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# DEFENSE SYSTEMS MANAGEMENT COLLEGE



## PROGRAM MANAGEMENT COURSE INDIVIDUAL STUDY PROGRAM

PARALLELING THE PPBS IN THE  
DEPARTMENT OF DEFENSE

STUDY PROJECT REPORT  
PMC 77-1

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Lt Col USAF

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PARALLELING THE PPBS IN THE  
DEPARTMENT OF DEFENSE

Individual Study Program  
Study Project Report  
Prepared as a Formal Report

Defense Systems Management College  
Program Management Course  
Class 77-1

by

Robert L. Eigel  
Lt Col USAF

May 1977

Study Project Advisor  
Mr. John Mathias

This study project report represents the views, conclusions, and recommendations of the author and does not necessarily reflect the official opinion of the Defense Systems Management College or the Department of Defense.

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DEFENSE SYSTEMS MANAGEMENT COLLEGE

STUDY TITLE: PARALLELING THE PPBS IN THE DEPARTMENT OF DEFENSE

STUDY PROJECT GOALS:

To review and evaluate the PPBS as practiced in the Department of Defense and recommend an alternative PPBS methodology and schedule of PPBS events.

STUDY REPORT ABSTRACT:

This report outlines the major PPBS activities of three key DoD-level agencies, highlighting those features of the PPBS schedule which militate against the preparation of optimized programs by the Services. Air Force procedures are used to illustrate the nature of program development difficulties experienced by all Services as a direct consequence of current PPBS practices.

The report concludes with a revised schedule of PPBS events which would permit the Services more time to prepare their five year programs.

SUBJECT DESCRIPTORS: PPBS, Planning Cycles, Five Year Defense Program

NAME, RANK, SERVICE	CLASS	DATE
Robert L. Eigel, Lt Col, USAF	PMC 77-1	10 May 1977

## EXECUTIVE SUMMARY

Considerable controversy surrounds the concept and efficacy of the Planning, Programming, and Budgeting System (PPBS). Although PPBS has been practiced in the Department of Defense (DoD) for more than fifteen years, it is not as universally understood within the Department as one might expect after such a long period of time. This lack of obvious merit and cogent purpose has plagued the practice of PPBS almost everywhere it has been introduced and, among other reasons, has led to its ultimate failure in several organizations.

PPBS has survived in the DoD and not only has it simply endured, it has also resulted in measurable improvements in the preparation of a credible budget for the Department. However, in spite of budgeting advances experienced by the Department as a result of PPBS, there continue to be disadvantageous aspects to the system. Among the most troublesome features of the PPBS as it is practiced in the DoD is its inefficient schedule. The PPBS calendar of events is a patchwork sequence of events which optimize DoD staff scheduling at the expense of the Service staffs.

Consideration of the principal DoD staff agency responsibilities, in consonance with the fundamental requirements of an effective PPBS, has led the author to develop an alternative to the current PPBS schedule. The revised or alternative

schedule is predicated on the fact that DoD staff-related PPBS activities consume a disproportionate share of the time available to the Services to plan, program, and budget their individual programs. An enhanced emphasis on the planning and budgeting each Service introduces to its own Program Objective Memorandum (POM), coupled with simultaneous review of the POMs by cognizant DoD staff agencies as opposed to the serialized review process in practice today, should result in better Service POMs with a more efficient DoD review of these POMs. The end result of the improved schedule would be Service programs that are more thoroughly prepared and more effectively critiqued and thus more credible to Congress and the American public.

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## SECTION I

### INTRODUCTION

Of the many innovations introduced to the field of management science in recent years, none have been more controversial than the Planning, Programming, and Budgeting System (PPBS) developed by Robert S. McNamara for the Department of Defense (DoD) in 1961. The utility and worth of the PPBS are still sharply debated by management theorists today. There is considerable disagreement among those who have studied the PPBS as to what PPBS is supposed to accomplish and what it actually has done during its fifteen years of existence. The lack of a clear definition of purpose has resulted in the failure of the concept in some areas of government. And even where PPBS continues to operate, its achievements come at some expense to the participating agency in terms of organizational lines of responsibility and manpower expenditure.

This article will explore some of the organizational and manpower difficulties associated with PPBS as it is generally practiced in the DoD with specific reference to current problems of the PPBS and its annual schedule. While it is not possible to treat every aspect of the multifaceted PPBS in the DoD, an attempt will be made to develop a scheduling recommendation which will tend to alleviate some of the more disturbing deficiencies that currently exist.

## The Necessity of the System

Although there is no unanimity on the value of PPBS, there seems to be substantive arguments in favor of retaining the system, at least in principle.

The PPBS did not happen accidentally. It did not emerge, as some might think, as by some magic from the bowels of the Rand Corporation in 1961. The genesis of the PPBS can be found in several disciplines since its output is predicated on theories such as Operations Research, Systems Analysis, and Cybernetics. In fact, two authors trace the origin of the PPBS from six fields of study which include those mentioned above.<sup>1</sup>

Mr. McNamara and his Rand associates developed the PPBS for the DoD in 1961 because, as Mr. McNamara said,

From the beginning . . . it seemed to me that the principal problem in the efficient management of the Department resources was not the lack of management authority . . . . The problem was rather the absence of essential management tools needed to make sound decisions on the really concise issues of national security.<sup>2</sup>

Mr. Charles L. Schultze, former Director, Bureau of the Budget, suggests that the PPBS is exactly what Mr. McNamara wanted, that is, "a means of helping responsible officials make decisions."<sup>3</sup>

Even though the PPBS may help officials make decisions and, hence, run more smoothly, to operate a decision process smoothly does not necessarily mean that process is effective.<sup>4</sup> Herein, then, lies most of the debate surrounding the PPBS. According

to Jack W. Carlson, the most serious disadvantage to PPBS is the competitive method of decision making; others feel that the lack of trained people, conceptual framework deficiencies, and bureaucratic problems are more serious difficulties associated with the PPBS.<sup>6</sup> Can it be said that the system is really effective?

Even given that there are deficiencies, there are, nonetheless, some distinct advantages to the PPBS. Mr. Carlson, among others, feels that the PPBS has been helpful in defining program objectives, disseminating quality, relevant information, and recognizing the legitimacy and necessity of analytic arguments.<sup>7</sup>

All of these thoughts, on both sides of the PPBS effectiveness question, will continue to be discussed for some time. It is yet to be determined whether PPBS will survive in the DoD. Not only are the inherent weaknesses of the system, notably the intrinsic bureaucratic problem mentioned earlier, still operative but it remains to be seen whether PPBS is compatible with zero base budgeting.

The point of this paper is not so much to address the effectiveness of PPBS, which the author feels is greater than the systems in use prior to the advent of PPBS, but rather to take some issue with sentiment expressed by Charles J. Hitch in 1965:

The Planning, Programming and Budgeting System is now well established and is working smoothly.<sup>8</sup>

Perhaps in 1965 the system worked smoothly. In 1977, the system operation is anything but smooth. Why the system is rough and inefficient, and how it can be improved are the basis of this paper. Recommendations provided herein should help return the system to the condition Hitch perceived in 1965 and, in a small way, contribute to its effectiveness as well.

#### Major Scheduling Features of the PPBS in DoD

Within the DoD, some would say that the PPBS schedule for a given fiscal year extends over twenty months, from the issuance of the Joint Strategic Operations Plan, Volume I (JSOP I) in May to the submission of the President's Budget in January; almost two years later. Although the author recognizes the contribution of the Joint Planning Documents (JSOP I and JSOP II) and the worth of the Defense Guidance (a DoD-level policy guide issued between the JSOP volumes), it is felt that the essence of the PPBS within DoD is the twelve months immediately preceding the submission of the President's Budget. After the President's Budget goes to Congress, the Services begin to focus on the next President's Budget and adjust their five year plan and budget, commencing with the preparation of the Program Objective Memorandum (POM) so as to maximize overall program continuity within socio-political constraints.

