DTIC FILE COPY

(2)

AD-A192 523

AIR COMMAND AND STAFF COLLEGE

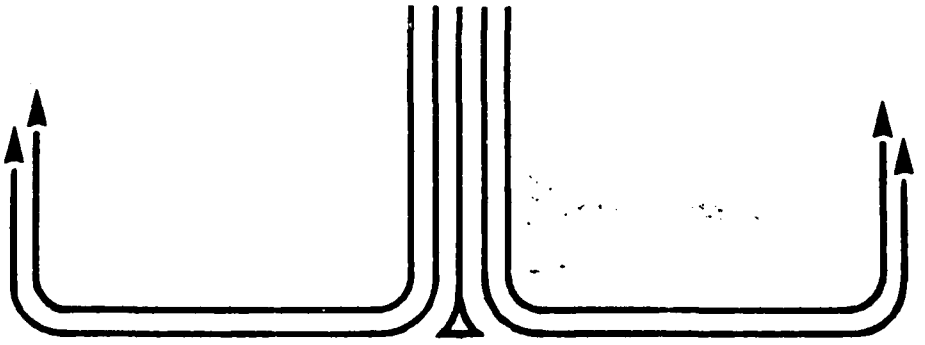
STUDENT REPORT

A PEM's
SURVIVAL GUIDE--THE FIRST YEAR

MAJOR LAWRENCE A. DANFORTH 88-0645

"insights into tomorrow"

DTIC
ELECTE
MAY 12 1988
S D
E



This document has been approved for public release and sale; its distribution is unlimited.

88 5 10 265

DISCLAIMER

The views and conclusions expressed in this document are those of the author. They are not intended and should not be thought to represent official ideas, attitudes, or policies of any agency of the United States Government. The author has not had special access to official information or ideas and has employed only open-source material available to any writer on this subject.

This document is the property of the United States Government. It is available for distribution to the general public. A loan copy of the document may be obtained from the Air University Interlibrary Loan Service (AUL/LDEX, Maxwell AFB, Alabama, 36112-5564) or the Defense Technical Information Center. Request must include the author's name and complete title of the study.

This document may be reproduced for use in other research reports or educational pursuits contingent upon the following stipulations:

- Reproduction rights do not extend to any copyrighted material that may be contained in the research report.

- All reproduced copies must contain the following credit line: "Reprinted by permission of the Air Command and Staff College."

- All reproduced copies must contain the name(s) of the report's author(s).

- If format modification is necessary to better serve the user's needs, adjustments may be made to this report--this authorization does not extend to copyrighted information or material. The following statement must accompany the modified document: "Adapted from Air Command and Staff College Research Report (number) entitled (title) by (author)."

- This notice must be included with any reproduced or adapted portions of this document.

REPORT NUMBER 88-0645

TITLE A PEM'S SURVIVAL GUIDE--THE FIRST YEAR

AUTHOR(S) MAJOR LAWRENCE A. DANFORTH, USAF

FACULTY ADVISOR MAJ DANIEL J. MUMAUGH, ACSC/3823 STUS

SPONSOR COL GEORGE H. TEAS, HQ USAF/SCPB

Submitted to the faculty in partial fulfillment of requirements for graduation.

AIR COMMAND AND STAFF COLLEGE
AIR UNIVERSITY
MAXWELL AFB, AL 36112-5542

UNCLASSIFIED
SECURITY CLASSIFICATION OF THIS PAGE

REPORT DOCUMENTATION PAGE

Form Approved
OMB No 0704-0188

1a. REPORT SECURITY CLASSIFICATION UNCLASSIFIED	1b. RESTRICTIVE MARKINGS
2a. SECURITY CLASSIFICATION AUTHORITY	3. DISTRIBUTION/AVAILABILITY OF REPORT STATEMENT "A" Approved for public release; Distribution is unlimited.
2b DECLASSIFICATION/DOWNGRADING SCHEDULE	
4 PERFORMING ORGANIZATION REPORT NUMBER(S) 88-0645	5. MONITORING ORGANIZATION REPORT NUMBER(S)
6a NAME OF PERFORMING ORGANIZATION ACSC/EDC 6b. OFFICE SYMBOL (*If applicable*)	7a. NAME OF MONITORING ORGANIZATION
6c ADDRESS (*City, State, and ZIP Code*) Maxwell AFB AL 36112-5542	7b. ADDRESS (*City, State, and ZIP Code*)
8a. NAME OF FUNDING/SPONSORING ORGANIZATION 8b. OFFICE SYMBOL (*If applicable*)	9 PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER
8c. ADDRESS (*City, State, and ZIP Code*)	10. SOURCE OF FUNDING NUMBERS PROGRAM ELEMENT NO. / PROJECT NO. / TASK NO / WORK UNIT ACCESSION NO.

