
		FY 2012 Q3			Improvement			No Improvement		
Strategic Goal, Strategic Objective, and Performance Goal	FY 2011 Actual	Status	Goal	Result	Optimum or Exceeds	Met	Not Met	Exceeds or Met w/o	Not Met w/o	Average Score
					w/Improvement	w/Improvement	w/Improvement	Improvement	Improvement	
STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE. (20)										3.5
		On Track		13						
		At Risk		4						
		Unknown		3						
4.1-2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs. (5)										4
		On Track		2						
		At Risk		3						
		Unknown		0						
4.1.1-2M: Average percent Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase (USD(P&R))	1.4%		0	-8.30%	4					
4.1.2-2M: Percentage of Armed Forces who meet Individual Medical Readiness (IMR) requirements (USD(P&R))	78%		80%	84%	4					
4.1.3-2M: Percent of Service members who are processed through the Integrated Disability Evaluation System (IDES) within 295 days (Active) and 305 days (Reserve) components (USD(P&R))	*N/A		50%	20%						
4.1.4-2M: Percent of wounded, ill and injured Service members who are enrolled in a Service recovery coordination program and have an established and active recovery plan administered by a DoD trained Recovery Care Coordinator (USD(P&R))	*N/A		100%	41%						
4.1.5-2M: Percent of wounded, ill and injured who are assigned to a DoD-trained Recovery Care Coordinator within 30 days of being enrolled in a Wounded Warrior Program (USD(P&R))	*N/A		100%	43%						
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. (8)										4
		On Track		8						
		At Risk		0						
		Unknown		0						
4.2.1-2P: Percent variance in Active component end strength (USD(P&R))	-0.5%		3%	-1%	4					
4.2.2-2P: Percent variance in Reserve component end strength (USD(P&R))	0.2%		3%	-0.8%	4					
4.2.3-2P: 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 (USD(P&R))	85.7%		78%	90%	4					
4.2.4-2P: 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 (USD(P&R))	95.6%		95%	96%	4					
4.2.5-2P: 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 (USD(P&R))	94%		94%	96%	4					

* New measure; Not counted in performance improvement analysis (Figure 7).

Strategic Goal, Strategic Objective, and Performance Goal	FY2011 Actual	FY2011 to 2012 Performance Trends								
		FY2012 Q3			Improvement			No Improvement		Average Score
		Status	Goal	Result	Optimum or Exceeds w/Improvement	Met w/Improvement	Not Met w/Improvement	Exceeds or Met w/o Improvement	Not Met w/o Improvement	
			4	3	2	1	0			
4.2.6-2P: 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 (USD(P&R))	97.3%		95%	98%	4					
4.2.7-2P: Percent of Reserve Component (RC) Service members mobilized in the evaluation period that have dwell ratios greater than or equal to 1:5 (USD(P&R))	71.8%		68%	73%	4					
4.2.8-2P: Number of days for external civilian hiring (end-to-end timeline) (USD(P&R))	104		88	82	4					
4.3-2R: Better prepare and support families during the stress of multiple deployments. (3)										1.0
		On Track		1						
		At Risk		0						
		Unknown		2						
4.3.1-2R: Percent of worldwide government-owned Family Housing inventory at good and fair (Q1-Q2) condition (USD(AT&L))	80%		81%	?						
4.3.2-2R: Percent of the worldwide inventory for government-owned permanent party unaccompanied personnel housing at good and fair (Q1-Q2) condition (USD(AT&L))	85%		85%	?						
4.3.4-2R: Cumulative percent of Department of Defense Education Activity (DoDEA) schools that meet good or fair (Q1 or Q2) standards (USD(AT&L))	33%		33%	33%				1		
4.4-2T: Train the Total Defense Workforce with the right competencies. (4)										2.7
		On Track		2						
		At Risk		1						
		Unknown		1						
4.4.1-2T: Percent of acquisition positions filled with personnel meeting Level II and III certification requirements (USD(AT&L))	62.0%		62.1%	67.5%	4					
4.4.2-2T: Beginning in FY 2012, 80 percent of Defense Language Institute Foreign Language Center students will achieve a 2/2/1+ score on the Defense Language Proficiency Test (DLPT) in the reading, listening, and speaking modalities, as measured by the Interagency Language Roundtable performance scale (USD(P&R))	77.4%		80%	75%					0	
4.4.3-2T: Percent of information assurance positions and contract requirements filled with personnel meeting certification requirements (DoD CIO)	74.7%		70%	?						
4.4.4-2T: Percent of certified DoD adjudicators (USD(I))	23%		64%	95.9%	4					