The socio-political arena within which the Services operate is very dynamic and equal in intensity to the familiar

uncertainties associated with the research and development of innovative military technologies. This socio-political phenomenon tends to force the Services to do as much of their planning and budgeting in as short a period as possible because plans dependent on the political environment will decay as rapidly as that environment changes. Thus, it is reasonable, even necessary, that the Services limit their planning update activities to as short a period as practicable while at the same time recognizing that the longer they can analyze and improve their five year program, the more coherent and credible that program will likely be. The optimal length of time to update Service plans and budgets is the time between submission of the President's Budgets, from February through December. Therefore, this paper is concerned with those eleven months which begin with DoD's issuance of the Planning and Programming Guidance Memorandum (PPGM).

A tentative version of the PPGM is issued usually in November of the preceding year with the final version published in February. Generally speaking, there is very little difference between the tentative and final versions of the PPGM. However, since the tentative PPGM is issued during the intensely active latter portion of the budgeting cycle for the previous year, its provisions cannot be completely studied. Moreover, since there is always the possibility that the tentative PPGM will be revised, the Services justifiably tend to wait for the

final PPGM before undertaking any specific action to implement guidance contained therein. Therefore, it can be seen that the tentative PPGM is a marginally useful document because (a) time does not permit the Services to study it properly and (b) its uncertain nature compounds other uncertainties already confronting the Services.

With the issuance of the final PPGM in February, then the countdown begins for the PPBS as executed within the DoD.

There are four major events associated with the PPBS from February through December. First is the preparation and submission to DoD of a POM by each Service. Using the PPGM and various other lesser planning documents, the Services "plan" and "program" the update to their five year plan. Service emphasis during this portion of the year, from February through April, is on programming available resources. Planning, as it relates to the number of Divisions the Army plans to have by a certain date or the number of Wings the Air Force plans to have for example, is incorporated in the five year plans at this time as well. However, Service planning is subjected to severe, continuing external stresses and it is difficult, almost impossible, for any single aspect of a Service plan to remain unchanged for more than a few weeks. This feature of Service planning is egregiously detrimental but beyond the control of the Services and it must simply be contended with as well as possible.

While the Services are preparing the POM, DoD staff agencies are largely concerned with developing their own position

on Service programs that they perceive to be at variance with the PPGM or other DoD guidance.

The Services submit their POMs in early May and thus initiate the second of the four major events in the PPBS, the Program Decision Memorandum (PDM) cycle. The PDM cycle goes from May through August, ending with the Amended Program Decision Memorandum (APDM). In July, a tentative version of the PDM is issued, all or portions of which may be appealed by the Services. The purpose of the PDM is to announce DoD directed changes to the Service POMs. The PDM cycle is a continuance of the overall DoD programming effort. Many DoD agencies participate in the PDM process but the Director of Defense Planning and Evaluation (DDP&E) and the Director of Defense Research and Engineering (DDR&E) are the principal DoD agents involved in programming the acquisition of Service weapons systems.

After the APDM is released, the Services reprice the POM as amended using the latest available escalation indices and submit their repriced five year plan to the Office of the Secretary of Defense (OSD) as their Budget Estimate Submission (BES). The BES is the third of the four major PPBS events. Traditionally, the BES is prepared during the month of September. Since, theoretically, nothing new is introduced except for repricing the Services' programs which at this time have been studied, changed, and/or agreed to by responsible DoD agencies, preparation of the BES is of a brief duration.

On 1 October, each year, the BES from each Service is submitted to DoD for approval. But this time the DoD Comptroller, ASD(C), is the responsible approving authority. With the Comptroller's review, DoD-level budgeting begins and this cycle, the fourth major event, is highlighted by the Program/Budget Decisions (PBDs) which are issued between mid-October and the end of December. As in the case of the PDMs, many DoD staff agencies are involved with the PBDs but it is the Comptroller's office and DDR&E who are DoD principals involved in budgeting the acquisition of Service weapons systems. At this time, it should be pointed out that DDP&E, one of the offices primarily concerned with programming functions climaxed in the PDM, is chiefly concerned with the preparation of the Tentative PPGM.

Theoretically, the scheduling interplay of DDR&E, DDP&E, and ASD(C) with weapons system acquisition agencies within the Services is a logical sequence of planning, programming, and budgeting DoD resources over an eleven month calendar. However, logical order in theory does not necessarily lead to efficient orderly execution in practice.

A review of the role and influence of the three DoD agencies thus far mentioned, as well as a brief look at the roles of the Office of Management and Budget (OMB) and the Congress, will serve to highlight the difficulties associated with the execution of the PPBS by the Services in general and the Air Force in particular.

## SECTION II

### ROLE AND INFLUENCE OF MAJOR PPBS PARTICIPANTS

#### Congress and OMB

Although Congress and the Office of Management and Budget (OMB) are not formally a part of the DoD PPBS, it would be naive to think that either one did not have a major influence on the PPBS.

One measure of the success of the PPBS is the extent to which Congress accepts the DoD portion of the President's Budget. If the defense of the DoD budget is a credible one, supported by analysis of the various Defense options, Congress will tend to authorize and appropriate funds for the Department as requested. Of course, certain highly visible, politically volatile programs are subjected to Congressional scrutiny. And, there are some changes made to lower priority programs as a result of budget reviews by Congressional staffers. In the main, however, a very large percentage of the Defense budget is finally appropriated by the Congress in the manner requested.

Whatever success DoD and the Services experience with the Congress is mainly attributable to constant liaison with Congressional staffers and the degree to which the credibility of the overall Service program can be articulated to the Senators and Congressmen themselves. The success or failure of items in a Service's budget one year serves to guide that Service in its

budget formulation for the next. Therefore, since Congress reviews the Service budget request at the same time the Service formulates its budget for the next year, the Service budget for the next year can be modified in accordance with Congressional wishes. Service response to Congressional inclinations tends to make the defense of its budget easier. This is true in spite of those few exceptionally controversial programs that are forever front-page news.

The OMB, meanwhile, having ascertained Presidential priorities, is at once assessing Congressional actions and advising DoD of changes to the DoD budget that should be made for the next year. As a matter of practice, OMB does not usually involve itself in any but the most politically controversial DoD programs. However, OMB direction on these few DoD programs can and sometimes does have a substantial rippling effect across the entire budget of an individual Service's budget. OMB actively participates in the formal review of individual programs on at least two occasions each year, usually in conjunction with the DoD Comptroller.

The influence of Congress and OMB in the formulation of the Service budgets is quite pronounced. This influence is translated to the PPBS sequence of events in the form of delays to the PPBS which are not usually severe but which can become significant if senior DoD decision makers do not agree with Congressional admonitions or OMB priorities and seek to appeal

their position to the President before completing action on the next year's budget.

Congress and OMB are the principal external influences operating on the DoD planning, programming, and budgeting system both generally speaking and when speaking specifically of weapons system acquisition. Within DoD, as mentioned earlier, DDP&E, DDR&E, and the DoD Comptroller wield the greatest influence on weapons system acquisition. The Assistant Secretary of Defense for Installations and Logistics, ASD(I&L), is also very influential in the weapons system acquisition process but his function is not treated here because (a) his major responsibility is concerned with relatively few albeit expensive acquisition programs and (b) treatment of the three DoD offices is generally applicable to ASD(I&L) since situations and sequences described herein are typical for all DoD agencies.

DoD: DDP&E, DDR&E, and ASD(C)

As a general observation, it can be said that DDP&E is the DoD manager of the Planning phase of the PPBS, DDR&E the Programming phase, and ASD(C) the Budgeting phase for weapons system acquisition.

The DDP&E is responsible for the preparation and publication of the PPGM and the PDM. The Secretary of Defense approves and signs both documents.

According to Enthoven and Smith,<sup>9</sup> a basic idea underlying the rationale for the PPBS is that top decision makers give

explicit consideration to program alternatives. PPBS is different from pre-1960 DoD procedures in that the Secretary of Defense judges alternatives "in which strategies, forces, and costs have been considered together."

DDP&E is the DoD agency responsible for developing the aforementioned alternatives. But DDP&E's role is not universally understood and as a result, this office was recently downgraded from Assistant Secretary of Defense to Director at the prompting of Congress. Some members of Congress felt that DDP&E should be folded into the DoD Comptroller organization. This Congressional uncertainty concerning DDP&E's role results from the lowered visibility of this office vis-a-vis DDR&E's role in recent years.