11. TITLE (*Include Security Classification*)
A PEM'S SURVIVAL GUIDE--THE FIRST YEAR (U)

12. PERSONAL AUTHOR(S)
Danforth, Lawrence A., Major USAF

13a. TYPE OF REPORT	13b TIME COVERED FROM _____ TO _____	14. DATE OF REPORT (*Year, Month, Day*)	15. PAGE COUNT
		1988 April	76

16. SUPPLEMENTARY NOTATION

17. COSATI CODES			18. SUBJECT TERMS (*Continue on reverse if necessary and identify by block number*)
FIELD	GROUP	SUB-GROUP	

19 ABSTRACT (*Continue on reverse if necessary and identify by block number*)

The DoD uses the Planning, Programming, and Budgeting System (PPBS) as the process for matching resources and requirements. The Air Staff action officer most engrossed in this process is called a Program Element Monitor (PEM). The guidebook is intended to assist the PEM during their first year while they gain experience.

20 DISTRIBUTION AVAILABILITY OF ABSTRACT ☐ UNCLASSIFIED/UNLIMITED ☐ SAME AS RPT ☒ DTIC USERS	21 ABSTRACT SECURITY CLASSIFICATION UNCLASSIFIED
22a NAME OF RESPONSIBLE INDIVIDUAL ACSC/EDC Maxwell AFB AL 36112-5542	22b TELEPHONE (*Include Area Code*) (205) 293-2867 22c. OFFICE SYMBOL

DD Form 1473, JUN 86 *Previous editions are obsolete.*

SECURITY CLASSIFICATION OF THIS PAGE
UNCLASSIFIED

TABLE OF CONTENTS

Preface....iii

About the Author....iv

Needs Assessment....v

A PEM's Survival Guide--The First Year

Acknowledgment....I
Table of Contents....II
Introduction....1
Background....2
Databases....4
Drills and Exercises....5
Starting Point....6
President's Budget (PB)....7
Program Objective Memorandum (POM)....10
Break Time....12
Budget Estimate Submission (BES)....12
Audit Trail....14
Timeless Hints....15
Summary....18
Bibliography....19
List of Attachments....20
Atch 1-Appropriations/Codes/Appropriation Managers...21
Atch 2-Air Staff Panels/MAJCOM Relationships....22
Atch 3-Major Force Programs/Program Elements....23
Atch 4-Cost Elements....24
Atch 5-Organizational Activity Codes....26
Atch 6-Change Control Sheet....27
Atch 7-Issue Book Titles....28
Atch 8-Defense Resources Board Membership....29
Atch 9-Essential Pentagon Phones/Locations....30
Atch 10-Data Element Definitions....32
Atch 11-Data Element Matrix....37
Atch 12-ABIDES Standard Report Definitions....38
Atch 13-MILCON Categories....39
Appendix....41
Index....61

PREFACE

This guidebook is intended for Air Staff action officers working with the Planning, Programming, and Budgeting (PPBS) process. This discussion is intended to help them survive their first year in the Pentagon without suffering major adjustments to their programs simply because they "don't understand the process."

The guidebook documents experiences of past Program Element Monitors (PEMs), appropriation managers, and panel Points of Contact (POCs). As such, it draws on <u>past</u> problems and solutions and does not attempt to predict the impact of the two-year budget process. Also, it would be virtually impossible to document all the potential pitfalls of such a dynamic and complex process, so the discussion is limited to the more common "dangers."

The discussion concentrates on the Programming portion of the process, the part of the PPBS when a program's resources are almost constantly being reviewed. The Programming cycle is also the most active time for the PEM.

The guidebook will be used in the PEM training program for the Command and Control Systems (C2S) and Standard Information Systems (SIS) panels at the Air Staff. It will be distributed to the other Air Staff panels and the programming secretariates at the major air commands for possible use in their training programs.

The guidebook is the product of an Air Command and Staff College student project and has no official status. It is designed soley to benefit the new action officer assigned to PPBS duties at the Air Staff. It is also intended to aid MAJCOM action officers in understanding the pressures and complexities of the jobs their Air Staff counterparts have.

This booklet has drawn from a number of existing documents, the experience of the author, and the inputs of several Air Staff action officers. The inputs of Lt Col Geoff Bishop and Maj Rick Dinkins were invaluable and the author is indebted to them for their time and patient review. Special "thank you's" are due Maj Dan Mumaugh and his wife Cheri for their merciless editing and Lt Col John Meincke for his tireless proofreading of countless drafts.