Strategic Goal, Strategic Objective, and Performance Goal	FY 2011 Actual	FY 2012 Q3			Improvement			No Improvement		Average Score
		Status	Goal	Result	Optimum or Exceeds	Met	Not Met	Exceeds or Met w/o Improvement	Not Met w/o Improvement	
					w/Improvement	w/Improvement	w/Improvement	1	0	
STRATEGIC GOAL 5: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISES. (29)										1.6
		On Track		15						
		At Risk		11						
		Unknown		3						
5.1-2A: Increase use of renewable energy and reduce energy demand at DoD installations. (4)										0
		On Track		0						
		At Risk		1						
		Unknown		3						
5.1.1-2A: Average facilities sustainment rate (USD(AT&L))	83%		60%	49%						0
5.1.2-2A: Cumulative average percent reduction in building energy intensity (USD(AT&L))	13.3%		21%	?						
5.1.3-2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage (USD(AT&L))	8.5%		12%	?						
5.1.4-2A: Million square feet of excess or obsolete facilities eliminated (USD(AT&L))	41.6%		57%	?						
5.2-2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance. (4)										2
		On Track		1						
		At Risk		3						
		Unknown		0						
5.2.1-2C: Percent of applicable IT and National Security Systems (NSS) that are Certification and Accreditation (C&A)-compliant (DoD CIO)	92%		95%	88.7%						0
5.2.2-2C: Cumulative percent reduction in the number of DoD data center (DoD CIO)	7%		14.3%	11.3%			2			
5.2.3-2C: Cumulative percentage of DoD NIPRNet accounts with PKI cryptographic logon capability (DoD CIO)	88%		88.0%	88.4%		4				
5.2.4-2C: Cumulative percentage of DoD SIPRNet accounts with PKI cryptographic logon capability (DoD CIO)	3.2%		37.5%	6.6%			2			
5.3-2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items. (11)										0.9
		On Track		4						
		At Risk		7						
		Unknown		0						
5.3.1-2E Percentage of contract obligations that are competitively awarded (USD(AT&L))	58.5%		58%	55.5%						0
5.3.2-2E: Average percent increase from the Approved Program Baseline (APB) cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after (USD(AT&L))	4.5%		5.0%	6.3%						0
5.3.3-2E: Percent of enterprise level Information Technology (IT) software and hardware deployed as business services within 18 months of the capability business cases approval (DCMO)	*N/A		70%	60%						

* New measure; Not counted in performance improvement analysis (Figure 7).

Strategic Goal, Strategic Objective, and Performance Goal	FY 2011 Actual	FY 2012 Q3			FY 2011 to 2012 Performance Trends					Average Score
		Status	Goal	Result	Improvement			No Improvement		
					Optimum or Exceeds w/Improvement	Met w/Improvement	Not Met w/Improvement	Exceeds or Met w/o Improvement	Not Met w/o Improvement	
					4	3	2	1	0	
5.3.4-2E: 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) (DCMO)	2		1	2				1		
5.3.5-2E: 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) (DCMO)	1		2	2				1		
5.3.6-2E: Average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 (USD(AT&L))	-0.2%		3%	0.13%				1		
5.3.7-2E: 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 for reasons other than approved changes in quantity (USD(AT&L))	3		0	1			2			
5.3.8-2E: Percentage of Small Business contract obligation goals met annually (USD(AT&L))	20%		100%	20%					0	
5.3.9-2E: Cumulative percent of Major Defense Acquisition Programs certified, as required by the Weapon Systems Acquisition Reform Act of 2009 (USD(AT&L))	60%		90%	78%			2			
5.3.10-2E: Percentage of Acquisition Category (ACAT) I programs, going through a Milestone A decision review, that present an affordability analyses (USD(AT&L))	*N/A		100%	100%						
5.3.11-2E: Percentage of Acquisition Category (ACAT) I programs, going through a Milestone A decision review, that present a competitive strategy (USD(AT&L))	*N/A		100%	100%						
5.4-2L: Provide more effective and efficient logistical support to forces abroad. (6)										2
		On Track		6						
		At Risk		0						
		Unknown		0						
5.4.1-2L: Perfect Order Fulfillment (POF) rate for Defense Logistics Agency (DLA) stock items (USD(AT&L))	86.2%		85.1%	87.2%	4					
5.4.2-2L: Army Customer Wait Time (USD(AT&L))	14		15.5	12.3	4					
5.4.3-2L: Navy Customer Wait Time (USD(AT&L))	11		15.0	12.9				1		
5.4.4-2L: Air Force Customer Wait Time (USD(AT&L))	5		7.5	5.6				1		
5.4.5-2L: Percentage of excess on-hand secondary item inventory (USD(AT&L))	9.2%		10.0%	9.9%				1		
5.4.6-2L: Percentage of excess on-order secondary item inventory (USD(AT&L))	4.8%		6.6%	5.8%				1		

* New measure; Not counted in performance improvement analysis (Figure 7).

Strategic Goal, Strategic Objective, and Performance Goal	FY2011 Actual	FY2011 to 2012 Performance Trends									Average Score				
		FY2012 Q3			Improvement			No Improvement							
		Status	Goal	Result	Optimum or Exceeds w/Improvement	Met w/Improvement	Not Met w/Improvement	Exceeds or Met w/o Improvement	Not Met w/o Improvement						
										4	3	2	1	0	
5.5-2U/2V: Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts. (4)															2.5
		On Track			4										
		At Risk			0										
		Unknown			0										
5.5.1-2U: Percent of DoD Funds Balance with Treasury validated (USD(C/CFO))	9%		9%	9%						1					
5.5.2-2U: Percent of DoD Statement of Budgetary Resources validated (USD(C/CFO))	14%		14%	14%						1					
5.5.3-2U: Percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) validated for existence and completeness (USD(C/CFO))	4%		20%	41%	4										
5.5.4-2U: Percent DoD Statement of Budgetary Resources Appropriations Received (line 3A) validated (USD(C/CFO))	80%		80%	*88%	4										
* Reflects August 31, 2012 status.															