That DDR&E has become a major influence on the weapons system acquisition process in recent years is not generally contested. But DDP&E still manages the Planning cycle, including the PDM. As a prelude to the PDM, documents called Issue Papers are circulated by DoD which serve to highlight acquisition program differences between OSD staff agencies and the Services. DDP&E includes some potential issues as an addendum to the tentative PPGM but, as indicated earlier, the tentative PPGM is not a very influential document and potential issues therein are not as important as those contained in the formal Issue Papers.

Even though DDP&E is the office of primary responsibility for the Planning phase of PPBS, the impact of this planning on

Service budgets is limited. Studies and force planning trade offs performed by DDP&E are just one set of many such plans developed by the Services, the Congress, and the OMB. Different assumptions are intrinsic to each set of plans making any one plan arguable and thus diluting the impact of any individual plan. Moreover, within DDR&E there are advocates for acquisition strategies that differ from those espoused by DDP&E. DDR&E is as likely to prevail in this area as DDP&E.

DDR&E, unlike Congress and OMB and even DDP&E, reviews all Service acquisition programs in detail. DDR&E, responsible primarily for programming DoD resources, is intimately involved in all acquisition aspects of the PPBS from publication of the POMs through the issuance of the PBDs. Owing to a variety of reasons, not the least of which has been the confidence placed in DDR&E by the Secretary of Defense in recent years, DDR&E has apparently done more to combine considerations of strategy, force levels, and costs than has DDP&E.

The DoD Comptroller, understandably in this era of limited financial resources, wields tremendous influence in his position as manager of the budgeting phase of the PPBS. ASD(C), as the final staff arbiter of what goes into the DoD portion of the President's Budget, reviews most, if not all, acquisition programs in the Service budgets. Working closely with the Secretary of Defense, the Comptroller signs the PBDs which yield the actual figures to be included in the President's

Budget. Even here, though, DDR&E is an active continuing participant and his advice on particular programs is likely to be honored by the Comptroller. Between DDR&E and ASD(C), the needs and costs of DoD weapons systems are genuinely considered together thus satisfying another of Enthoven and Smith's basic ideas underlying the PPBS.<sup>10</sup>

#### The Services: The Air Staff

Service procedures for planning, programming, and budgeting the acquisition of weapons systems are not the same. However, these procedural variations derive only from organizational differences and are of no consequence to this study. Methodologies followed by the Air Force typically meet the same PPBS criteria required for all three Services. Thus, the Air Staff schedule and procedures will serve to illustrate the operation of the PPBS as experienced by all three Services.

The highest-level reviewing agency at Air Force Headquarters is the Air Force Council. The Council is chaired by the Chief of Staff, United States Air Force (CSAF) and its members include the Deputy Chiefs of Staff for the functional disciplines such as Research and Development, Programs and Resources, Comptroller, etc.

Below the Air Force Council is the Air Staff Board which is chaired by the Deputy Chief of Staff, Programs and Resources (DCS/PR) and whose members are usually assistants to the other Deputy Chiefs of Staff. The Board has two Committees, the

Force Structure Committee (FSC) and the Program Review Committee (PRC), to assist it in developing program recommendations to the Air Force Council. The Committees are each chaired by a General Officer with Colonels as members representing each Deputy Chief of Staff. The FSC is concerned with Force planning and the PRC is responsible primarily for programming Air Force Resources to support the planned Force. The PRC manages a number of Air Staff Panels, each of which is composed of representatives from each Deputy Chief of Staff, whose purpose is to make programming recommendations to the PRC in assigned Mission Areas. The Panels are assigned such specific Mission Areas as Strategic programs, Tactical programs, Support programs, etc. All Air Force programs are reviewed by the appropriate Panels which then recommend to the PRC funding profiles and manpower allocations (if applicable) for each Air Force program.

The deliberations of the Air Staff Panels are the first step in the overall Air Force review process leading to the POM. Operating with the broad Force guidelines developed by the FSC and the programming considerations provided by the PRC, the Panels usually begin their reviews in November with their findings due to be submitted to the PRC in mid-January. As it happens, the Panels usually have the tentative PPGM to aid them but their reviews are finished long before the final PPGM is published in February.

In February, the Chairman of the PRC, who is the Air Force Director of Programs, having compiled the recommendations of the Panels, initiates the first of three staff-wide exercises which will result in the Air Force POM in early May. The first exercise, usually a "sizing" exercise, is intended to incorporate into the Air Force Five Year Plan program recommendations from all relevant Air Force sources, including the major operating commands. For weapons system acquisition, senior Air Force officials indicate their perception of Force requirements at this time. New technology thrusts are also identified at this time and budgeted by the Deputy Chief of Staff for Research and Development. While this first exercise is in progress, the final version of the PPGM is usually issued by DoD.

The second Air Staff exercise is conducted in March and its purpose is to amend the results of the first exercise so as to meet fiscal constraints identified in the PPGM. The results of the second exercise are briefed to the Air Force Council and recommendations made by the Council and/or directions by the CSAF are accommodated in the third and final POM exercise which occurs during April. The results of the third annual POM exercise, then, become the Air Force POM submitted to DoD in May.

Both the Planning and Programming functions for the Air Force are accomplished during the period November through May. Unfortunately, a key DoD planning document, the PPGM, is not available in its final form until half-way through the period.

Although Service-level planning and programming activity is fairly intense during the POM formulation phase, the pace of the schedule accelerates dramatically with the Issue Papers commencing in June. Not only must the Services develop a coordinated internal staff position in response to the DoD Issues, they must articulate their view of these budget issues to their counterparts on the DoD staff. Service deliberations prior to the POM are unencumbered by formal DoD interfaces. As the summer wears on, Congressional policy clarifies as the Congressional Budget Cycle nears its end and both DoD and Service staffs seek to finalize their programmatic approach to the next year's Budget.

About the time the tentative PDM is released by DDP&E, late July, the DoD Comptroller is putting the final touches on the revised escalation indices to be used by the Services for their Budget Estimate Submissions. The indices are usually released in mid-August, shortly before the publication of the Amended, or final, PDM (APDM).

From the middle of July through the end of August, there is intense negotiation between DoD, principally DDR&E, and the Service acquisition agencies (the Deputy Chief of Staff for Research and Development in the Air Force) over the funding allocated to weapons system acquisition programs. The APDM represents a negotiated settlement of the planning and programming phases of the PPBS that has consumed the first eight months of the

calendar year. At this point in the schedule, the end of August, the DoD Comptroller is not yet formally involved in the preparation of the next year's budget.

An exercise pattern similar to, but much shorter than, the one used to develop the POM is usually implemented by the Air Force to prepare its BES. In this case, however, responsibility for the exercise belongs to Air Force Director of Budget vice the Director of Programs. Since there are only thirty-plus days available to prepare the BES, the Air Force as often as not conducts only one budget exercise. During these thirty days, programs must be repriced or escalated using the approved DoD indices. Additionally, if there is program cost or scheduling data submitted by the field which is different from that used for the POM (and there usually is), this new data must be repriced and introduced to the overall Air Force program before the 1 October due date of the BES. And, to the extent possible, the latest Congressional Appropriation information has to be included as part of the BES. September, then, is an extremely busy month for all the Services as they prepare to enter the final phase of the PPBS, the Budgeting phase.

From October through December, the DoD Comptroller (ASD(C)) undertakes to finish the preparation of the DoD portion of the President's Budget and the associated Five Year Plan. Within two or three weeks after receipt of the Service Budget Estimates, ASD(C) conducts reviews of all Service programs in association

with the OMB. The results of these reviews are published in Program/Budget Decisions (PBDs) which are distributed between the end of October and the end of December. The Services have from twenty-four hours to three days to appeal decisions contained in the PBDs. The nature of the PBDs is not unlike that of the PDM and Issue Papers except that PBDs specifically address every program whereas the PDM and Issue Papers address only those programs wherein a difference exists between the OSD staff position and that reflected in the Service POM. But, both the programming phase (PDM/Issue Papers) and the budgeting phase (BES/PBD) include funding alternative considerations and both phases are similarly constrained by an established dollar limit.