ABOUT THE AUTHOR

Major Danforth, the author of A PEM's Survival Guide--The First Year, has served in a variety of unit and staff assignments. As a communications officer he has served as a Chief of Maintenance, Chief of Operations, and Commander at the squadron level. He has staff experience at the Division, Major Air Command (MAJCOM), and Headquarters Air Force, as an action officer and Executive Officer.

He has been involved in the Air Force Planning, Programming, and Budgeting System (PPBS) at all levels of staff, culminating with a two year tour as one of 15 panel Points of Contact (POC) within the Air Staff Board Structure at the Pentagon. That unique position at the Air Staff coupled with his MAJCOM experience give him the background to put the complex PPBS process into layman's terms to prepare the newly assigned Air Staff Program Element Monitor (PEM) for their critical "first year." His five years as a MAJCOM and Air Staff PEM and the tour as a POC make his personal experiences invaluable to the novice. It was his personal experiences and frustration with the inadequacies of formal training at the Air Staff that prompted him to create this guidebook.

Accession For	
NTIS GRA&I	X
DTIC TAB	☐
Unannounced	☐
Justification	
By	
Distribution/	
Availability Codes	
Dist	Avail and/or Special
A-1	

THE NEED FOR AN AIR STAFF PEM HANDBOOK

The purpose of this treatise is to demonstrate the need for a handbook for use by the newly assigned Air Staff Program Element Monitor (PEM). To be useful, the handbook should view the Planning, Programming, and Budgeting System (PPBS) from the perspective of the PEM in the Pentagon.

The PPBS is DOD's process for allocation of limited resources against unlimited requirements. The process has its own unique language. The "roots" of the system involve relatively inexperienced mid-ranking (O-3 and O-4) officers as the PEMs and more experienced civilians. The new PEMs are at a disadvantage until they gain experience (usually after one year's cycle).

The "documentation" for the process is virtually non-existant or directed at groups other than PEMs. The unwritten ins-and-outs are passed by word-of-mouth. The learning curve can be expensive if the new PEM doesn't know when and how to defend his program.

A handbook outlining a PEM's responsibilities for each part of the cycle could save training time spent by action officers and PPBS administrators during the first year of a PEM's tenure. The guide should include examples of past problems and proposed solutions (including examples of "unsuccessful" solutions).

No document currently exists that is directed at the PEM. Existing documents are very general or directed at specific MAJCOM PEM's. For the first time, a comprehensive glossary exists defining the basic language of the PPBS (ACSC 87-1825), but the mechanics that tie the "words" together aren't included. New action officers must ask fellow workers how the process works or "what happens next?"

From my personal experience, I know the PEM's first year frequently becomes a monitoring process. Most first year PEMs concentrate on simply trying to find out what has happened to their program. Consequently, the corporate process frequently approves changes to program funding profiles without the action officer's analysis of the change's impact.

The Command and Control Systems (C2S) and Standard Information Systems (SIS) Panel Chairmen have specifically expressed a desire for a guidebook. HQ USAF/SCPB is an extremely supportive sponsor for a PEM guidebook.

It's the unanimous opinion of the analysts, panel Points of Contact (POCs), and PEMs queried (and who also reviewed drafts of the guidebook) that the guidebook would save valuable hours spent by current action officers explaining the process to newly assigned fellow workers.

The amount of time saved will obviously vary from panel to panel. The current C2S Panel POC estimates the guidebook will save his panel team 50 hours per year in individual PEM training as well as another 10-12 hours in preparation for their annual training program. Using the C2S Panel estimate as an average for the 15 Panels, the annual savings may be as much as 930 manhours per year.

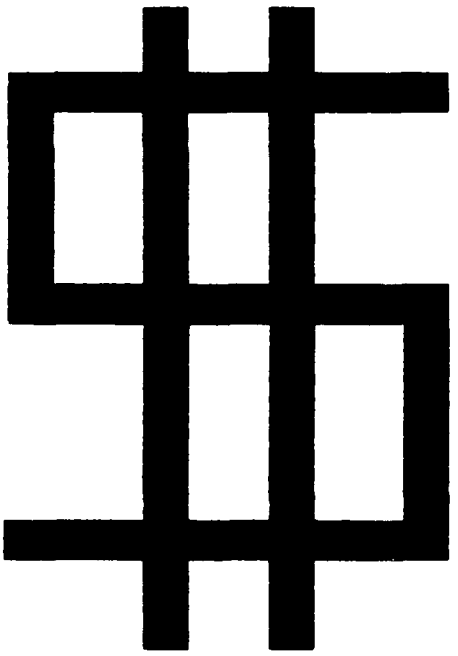
While the saved manhours alone make the guidebook attractive, the real return is the earlier competence of the new PEM. The sooner they eliminate the mistakes made in "ignorance of the system", the better off the Air Force will be. The PPBS provides a structure for prioritzation of finite resources against infinite requirements. The system will only work properly when all the "mechanics" in the system understand how to make it work.