This, then, concludes the broad overview of the principal players and procedures in the DoD PPBS as it relates to weapons system acquisition. Figure One pictorially illustrates the schedule interplay between DoD and the Air Force.

Does this system work? Yes, obviously it does because the DoD has not failed to develop its budget before or since the introduction of the PPBS. Is the DoD budget a better, more credible budget than it was before the PPBS was introduced? The author cannot answer this question though it is apparent that in some respects the DoD budget is better. On the other hand, however, the PPBS, as it is practiced in DoD today, is not without cost. PPBS cost can be measured in many different

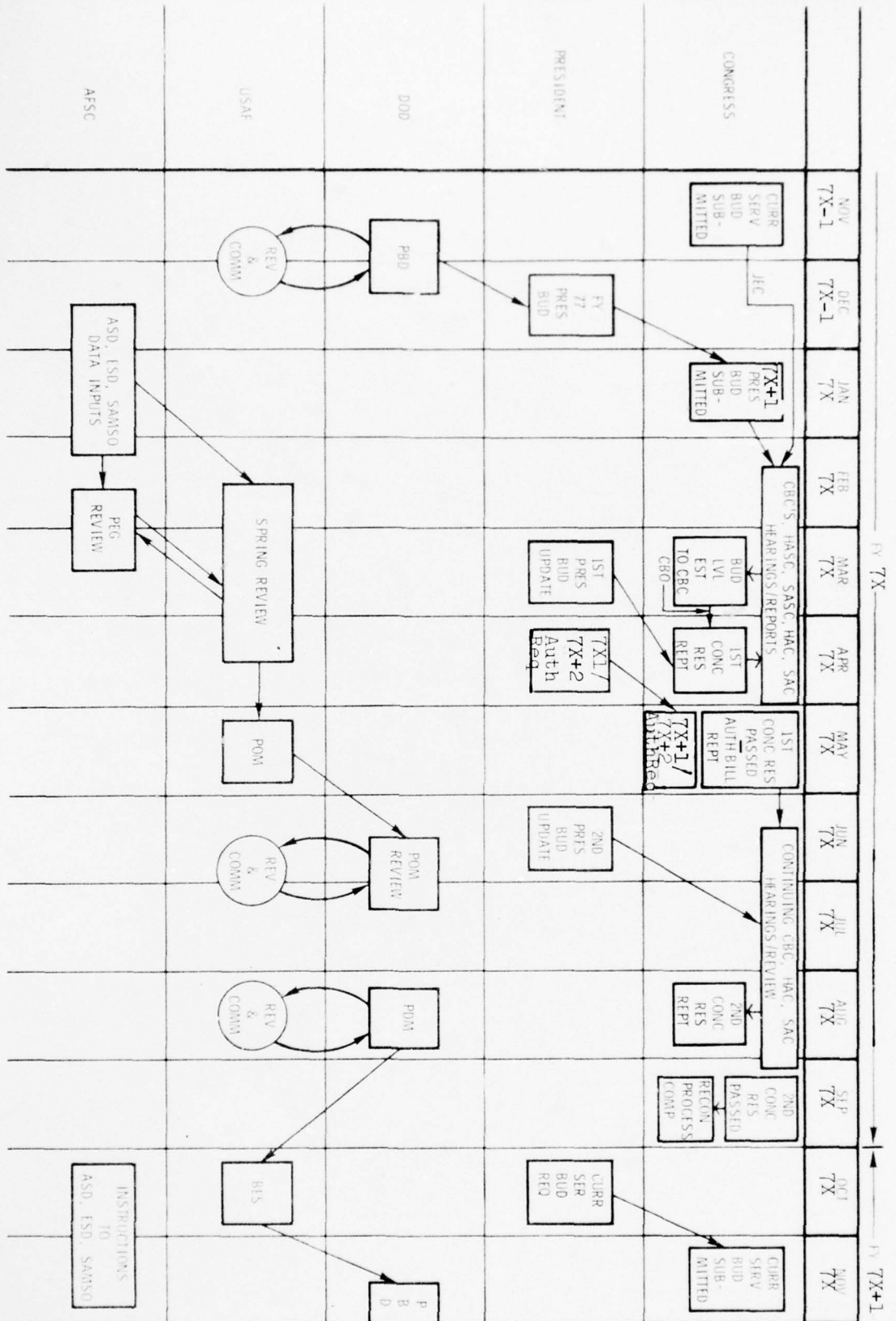


FIGURE ONE

ways, among them manpower to staff the system and the time to manipulate system requirements. System output credibility in the Congress, system comprehension by the practitioners, and system responsiveness to a changing environment are PPBS parameters that should be studied before any conclusions are drawn concerning the future of PPBS in DoD. One aspect of the system's cost, the time required to manipulate the system's requirements, is the subject of the next and concluding section of this report.

### SECTION III

#### THE PPBS PROBLEM TODAY

##### A Matter of Time

Aaron Wildavsky, a thorough-going critic of PPBS, has written about the intense activity which punctuates the typical PPBS calendar of events. Wildavsky sarcastically describes the patience required of higher PPBS echelons when reviewing the inadequate program budgeting presented for review by lower PPBS echelons. After reviewing and rejecting the first program budget submittal, Wildavsky describes this typical result:

Another furious effort takes place . . . .  
Incredible amounts of overtime are put in. Ultimately, under severe time pressure, even more data is accumulated. No one will be able to say that agency personnel did not try hard. The new presentation makes a little more sense to some people and a little less to others. It just does not hang together as a presentation of agency policies. There are more encouraging words from the Budget Bureau and another sermon about specifying alternative ways of meeting agency objectives, though not, of course, taking the old objectives for granted. By this time agency personnel are desperate. "We would love to do it," they say, "but we cannot figure out the right way. You experts in the Budget Bureau should show us how to do it." Silence. The word from on high is that the Bureau of the Budget does not interfere with agency operations; it is the agency's task to set up its own budget. After a while, cynism reigns supreme.<sup>11</sup>

Mr. Wildavsky's description is uncomfortably close to actual events related to the PPBS as practiced in DoD, especially that part concerning "furious effort" and "severe time pressures."

But the pressures of time associated with the DoD PPBS schedule are largely restricted to the last six months of the calendar year. And, these pressures seem to be intensifying in recent years owing to the rigid sequential nature of the schedule.

Given that the President's Budget must be submitted to the Congress on or about the middle of January each year, and given that the Services need more time to develop their programs, then DoD needs to review these programs, the time for DoD to perform that review is limited to not more than the currently scheduled time of six or seven months. However, to fully utilize all of the time currently available (May through December), the DoD schedule requires the Services to exert extraordinary effort to prepare the supporting documents which accompany the President's Budget to Congress and key witnesses for the Services are deprived of valuable time to prepare their Congressional testimony.

The first and most serious scheduling problem associated with the PPBS as it is practiced in DoD today, then, is habitual extension of the PBD cycle, or the Budgeting phase, to the end of December and sometimes into the first few days of January. Such a late completion time, first of all, barely provides sufficient time to prepare and have printed those supporting documents which must go to the Congress as a part of the President's Budget. Secondly, when the budgeting phase

goes until late December, or worse early January, the preliminary Service activities associated with the next year's POM are either completed or nearly so. And, since these planning efforts are made in the absence of complete knowledge of the President's Budget, they are of limited usefulness. Thirdly, since Service witnesses must appear before Congressional Committees in defense of the President's Budget beginning in February, the time between the completion of the Budgeting phase and the testimony on the Hill must be primarily devoted to preparing testimony and not participating in the important initial stages of new POM development.

Thus it would be very beneficial to have the Budgeting phase, the PBD cycle, ended earlier in the calendar year, not later than mid-November. This completion time would permit preliminary POM planning organizations, such as the Air Staff Board Panels, to have the President's Budget in hand as a baseline for their recommendations to update the Five Year Air Force Plan. Moreover, key Air Staff officers would be able to more actively participate in and direct the reviews of these Panels. And, last, sufficient administrative time would be available for the Services to prepare supporting budget documents after the Budgeting phase is completed rather than do these documents in parallel with the PBD cycle, updating and reviewing them as PBDs are issued, revised, and reissued.