With the cycle outlined from a PEM's perspective, a PEM will have a better chance to stay ahead of the mechanics of the process and provide impacts before program funding changes become faits accomplis. The PEMs could provide senior decision-makers with staffed impacts for proposed changes.

RECOMMENDATION:

Develop a guidebook to help prepare the newly assigned Air Staff Program Element Monitor for the mechanics of the PPBS in the Pentagon. The guidebook can be used as the basis for annual training or a supplement for individual familiarization throughout the cycle.

A PEM'S SURVIVAL GUIDE.....



.....THE FIRST YEAR!

ACKNOWLEDGMENTS

I am sure you will find several people in the Pentagon who will immediately drop everything to help you understand what's going on, and they'll spend as much time as you desire with your education. I'd like to note specifically just a few of the folks who spent literally hundreds of hours hammering me trying to limit the damage I did:

Major Scott Arnott
Mrs. Paula Brickates
Colonel Fred Czerner
Major Rick Dinkins
Mrs. Marie Eppelmann
Mr. Al Gilbert

The following notes are just a fraction of what they tried to teach me. I wholeheartedly appreciate their patience and marvel at their expertise. Hopefully you will also fall under the influence of professionals like these people.

TABLE OF CONTENTS

Acknowledgment.....I
Table of Contents.....II
Introduction.....1
Background.....2
Databases.....4
Drills and Exercises.....5
Starting Point.....6
President's Budget (PB).....7
Program Objective Memorandum (POM).....10
Break Time.....12
Budget Estimate Submission (BES).....12
Audit Trail.....14
Timeless Hints.....15
Summary.....18
Bibliography.....19
List of Attachments.....20
- Atch 1-Appropriations/Codes/Appropriation Managers...21
- Atch 2-Air Staff Panels/MAJCOM Relationships.....22
- Atch 3-Major Force Programs/Program Elements.....23
- Atch 4-Cost Elements.....24
- Atch 5-Organizational Activity Codes.....26
- Atch 6-Change Control Sheet.....27
- Atch 7-Issue Book Titles.....28
- Atch 8-Defense Resources Board Membership.....29
- Atch 9-Essential Pentagon Phones/Locations.....30
- Atch 10-Data Element Definitions.....32
- Atch 11-Data Element Matrix.....37
- Atch 12-ABIDES Standard Report Definitions.....38
- Atch 13-MILCON Categories.....39

Appendix.....41
Index.....61

INTRODUCTION

Congratulations, you have just joined one of the most influential fraternities in the Air Force. Your success or failure as a Program Element Monitor (PEM) will impact the future of the Air Force. You also have one of the most demanding, frustrating, all-consuming jobs in the Air Force. It's probably totally different from anything you've ever done or will ever do again.

From now on, almost everyone you come in contact with in the Pentagon is going to try to take money away from your program for one of two reasons:

1. There isn't enough money to go around, and/or;
2. They believe their program (or their boss' priority) needs the money more than your program does.

You'll quickly find the most common PEM approach is to consider everyone you meet as an "enemy" until they prove otherwise--trust no one! I can't think of a safer approach!!

One of the major differentiators between success and failure is <u>experience</u>. Historically, some PEMs haven't had a chance to gain that necessary experience. Their program was "zeroed", or wiped out, as they were unpacking their household goods or, as sometimes happens, they were fired before they had a chance to work in the process and get the critical experience.

The purpose of this guide is to give you a headstart in gaining the experience to get you through the first year with a minimum of major mistakes. I'll document experiences of past PEM's and "technicians" in the Planning, Programming, and Budgeting System (PPBS) of the Pentagon, in hopes of helping you recognize some of the more common, and I think avoidable, mistakes. I will also detail some successful approaches to problems so you can use them as well.

The guidebook will concentrate almost entirely on the second "P" of the PPBS--Programming. That's where most of your effort will be directed and where most of the threats to your program's resources will come from. Except for an occasional specific reference to a program in the Defense Guidance (DG), most of the Planning is very nebulous and far above the pay grade of PEMs. The "B" or Budgeting, on the other hand, constitutes a much greater and more difficult challenge for you.

You probably won't get a chance to spend a cent of your program's money during your tour. Someone else will spend, or

"execute" the dollars for you. However, you will have an important role in defending your program's Operations and Maintenance (O&M) dollars in front of the Operating Budget Review Committee (OBRC). I've included some suggestions on how to approach that series of meetings with the OBRC.

Major Dan Mumaugh, a 1987 ACSC student and formerly SAC/XPPD and an Air Staff Training (ASTRA) Officer in PR, did everyone in the business a big favor when he created a PEM's PPBS glossary (ACSC 87-1825, at appendix 1). I'm using that glossary (appended for brevity's sake) as a cornerstone and will try to tie the definitions together to create a year-long story of what happens in the trenches of the Pentagon from the PEM's perspective. If you're not yet familiar with the jargon of the PPBS, please skim Major Mumaugh's glossary. I won't repeat the definitions within the body of the guidebook.

Attachments 1 through 5 are quick references I've collected or condensed from "worksheets" as I've worked around the PPBS business. Complete breakouts of the codes used in the databases and reports are available through your comptroller analysts, appropriation managers, and panel support teams. Note that since the DoD reorganization of 1986, AC actually carries a Secretary of the Air Force (SAF) office symbol, but for all practical purposes they're an Air Staff function.

Throughout the guidebook you'll find several colloquialisms in quotation marks. I've tried to use them in the context you'll hear them in the Pentagon.

A WORD OF WARNING! HOI 21-18 ensures anonymity for all activities in the PPBS. Decisions must be attributed to the "corporate Air Force process" or Air Staff Board (ASB) structure and never to individuals or specific groups within the structure (2:19). It's called the "nonattribution policy" (5:4) and it's taken seriously. Heed the warning no matter how specific your information is or how anxious outsiders are to know "who did it?"

BACKGROUND

It's important to understand the origins of the PPBS and to view the process from the perspective of the Office of the Secretary of Defense (OSD) and Congressional decisionmaker.

"Criticism of Defense budgeting was heard with increasing frequency [as early as] the late 1950's" (8:3). Specific Congressional direction for revamping the process was first heard in 1959 (8:4). When Robert S. McNamara became the Secretary of Defense in January 1961, he saw himself as the man with the

answers. He had a system for "deciding on the best mix of force structures and weapons systems needed for the national defense" (9:iii).

The existing "year-at-a-time" budgeting approach did not "provide, on a systematic basis, sound cost data on the individual weapons systems and force units for any period beyond the budget year" (3:2). Planners and "budgeteers" were literally out of touch and had no tool for talking to each other.

"The basic concept of the (PPBS was) to bridge the multi-year military planning system and the one-year budget system" (3:3). The system underwent growing pains for four years (1961-64) until the process was institutionalized by DoD Directive 7045.1, titled DoD Programming System. Secretary McNamara's process continued to mature and in August 1965, "President Johnson, on a nation-wide TV broadcast, stated that his confidence in the system was such that he had directed the same basic principles of the [Planning, Programming, and Budgeting (PPB)] concept be adopted by most of the other executive branches of the Government, to be installed no later than February 1966" (3:7).

There have been scores of adjustments since DoD Directive 7045.1 was first issued, but the basic system as we know it today was stablized in October 1969 with the publication of DoDI 7045.7, The Planning, Programming, and Budgeting System. Definitions were agreed to and the document became the source document for today's PPBS. The implementing instructions have been fine-tuned over the last 2 decades and the most current publication is dated 23 May 1984.

It's equally important to understand the origins and purpose of the Program Decision Package (PDP), the basic building block of the Air Force PPBS process. "While PDPs were initially developed strictly for (Program Objective Memorandum) POM preparation, they are now updated throughout the year and provide a program track throughout the PPBS process" (2:23). "A PDP describes an independent portion of the Air Force program in terms of the (total) resources needed for that portion (or program)" (2:23). "Programs are aggregations of Program Elements, and, in turn, aggregate to the total Five Year Defense Plan (FYDP)" (4:3).

One of the best overviews of the whole system from the executive perspective is the AF/PR Primer on the PPBS. I recommend a review of the primer for the strategic view of the process. The Primers are scarce and tough to find. See your Panel Point of Contact (POC) for a copy or go to the exercise people in AF/PRPRP (room 4C165).

You must never forget that the PDP is an Air Force-only format--no one else in Washington looks at the complete "program" the way Air Force programmers do. We don't even have consensus within the Air Staff on the use of the PDP. While the Operating Budget Review Committee (OBRC) now requires MAJCOMs to use the PDP format when they brief, SAF/AC analysts still don't look at the PDP as the prime format for evaluating the resources in your program.

You must remember not to fixate on the PDP. Be looking constantly at your resources from the same angles from which those other folks are viewing your program. We'll discuss those angles as we step through the cycle. Remember, the PDP is an Air Force-only format and as such has its own Air Force database.