Terminating the PPBS schedule in late December is not the only scheduling problem currently afflicting the system. It is becoming increasingly more common for DoD to be late with critical PPBS milestone events. Most recently, the PPBS calendar of events itself was issued more than a month later than it was for the two previous years (Append C). In CY 1976, the APDM was scheduled to be issued on 23 August but the document was not actually issued until 9 September which gave the Services only three weeks instead of the customary five weeks to prepare their Budget Estimate Submissions.

There seems to be an inexorable pressure on the Services to provide more and more supporting data to DoD staff agencies with the only result that, as Wildavsky said, even though more data is accumulated, the information will make a little more sense to some people and a little less to others. As an illustration, in July 1976 DDR&E requested the Services to provide a list of all major program changes the Services expected to introduce in their Budget Estimate Submissions. Since the Services did not have the directed PDM changes at that time and were unable to say what changes to their BES might be required, they were able to convince DDR&E that the request could not be answered productively. Even though the Services were able to avoid this particular requirement, it is illustrative of the pressures for more and more supporting data.

As a last observation, there is a definite tendency for the DoD Comptroller to review the Service Budget Estimates programmatically as well as in the traditional budget review fashion. This results in the Services defending the substance of a program for the second time during the calendar year. Dollars are always considered during all phases of the PPBS but it has not been characteristic for Comptroller personnel to question the need for particular programs until recently. Programs successfully defended to DDP&E and DDR&E may not survive the Comptroller's review of the funding and merit of the program. Thus, there are two or even three independent DoD agencies assessing program requirements. And, since these diverse independent agencies perform their reviews independently and at different times, it is not uncommon that information given to one may not be available nor acceptable to the other and the negotiated settlement of issues with one may not satisfy another.

The sluggish schedule, the duplicated program reviews, and the attendant information requirements to support these reviews constitute the primary problem with the PPBS today. The Services are squeezed for time. They must develop and then defend their five year programs to multiple DoD staff agencies amidst increasingly more common delays in the DoD schedule. The last section in this report will outline a proposed change to the overall schedule of the PPBS which should help to alleviate this problem.

## SECTION IV

### RECOMMENDATIONS

As a first, absolutely necessary, step the PPBS schedule must be shortened so as not to lap over into December. Therefore, the PBD cycle should be scheduled to end by 15 November including the discussions with the Service chiefs on major unresolved budget issues. It is recognized that schedules are not inviolate and if this schedule were late by even as much as two or three weeks, ending not later than the first of December, significant benefits for the coming year would accrue. The 1977 major budget issue meetings are currently scheduled for 2-3 December 1977 (Append C). If history is any guide, this schedule will most probably slip with final PBD action occurring shortly after Christmas. This is too late.

If the PPBS schedule were backed up so that it would be finished not later than 1 December, there would still be seven months (May through November) for DoD to review the Service POMS and to complete budget preparation and review. If the DoD review process were to remain unchanged from its current procedure, this time would seem to be sufficient even given the loss of approximately one month. However, if DoD staff agencies were to parallel their reviews, rather than review in sequence as they do now, a much more efficient utilization of the time available could be realized. Reviewing programs in parallel is

not the traditional way of executing the PPBS. But parallel reviews would in no way denigrate Enthoven and Smith's fundamental ideas underlying the PPBS which are:

- 1) Explicit consideration of program alternatives at the top decision level, that is, to insure the Secretary of Defense can judge several alternatives in which strategies, forces and cost have not been considered together.

- 2) Considering costs and needs together.

- 3) Developing a plan which projects into the future the foreseeable implications of current decisions.

- 4) Actively using an analytical staff at the top policymaking levels as an aid to judgement.

- 5) Make analysis open and explicit.<sup>12</sup>

All of these fundamentals could be achieved as a result of DDP&E, DDR&E, and ASD(C) reviewing Service programs in parallel. In fact, the author feels that were the three DoD agencies to convene after each has reviewed the Service programs, come to a uniform position on each program, formulating a true program/budget position, and then work their differences with the Services before involving the Secretary of Defense, the number of programs at issue would be minimized thus saving considerable time. All disagreements would not be resolved this way, however, and the Services could still appeal to the Secretary of Defense those programs that remain unresolved as is the current practice.

A PPBS schedule that would incorporate the efficiencies of parallel DoD staff reviews and shorten the schedule the desired amount would obviate continued observance of the

traditional POM-PDM-BES-PBD sequence of events. Rather than this four step review process, a collapsed two step process is recommended. The Services prepare their five year plan and submit the POM as always. However, rather than formally reprice and/or escalate POM programs after a PDM process, the Services should submit their POM program in the May time frame using the latest available inflators. If it should develop that an extraordinary rate of national inflation should occur during the last six months of the year, thus seriously compromising rates used in pricing the POM, the DoD Comptroller could easily apply an offsetting inflation factor to all Service programs by an algorithmic expedient.

Given the Service POMs priced at full value, DoD staff agencies should simultaneously review these programs as the second step of the annual process. DDP&E verifies POM conformity to stated policy and strategy, DDR&E evaluates the programmatic nature of the Service POM, and ASD(C) reviews Service pricing policies. After all three agencies have performed their individual reviews, they should meet as a group to discuss any POM deficiencies or deviations from policy. A single report resulting from this type of corporate DoD staff review could be made similar to the current PDM document or, if more detailed program treatment is desired, individual program documents similar to the current PBD could be used. Whatever form is used, the Services could appeal

differences between the POM and the DoD staff report to the Secretary of Defense just as is now done for the PDM and PBDs. The difference between the recommended procedure and current procedures is that only one DoD staff report would be issued instead of two.

A typical annual schedule incorporating these recommended features is shown in Figure 2.

The schedule shown in Figure 2 allows the Services six months to prepare the POMs and DoD six months to review them. During the joint DoD agency reviews scheduled to begin in July, the DoD staff could simultaneously consider the release of funds about to be appropriated by the Congress as well as the following year's budget submission. This coincident review of two years' budgets would lend greater continuity to the budget review in accordance with Enthoven and Smith's principles. Current practice calls for separate reviews of the budget before the Congress (in preparation for the eventual release of funds to the Services) and the budget to be presented to the Congress the following year.

The proposed schedule permits the tentative Planning and Programming Guidance Memorandum to be issued after the budgeting phase is largely if not totally completed. The probability is that if this schedule were rigidly observed, the need for two versions of the PPGM may not be required -- the PPGM issued in November could be made the only version thus giving

CALENDAR YEAR 19XX SCHEDULE

<u>ACTION</u>	<u>AGENCY</u>	<u>CY 19XX SCHEDULE</u>
Budget Submitted to Congress	O	15 Jan
Issue Fiscal Guidance Memo	O	20 Jan
Issue PPGM	O	20 Jan
Submit JSOP, Vol I (CY XX+1 Cycle)	J	15 Feb
Submit JFM	J	1 May
Submit POM	C	15 May
Update FYDP, Procurement Annex and RDT&E Annex	C	15 May
DoD POM Review Begins	O	15 May
Issue Defense Guidance (DG)	O	1 Jul
DoD Joint-Agency Review (Include All Program Hearings)	O	15 Jul
Issues Meetings with Services	OJC	30 Aug
Issue Program/Budget Decisions (PBDs)	O	15 Sep
Start PBD Reclamas	JC	1 Oct
Submit JSOP Vol II (CY XX+1 Cycle)	J	30 Oct
Conduct Joint Meetings with JCS and Service Secretaries to Discuss Major Unresolved Program/Budget Issues	OJC	1 Nov
Update FYDP	C	15 Nov
Issue Tentative PPGM (CY XX+1 Cycle)	O	15 Nov

"O" = OSD  
"J" = JCS  
"C" = Component or Department

FIGURE TWO

the Services a solid guideline for their initial POM efforts in December.