DATABASES

Perhaps the most important point to be made in this guidebook is the existence and relationships of the multiple databases used by the Air Staff in the PPBS. There is no "official" directive describing the hierarchy or preeminence of one database over the others, and people may disagree with my opinion. Accept this position as mine, but be aware there is contention and sort the interrelationships out for yourself and your program.

The key database is maintained by SAF/AC, reported to OSD, and eventually sent to Congress. It's called the Force and Financial Plan or F&FP database. Because of this Congressional reporting requirement, the F&FP is considered the only "official" Air Force database. The computerized software program used to manipulate the data is called Automated Budget Interactive Data Environment System (ABIDES).

There are several standard reports available from ABIDES (attachment 12). Your panel, appropriation managers, and AC analysts can also customize a report displaying your resources (present and/or historical) any way you desire. Investigate these reports and find out what's available. Use these reports to become familiar with your program and its history. This background will be invaluable to you at the most unexpected times.

However, ABIDES doesn't contain all the data elements required by certain Congressional committees (or for that matter, Air Force senior leadership). Therefore, ABIDES is "supplemented" with other "speciality databases" controlled by different appropriation managers (i.e. Military Construction (MILCON), procurement, or manpower) or functional Air Staff

offices. For instance, AF/PR has the PDP database for support of the corporate Air Force process. I've attached a matrix of the current Air Force databases and the data elements contained in each system (attachment 11). Refer to attachment 1 for a listing of the appropriation managers and associated budget codes.

The prime "plus" of the PDP database is the narrative field containing a maximum of 1096 characters which describes what the resources do. Remember, your PDP narrative is reviewed by most senior Air Force officials and all the MAJCOMs. For many people, the narrative is all they know about your program. Make sure this write-up is current and says what you want it to say.

At certain points in the cycle (just prior to formal submission of the F&FP to OSD) all the databases are reconciled. But frequently, "off-line" or "balancing" transactions may occur the very next day. This will mean you will have to constantly monitor all the databases you're involved with. Your key contacts for this "monitoring" are your appropriation managers and panel Points of Contact (POCs).

You may have to maintain two sets of books. One set depicting your last "official reported account" from which you answer all Congressional inquiries, and the other set with the current account containing real-world adjustments. This second ledger is the running account you will report to OSD via the F&FP at the next opportunity. There are many ways to handle this possible confusion. You'll have to find your solution. Be aware there are multiple databases.

REMEMBER, THE F&FP IS THE "OFFICIAL" DATABASE.

With a historical review and a warning about the multiple databases under our belt, it's time to start into the details of the PPBS process.

DRILLS AND EXERCISES

There is a technical difference between a "drill" and an "exercise" but nearly everyone in the Pentagon uses the terms interchangeably. I've included the formal distinction in appendix 1, but, for the purpose of the guidebook, I too will use the terms interchangeably.

Each of the "drills" (the POM, BES, and PB) has its own unique problems and opportunities and they all have common threads. Each of the exercises is different in that each drill is run by different organizations with people of differing viewpoints and professional skills looking at your program from

different angles. I'll provide more details as we step through each part of the cycle, but a brief overview follows:

Program Objective Memorandum (POM) Run by AF/PR. The review is by program. The process prioritizes infinite requirements against finite resources. Deals with all five years of the Five Year Defense Plan (FYDP). Inputs come from the MAJCOMs (2:25-31).

Budget Estimate Submission (BES) Overseen by OSD Program Analysis & Evaluation (OSD(PA&E)). Again the allocation of resources is by program (AF OPR is ACB). OSD "takes issue" with the AF POM. Deals with all five years of the FYDP. Inputs come from OSD "functional" offices.

President's Budget (PB) Controlled by the OSD Comptroller (OSD(C)). The resources are reviewed by appropriation and Program Element (AF OPR is ACB). The emphasis is "repricing" and prior year obligation rates. Usually deals with the first two years of the FYDP. Inputs come from OSD(C) (2:5).

All of the exercises will directly endanger your program's resources. Whether it's the MAJCOM, HQ/AF, OSD, or Congress, someone out there doesn't want your program competing for the same finite resources as their pet project. As discussed above, their yardstick for measuring the merit or weakness of your program will change from drill to drill.

All of the exercises result in a reduction of the Air Force "budget" and a subsequent "bill" that must be paid to balance the books. This "bill" creates an indirect threat to your program. Each of the 15 panels (attachment 2) is handed a "target" (a dollar figure) which they must offer to the PRC in the final stages of the drill. However, the panels start meeting as the drill begins and will review their programs (all 5 years of the FYDP), searching for available dollars or "sick" programs to kill. The panel review will operate in parallel with the OSD "functional look" at the same resources. This parallel OSD/panel activity is intended to avoid a mad crash at the end (which it rarely does), but it can also result in "double-dips" to some programs. So, even if your program survives a direct challenge from the Hill or OSD, you may fall victim to a panel generated reduction to "pay the bill".

STARTING POINT

The traditional place to begin a discussion of the PPBS is with the POM (2:24). However, you probably arrived in the summer and won't see a POM for several months--in fact your program may be gone by the time you see the first POM. Depending on the year

(even or odd) it may be a full year and a half until you experience that first POM now that we are operating on a 2-year budget cycle.

It will be several years before we have enough experience with the 2-year budget submission for me to predict how the PPBS will be permanently effected. Congress has not shown a concrete commitment to the 2-year authorization or appropriation so this version of the guidebook is based on an annual cycle.

I'm assuming that since you arrived in the middle of the "Issue Cycle" or BES formulation, you didn't have much to say about the outcome. Somehow, you and your program survived and the DEPSECDEF signed the Program Decision Memorandum (PDM) condensing three months of high-level haggling into a 2 or 3 page document, and the programmatic "issues" are resolved. (I'll explain the BES process in a subsequent chapter.) Therefore, let's begin with the first part of the cycle that you will really be able to influence--the PBD or President's Budget cycle. If you don't fit into my assumed chronology, simply skip to the drill you're interested in.

However, before you get overwhelmed by the pitfalls in the process, it's important to emphasize that <u>good</u> programs do survive. This isn't entirely a doomsday forecast. Programs with strong operational support (war-fighting commands), good operational staff support (AF/XO), and a responsive SPO director and PEM usually survive. This kind of program will probably take its share of hits and may see reductions or delays; but, if the end product can really contribute to the future of the AF, the program will undoubtedly make it to a ribbon-cutting ceremony.

So let's go through each part of the cycle in detail. I will use past experiences of PEMs, appropriation managers, and panel POCs to point out pitfalls to avoid and hints that might help.

<u>PRESIDENT'S BUDGET (PB)</u>

The budget submission from the Executive branch to Congress is called the President's Budget (PB) and is submitted to the Hill in January (1:35). The tool used to build the PB is the Program Budget Decision (PBD) (2:39). Each PBD includes only one appropriation (attachment 1) and includes only certain Program Elements. Historically, there are 110 to 120 PBDs each year.

The people who run the PB formulation are comptroller types who are only looking at a slice of your program. It is your job to make these OSD(C) and SAF/ACB analysts aware of the impacts of

their proposed adjustments to your program. Look at the last PB file in the F&FP database with the help of your panel POC to find out which PBD's impacted your program last year. The omnibus "repricing" PBDs are the ones that will "nickel and dime" your program to death.

PBDs, like Strategic Forces (002) or Tactical Forces (006), are not restricted to SAC- and TAF-unique PEs. They cut across scores of programs. Normally you will not be contacted by the AC or LE analysts to address any impact resulting from these kinds of across-the-board PBD reductions. These hits are relatively small, but to paraphrase the late Senator Everett Dirksen (R-IL), a hundred thousand here and a hundred thousand there and pretty soon you're talking about real money.

Most of the OSD(C) arguments for adjustment via PBDs will be based on mid-year obligation rates of last year's dollars with little or no consideration given to the realities of the habitually late Congressional release of funds or the intricacies of contract negotiations. For example, let's assume that last year Congress issued their traditional Continuing Resolution Amendment (CRA) which meant funds probably didn't filter down to your SPO through HQ/AFSC and the particular Production Division until the second fiscal quarter. If you add a couple months of final contract negotiations and the paperwork associated with the actual transfer of money to the contractor, you may not get to report the expenditure of the money until June or July. The pipeline for reporting actual obligation of funds to OSD(C) through the MAJCOM and Air Staff comptrollers can be 2-3 months long. The money shows up on the books as "unobligated" at the OSD(C) hearings in September. So, due to low obligation of last year's money, you lose some of next year's funds, and probably the following year's too.

Keep the pressure on your "spending agency" (your SPO, for instance) to ensure they expeditiously report all their expenditures. They may not have control over the CRA or contract negotiations, but they can control the administrative reporting. Expediting the paperwork reporting the actual obligation of funds can make a big difference at the OSD(C) hearings. Once again, the pipeline for reporting expenditure of funds to OSD through HQ/AF can be 2-3 months long. The OSD(C) analyst will propose adjustments via a PBD based on the reported percentage of expenditures, not what your SPO says they've spent.