Another feature of the schedule is that as the first POM formulation reviews are conducted by relatively low level Headquarters agencies (such as the Air Staff Panels), ample time is available to another portion of the Headquarters staff to prepare the required Congressional documentation. Senior service personnel can become actively involved in the formative stages of POM development before beginning their preparations for testifying before Congress. Budgetary information can be passed to the using field commands earlier so that the operating and acquiring commands have sufficient time to study the next budget before participating in the formulation process which begins in February.

All of these results would enhance the preparation of the Service POMs as well as allow sufficient time to prepare for the Congressional cycle. The bottom-line result would be more credible cohesive Service budgets and possibly an improved rapport with Congress.

Recommendations included herein by which the PPBS can be made more sensitive to Service needs are necessarily advantageous to the DoD. The author does not feel that the briefly outlined new procedure will correct all, or even most, of the organizational and manpower difficulties that are inherent in the PPBS as currently practiced. But the recommended schedule does

serve to clarify organizational relationships and the potential for manpower savings are also included. Manpower savings could be the subject of another study using an improved schedule as the baseline.

In any event, more efficiency in the PPBS schedule is urgently required. Studies should be initiated to evaluate the suggestions contained in this paper and the many other possibilities that exist which could lead to an improved, more credible DoD budget in the future.

#### FOOTNOTES

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2. R.S. McNamara, Mr. Essence of Security: Reflections in Office (Harper & Rowe, 1968); p 88
3. C.L. Schultze, Program Budgeting and Cost-Benefit Analysis (Henricks & Taylor, Goodyear Publishing Co., 1969); p 1
4. See Public Expenditure and Policy Analysis (Haveman & Margolis, Markham Publishing Co., 1971); Ch 19, pp 461-484
5. Op Cit, p 374
6. Op Cit, p 436
7. Op Cit, p 379
8. C.J. Hitch, Decision Making for Defense (Berkeley Press, University of California; 1965); p 25
9. The PPBS in DoD: An Overview from Experience, A.C. Enthoven and K. Wayne Smith, Public Expenditure and Policy Analysis (Haveman & Margolis, Markham Publishing Co., 1971); p 486
10. Op Cit, pp 486-487
11. Rescuing Policy Analysis from PPBS, A. Wildavsky, Public Expenditure and Policy Analysis (Haveman & Margolis, Markham Publishing Co., 1971); pp 468-469
12. A.C. Enthoven & K. W. Smith, Op Cit; pp 485-490

THE SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

PRP 1 \_\_\_\_\_  
PRP 2 \_\_\_\_\_  
PRP 3 \_\_\_\_\_  
PRPJ \_\_\_\_\_  
ExO 1 \_\_\_\_\_  
ExO 2 \_\_\_\_\_  
Act R \_\_\_\_\_  
Susp \_\_\_\_\_  
Info Ex-Div \_\_\_\_\_

JAN 22 1975

DRYPER  
DCS  
Executive  
Asst Exec  
Asst Exec  
Action  
Susp  
Info

MEMORANDUM FOR Secretaries of the Military Departments  
Chairman of the Joint Chiefs of Staff  
Director of Defense Research and Engineering  
Assistant Secretaries of Defense  
Director of Telecommunications and Command and Control  
Systems  
Assistants to the Secretary of Defense  
Directors of Defense Agencies

SUBJECT: Program/Budget Review - Calendar Year 1975 Schedule

This memorandum expresses the schedule of the more significant actions of the Calendar Year 1975 Planning-Programming-Budgeting cycle. Actions outlined will be accomplished as prescribed by DoD Instruction 7045.7, as modified by this memorandum.

The Planning cycle began on May 6, 1974 with the publication and receipt of the Joint Strategic Objective Plan (JSOP), Volume I. The Planning cycle will be completed February 14, 1975 (Items 1-2 and 4-8 of enclosure). The Planning and Programming Guidance Memorandum (PPGM) will be issued in two parts. The first part, issued on February 7, 1975, will include all sections except the Fiscal Guidance section, which will be issued February 14, 1975.

I have asked the Assistant Secretary for Program Analysis and Evaluation to assist your programming processes by providing you with a tentative version of the PPGM (Item 3 of enclosure) which supplements the Defense Policy and Planning Guidance (DPPG), issued October 22, 1974. This tentative programming guidance will be modified, as appropriate, in February 1975, after taking into account the OSD/OMB review of the FY 76 budget, JSOP Volume II, and other factors not yet available.

The PPGM (Items 9 and 10 of enclosure) will include the DPPG, the fiscal guidance and specific guidance in such areas as nuclear forces, general purpose forces, logistics, manpower, Southeast Asia programs, research and development, telecommunications and intelligence. The Programming cycle will continue through the preparation of the Joint Force Memorandum (JFM), the Program Objective Memoranda (POMs), the review and

Appendix A

834-75



PROGRAM/BUDGET GUIDANCE AND REVIEW SCHEDULE  
for  
Calendar Year 1975

Item	Action	Agency	Action Date
1	Submit JSOP-Vol I (FY 77-84) - Military Strategy and Force Planning Guidance	J	May 6, 1974
2	Issue Defense Policy and Planning Guidance (DPPG)	O	Oct 22, 1974
3	Issue Tentative Planning and Programming Guidance Memorandum (TPPGM) <u>Note:</u> Provides tentative guidance in such areas as fiscal planning assumptions, forces, logistics, manpower, research and development, telecommunications, and intelligence.	O	Oct 23, 1974
4	Submit JSOP-Vol II (FY 77-84) - Analysis and Force Tabulations	J	Dec 20, 1974
5	Update Joint Research and Development Objectives Document (JRDOD) (FY 77-94)	J	Jan 6, 1975
6	Update Five Year Defense Program FY 1974-76	C	Jan 10, 1975
7	Update Five Year Defense Program FY 77-80 (through FY 83 for Forces)	C	Jan 24, 1975
8	Submit Telecommunications Subsystem Data	C	Jan 31, 1975
9	Issue Planning and Programming Guidance Memorandum - less Fiscal Guidance <u>Note:</u> Provides an updated version of the DPPG in addition to guidance indicated in item 3 above.	O	Feb 7, 1975
10	Issue Planning and Programming Guidance Memorandum - Fiscal Guidance	O	Feb 14, 1975
11	Submit JSOP-Vol I (FY 78-85) - Military Strategy and Force Planning Guidance (CY 76 cycle)	J	May 1, 1975
12	Submit Joint Force Memorandum (JFM)	J	May 2, 1975
13	Submit Program Objective Memoranda (POM)	C	May 9, 1975
14	Update FYDP and Procurement Annex Consistent with POM (FY 77-84)	C	May 9, 1975

Item	Action	Agency	Action Date
15	Submit FYDP Telecommunications Subsystem Data	C	May 16, 1975
16	Submit JFM Nuclear Annex, FY 77-84	J	May 30, 1975
17	Issue Program Decision Memoranda (PDM)	O	Jul 29, 1975
18	Submit reclamation to PDMs	JC	Aug 15, 1975
19	Major PDM Issue Meetings	OJC	Aug 19-25 '75
20	Issue amended PDMs	O	Aug 28, 1975
21	Publish tentative Nuclear Weapons Stockpile for planning	O	Aug 28, 1975
22	Issue Budget Guidance	O	Sep 1, 1975
23	Issue Defense Policy and Planning Guidance (DPPG) (CY 1976 cycle)	O	Sep 16, 1975
24	Submit annual budget estimates and backup information	C	Sep 30, 1975
25	Start Budget Hearings	O	Oct 1, 1975
26	Update Five Year Defense Program and Procurement Annex	C	Oct 10, 1975
27	Submit FY 77-78 Nuclear Weapons Deployment Plan	J	Oct 14, 1975
28	Submit FYDP Telecommunications Subsystem Data	C	Oct 17, 1975
29	Start issue of Program/Budget Decisions (PBDs)	O	Oct 20, 1975
30	Issue Tentative Planning and Programming Guidance Memorandum (TPPGM) (CY 1976 cycle) <u>Note:</u> Provides tentative guidance in such areas as fiscal planning assumptions, forces, logistics, manpower, research and development, telecommunications, and intelligence.	O	Oct 22, 1975
31	Start PBD reclamation	JC	Oct 28, 1975
32	Issue revised PBDs based on reclamation	O	Nov 28, 1975 to Dec 6, 1975

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Item	Action	Agency	Action Date
33	Conduct joint meetings with JCS and Service Secretaries to discuss major unresolved budget issues	O	Dec 8-10 '75
34	Update Joint Research and Development Objectives Document (JRDOD) (FY 78-95)	J	Dec 15, 1975
35	Submit FY 77-79 Nuclear Weapons Stockpile and FY 77-78 Nuclear Weapons Deployment Memorandum for Interagency Review	O	Dec 15, 1975
36	Submit JSOP-Vol II (FY 78-85) - Analysis and Force Tabulations (CY 1976 cycle)	J	Dec 19, 1975
37	Update Five Year Defense Program (FY 75-77)	C	Jan 12, 1976
38	Update Five Year Defense Program (FY 78-81) (through FY 84 for Forces)	C	Jan 30, 1976
39	Submit FYDP Telecommunications Subsystem Data	C	Feb 4, 1976

**LEGEND:**  
 O = SecDef  
 J = JCS  
 C = Military Departments and Defense Agencies  
 JC = JCS, Military Departments, Defense Agencies

THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

JAN 12 1976

MEMORANDUM FOR Secretaries of the Military Departments  
Chairman of the Joint Chiefs of Staff  
Director of Defense Research and Engineering  
Assistant Secretaries of Defense  
Director of Telecommunications and Command and  
Control Systems  
Assistants to the Secretary of Defense  
Directors of Defense Agencies

SUBJECT: Program/Budget Review - Calendar Year 1976 Schedule

This memorandum expresses the schedule of the significant actions of the Calendar Year 1976 Planning-Programming-Budgeting cycle. Actions outlined will be accomplished as prescribed by DoD Instruction 7045.7, as modified by this memorandum.

The coming year will see us move through a transition to the first fiscal year that starts on October 1. Additional aspects of the Congressional Budget and Impoundment Control Act of 1974 will also be implemented. Although we have attempted to anticipate all the impacts of that legislation, we must be alert for changing circumstances and be prepared to respond appropriately.

The Planning cycle began on May 1, 1975 with the publication and receipt of the Joint Strategic Objective Plan (JSOP), Volume I. The Planning cycle will be completed February 6, 1976 (Items 1-2 and 4-8 of enclosure) with the issuance of the Planning and Programming Guidance Memorandum (PPGM).

Last year a tentative version of the PPGM was issued to assist your programming processes. Based on the favorable response to this action, I asked the Assistant Secretary for Program Analysis and Evaluation to again issue this document. This was distributed on November 5, 1975. The tentative programming guidance will be modified, as appropriate, in February 1976, after taking into account the OSD/OMB review of the FY77 budget, JSOP Volume II, and other relevant factors.

The PPGM (Item 9 of enclosure) will include an updated version of the DPPG (as required), the fiscal guidance and specific guidance in such areas as nuclear forces, general purpose forces, logistics, manpower, research and development, telecommunications and intelligence. The Programming cycle will continue through the preparation of the Joint

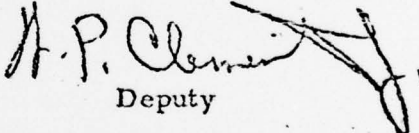
Appendix B

Force Memorandum (JFM), the Program Objective Memoranda (POMs), the review and analysis of these documents, the transmittal of tentative Program Decision Memoranda (PDMs), a reclama cycle, and the publication of amended PDMs as appropriate. The Programming cycle will be considered completed on August 23, 1976. (Items 9-22 of enclosure.)

The Budgeting cycle will start with the initial issuance of Budget Guidance on September 1, 1976. The cycle will continue through the submission of the budget estimates, the review and evaluation of these estimates by the OSD and OMB staffs, and the transmittal of budget decisions in the form of PBDs. Additionally, the Budget cycle will include the update of the FYDP on October 11, 1976, and will be considered completed after the FYDP is updated to reflect the President's Budget, and its outyear impact, in January 1977. (Items 23, 26-28, 30-31, 33-35, 39, 42 of enclosure.)

Apart from the attached schedule, the OSD staff offices will be provided with a separate detailed schedule of the Issue Paper process emanating from the review of the JFM and the POMs. The OSD staff will also be provided with a budget schedule to insure timely budget actions and transmittal of decisions. The JCS, Military Departments and Defense Agencies will be provided copies of these additional schedules.

The attached schedule identifies specific actions and dates necessary to make up the total calendar, not only for the CY 1976 cycle, but also reflects actions that must commence to insure a solid foundation for our CY 1977 cycle. It is imperative that every effort be made by all concerned to meet the scheduled dates if we are to have a successful cycle. When specific actions are anticipated to be late, this information should be forwarded to my office to evaluate the impact on the remainder of the schedule.

  
Deputy

Enclosure  
Schedule

PROGRAM/BUDGET GUIDANCE AND REVIEW SCHEDULE  
for  
Calendar Year 1976

Item	Action	Agency	Action Date
1	Submit JSOP-Vol I (FY 78-85) - Military Strategy and Force Planning Guidance	J	May 1, 1975
2	Issue Defense Policy and Planning Guidance (DPPG)	O	Nov 4, 1975
3	Issue Tentative Planning and Programming Guidance Memorandum (TPPGM) Note: Provides tentative guidance in such areas as fiscal planning assumptions, forces, logistics, manpower, research and development, telecommunications, and intelligence.	O	Nov 5, 1975
4	Update Joint Research and Development Objectives Document (JRDOOD) (FY 78-95)	J	Dec 15, 1975
5	Submit JSOP-Vol II (FY 78-85) - Analysis and Force Tabulations	J	Dec 19, 1975
6	Update Five Year Defense Program FY 75-77	C	Dec 30, 1975
7	Update Five Year Defense Program FY 78-81 (through FY 84 for Forces)	C	Jan 9, 1976
8	Submit Telecommunications Subsystem Data	C	Jan 15, 1976
9	Issue Planning and Programming Guidance Memorandum Note: Provides Fiscal Guidance and an updated version of the DPPG in addition to guidance indicated in item 3 above.	O	Feb 6, 1976
10	Issue Military Security Assistance Projection (MSAP)	O	Apr 9, 1976
11	Submit Joint Force Memorandum (JFM)	J	Apr 30, 1976
12	Submit JSOP-Vol I (FY 79-86) - Military Strategy and Force Planning Guidance (CY 77 cycle)	J	Apr 30, 1976
13	Submit Program Objective Memoranda (POM)	C	May 7, 1976
14	Update FYDP, Procurement Annex, and RDT&E Annex Consistent with POM (FY 78-85)	C	May 7, 1976
15	Submit FYDP Telecommunications Subsystem Data	C	May 12, 1976
	Submit JFM Nuclear Annex, FY 78-85	J	May 31, 1976

Item	Action	Agency	Action Date
17	Transmit first Issue Paper to Components	O	Jun 11, 1976
18	Transmit last Issue Paper to SecDef	O	Jul 16, 1976
19	Issue Program Decision Memoranda (PDM)	O	Jul 26, 1976
20	Submit reclamation to PDMs	JC	Aug 9, 1976
21	Major PDM Issue Meetings	OJC	Aug 13-18, 1976
22	Issue amended PDMs	O	Aug 23, 1976
23	Issue Budget Guidance	O	Sep 1, 1976
24	Issue Defense Policy and Planning Guidance (DPPG) (CY 1977 cycle)	O	Sep 8, 1976
25	Publish tentative Nuclear Weapons Stockpile for planning	O	Sep 13, 1976
26	Submit annual budget estimates and backup information	C	Sep 30, 1976
27	Start Budget Hearings	O	Oct 1, 1976
28	Update Five Year Defense Program, Procurement Annex, and RDT&E Annex	C	Oct 11, 1976
29	Submit FY 78-79 Nuclear Weapons Deployment Plan	J	Oct 15, 1976
30	Submit FYDP Telecommunications Subsystem Data	C	Oct 18, 1976
31	Start issue of Program/Budget Decisions (PBDs)	O	Oct 20, 1976
32	Issue Tentative Planning and Programming Guidance Memorandum (TPPGM) (CY 1977 cycle) Note: Provides tentative guidance in such areas as fiscal planning assumptions, forces, logistics, manpower, research and development, telecommunications, and intelligence.	O	Oct 22, 1976
33	Start PBD reclamation	JC	Oct 28, 1976
34	Issue revised PBDs based on reclamation	O	Nov 26, 1976 to Dec 6, 1976
35	Conduct joint meetings with JCS and Service Secretaries to discuss major unresolved budget issues	OJC	Dec 8-10, 1976
36	Submit Joint Research and Development Objectives Document (JRDOO) (FY 79-96)	J	Dec 15, 1976

Item	Action	Agency	Action Date
37	Issue FY 78-79 Nuclear Weapons Deployment Memorandum for Interagency Review	O	Dec 15, 1976
38	Submit JSOP-Vol II (FY 79-86) - Analysis and Force Tabulations (CY 1977 cycle)	J	Dec 20, 1976
39	Update Five Year Defense Program (FY 76-78)	C	Dec 30, 1976
40	Update Five Year Defense Program (FY 79-82) (through FY 85 for Forces)	C	Jan 10, 1977
41	Issue FY 78-80 Nuclear Weapons Stockpile	O	Jan 15, 1977
42	Submit FYDP Telecommunications Subsystem Data	C	Jan 17, 1977

LEGEND: O -- SecDef  
 J -- JCS  
 C -- Military Departments and Defense Agencies  
 JC -- JCS, Military Departments, Defense Agencies



COMPTROLLER

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

7 MAR 1977

SEC	
SEC	
NOX SUSPENSE	
ACTION INFO	
RDWL	✓
RDAL	✓*
RDAP	✓*
RDXT	✓
RDXX	✓

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
 CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
 DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING  
 ASSISTANT SECRETARIES OF DEFENSE  
 GENERAL COUNSEL  
 DIRECTOR, PLANNING AND EVALUATION  
 DIRECTOR, TELECOMMUNICATIONS AND COMMAND AND CONTROL  
 SYSTEMS  
 ASSISTANTS TO THE SECRETARY OF DEFENSE  
 DIRECTORS OF DEFENSE AGENCIES

\*copy to DR all

SUBJECT: Program/Budget Review - Calendar Year 1977 Schedule

This memorandum forwards an interim schedule of Calendar Year 1977 actions considered necessary to proceed with the Planning, Programming and Budgeting cycle. Actions outlined will be accomplished as prescribed by DoD Instruction 7045.7.

In addition to the enclosed schedule, separate detailed schedules will be issued relative to the POM major issue process and the budget review process. Unless otherwise indicated by changes to this calendar, every effort should be made to meet these scheduled dates. If, however, a specific action is anticipated to be late, an explanation should be forwarded to my office so that I may evaluate the impact on the remainder of the schedule.

ACTION	
SUSPENSE DATE	
INFO:	
	RDV
EE	

*Fred P. Wacker*

Fred P. Wacker  
Assistant Secretary of Defense

Enclosure  
Schedule

Appendix C

834-77



INTERIM  
PROGRAM/BUDGET GUIDANCE AND REVIEW SCHEDULE  
for  
CALENDAR YEAR 1977

Item	Action	Agency	CY 1976		CY 1977	
			Schedule	Schedule	Schedule	Schedule
1	Budget Submitted to Congress	0	Jan 21, 1976	Jan 17, 1977		
2	Update Joint Research and Development Objectives Document (JRDDO) (FY 79-96)	J	Dec 15, 1975	Feb 14, 1977		
3	Issue Tentative Planning and Programming Guidance Memorandum (TPPGM). NOTE: Provides tentative guidance in such areas as fiscal planning assumptions, forces, logistics, manpower, research and development, telecommunications, and intelligence.	0	Oct 22, 1975	Feb 15, 1977		
4	Submit JSOP-Vol II (FY 79-86) - Analysis and Force Tabulations	J	Dec 20, 1975	Feb 16, 1977		
5	Issue Fiscal Guidance Memorandum	0	NS	Mar 2, 1977		
6	Issue Planning and Programming Guidance Memorandum	0	Feb 6, 1976	Mar 11, 1977		
7	Issue Military Security Assistance Projection (MSAP)	0	Apr 9, 1976	Apr 8, 1977		
8	Submit FY 78-80 Nuclear Weapons Stockpile Memorandum to President	0	NS	May 2, 1977		
9	Submit JSOP-Vol I (FY 80-87) - Military Strategy and Force Planning Guidance (CY 78 Cycle)	J	Apr 30, 1976	May 2, 1977		
10	Submit Joint Force Memorandum (JFM)	J	Apr 30, 1976	May 9, 1977		
11	Submit Research Objective Memoranda (ROM)	0	May 7, 1976	May 9, 1977		

Item	Action	Agency	CY 1976		CY 1977	
			Schedule	Schedule	Schedule	Schedule
12	Update FYDP, Procurement Annex, and RDT&E Annex Consistent with POM (FY 79-86)	C	May 7, 1976	May 9, 1977		
13	Submit FYDP Telecommunications Subsystem Data	C	May 12, 1976	May 13, 1977		
14	Submit JFM Nuclear Annex, FY 79-86	J	May 31, 1976	Jun 10, 1977		
15	Transmit first Issue Paper to Components	O	Jun 11, 1976	Jun 13, 1977		
16	Transmit last Issue Paper to SecDef	O	Jul 16, 1976	Jul 18, 1977		
17	Issue Program Decision Memoranda (PDM)	O	Jul 26, 1976	Jul 28, 1977		
18	Submit reclamationas to PDMs	JC	Aug 9, 1976	Aug 11, 1977		
19	Major PDM Issue Meetings	OJC	Aug 13-18, 76	Aug 15-19, 77		
20	Issue amended PDMs	O	Aug 23, 1976	Aug 25, 1977		
21	Issue Budget Guidance	O	Sep 1, 1976	Sep 1, 1977		
22	Issue Defense Guidance (DG) (CY 1978 Cycle)	O	Sep 8, 1976	Sep 8, 1977		
23	Publish tentative Nuclear Weapons Stockpile for planning	O	Sep 13, 1976	Sep 13, 1977		
24	Submit annual budget estimates and backup information	C	Sep 30, 1976	Sep 30, 1977		
25	Start Budget Hearings	O	Oct 1, 1976	Oct 3, 1977		
26	Update the FYDP Procurement Annex	C	Oct 1, 1976	Oct 3, 1977		
27	Update the FYDP RDT&E Annex	C	Oct 1-6, 76	Oct 3-7, 77		
28	Update the FYDP	C	Oct 13, 1976	Oct 13, 1977		
29	Submit FYDP Procurement Program Budget Decisions (PBDs)	O	Oct 15, 1976	Oct 17, 1977		

Item	Action	Agency	CY 1976		CY 1977	
			Schedule	Schedule	Schedule	Schedule
30	Submit FYDP Telecommunications Subsystem Data	C	Oct 20, 1976	Oct 20, 1977		
31	Start PBD reclaims	JC	Oct 28, 1976	Oct 26, 1977		
32	Issue revised PBDs based on reclaims	O	Nov 22-24, 76	Nov 21-23, 77		
33	Conduct joint meetings with JCS and Service Secretaries to discuss major unresolved budget issues	OJC	Dec 2-3, 76	Dec 1-2, 77		
34	Update Five Year Defense Program (FY 77-79)	C	Dec 28, 1976	Dec 27, 1977		
35	Update Five Year Defense Program (FY 80-83) (through FY 86 for Forces)	C	Jan 15, 1977	Jan 10, 1978		
36	Submit FYDP Telecommunications Subsystem Data	C	Jan 17, 1977	Jan 17, 1978		
37	Budget Submitted to Congress	O	Jan 17, 1977	Jan 17, 1978*		

\* Tentative, Budget submitted 15th day after Congress meets, 31 USC 1321.

Legend:

O - SecDef

J - JCS

C - Military Departments and Defense Agencies

JC - JCS, Military Departments, Defense Agencies

NS - Not in 1976 Schedule

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