The tool for AF rebuttal of a PBD is called a "reclama" (4:10). The entire reclama process is run by SAF/AC. The actual reclama is usually restricted to one page (with its own unique format) and will be reviewed by an Air Force general officer group called the Budget Review Board (BRB) before being forwarded to OSD by the Secretary of the Air Force (1:35). However, even

when faced with overwhelming "new facts and devastating impacts" of the reductions, the historical percentage of reclamas accepted by DEPSECDEF is about nine cents on every dollar the AF rebuts.

After DEPSECDEF reviews the reclamas the AF will choose to "buy back" eight to ten of the PBDs but will have to "pay" for these PBDs with other offsets. These AF buy-backs are called Major Budget Issues (MBIs). MBIs are usually big items/issues like levels of spares, modification programs, pay, retirement, or the level of effort spent on research and development (4:10).

To pay for the MBIs and to balance the books after OSD(C) makes all their adjustments via the PBDs, the AF must find more offsets. OSD(C) will add more dollars to programs than they have to spend (by reducing other programs), and they will direct the Services to "find additional Total Obligation Authority (TOA)" to balance the books. That translates into a "cut drill." So, even if your program had great obligation rates and survived the direct assault of the PBDs, you now have to deal with your panel because they now have to produce money (offsets) to pay their part of the MBI bill and balance the OSD books. This is when the panel must recommend additional offsets which they have identified in their "parallel review."

You should ensure you don't get blindsided by a late PBD. If the panel is considering a "programmatic" adjustment to pay their bill, a surprise PBD may double-dip your program and could compound any MBI-related impact you have already discussed with your panel folks.

It certainly isn't guaranteed, but daily face-to-face contact during this period with your AC and OSD analysts may ensure there aren't surprises. It is to your benefit to convince the analyst to drop the mention of your program <u>before</u> he ever drafts a PBD. Once a PBD appears "in draft" it's <u>very</u> difficult to get OSD(C) to back down. If you're unsuccessful in keeping your Program Element and program "out of print", and it appears you're getting double-dipped by a PBD <u>and</u> an offset to pay the AF MBI bill, you should go to your panel to see if they can get you off the hook.

From a pure definition standpoint, only the programmers in the building, AF/PR (through the panels) and OSD(PA&E)(in the Issue Cycle or BES), ever propose "programmatic reductions." The budgeteers on the other hand, "never deal with programmatics." Therefore, any repricing they propose is "non-programmatic." There isn't any formal definition of progammatic and non-progammatic, but there is an accepted norm.

Programmatic reductions delay acquisition milestones (e.g. Full Scale development (FSD), Initial Operational Test &

Evaluation (IOT&E), Initial Operational Capability (IOC), or Full Operational Capability (FOC)) or reduce/delete capability from that approved in the Program Management Directive (PMD). The non-programmatic reductions are not supposed to have these kinds of impacts. In many cases that's not true. What is true is that the distinction between a programmatic and non-programmatic change is which office proposes the reduction and not the impact of the resource adjustment. My advice is to vigorously fight any reduction from the comptroller side of the house (AF/AC or OSD(C)) that has any impact on milestones or PMD "directed" capability.

PROGRAM OBJECTIVE MEMORANDUM (POM)

The bulk of the PPBS cycle focuses on the past and present. The only part of the business that looks to the future is the POM (1:18). The POM process is long and drawn-out. It can last more than four or five months with two or more trips into the building by nearly each MAJCOM, Direct Reporting Unit (DRU), and Separate Operating Agency (SOA). They'll come once to brief "disconnects" and again to brief "initiatives" (see appendix 1 for definitions). The panels will seek your advice regarding the MAJCOM/DRU/SOA proposals so you need to know what the users really want. The MAJCOM/DRU/SOA briefer is usually a programmer, not the functional expert, and they don't always accurately explain the request. You can be a big help to the panel and the user by being present during the briefings to provide any background needed.

Never get surprised by a MAJCOM "delta" whether it's a "disconnect", a "new initiative", or a user's suggested offset to pay for their proposed plus-ups. Insist on getting pre-briefed by the MAJCOM/DRU/SOA representatives before they talk to the panels. Keep in touch with your MAJCOM counterparts.

Sit in on early panel briefings (almost always crowded) and try to assess the mood of the panel. You will have a functional representative on the panel. Use that individual to find out who the key players are, who may need convincing, and who doesn't understand your program.

Seek feedback from your PRC representative (usually an O-6). This is valid advice for all drills. Make sure your PRC representative knows as much about your program as your panel chairman. See the panel POC and find out what the panel intends to say about your program in front of the PRC. PEMs rarely get into the PRC because of the limited number of seats. Don't rely

solely on a paper when you're dealing with your PRC representative, especially in the middle of an exercise. Insist on going face-to-face with them and ensure they understand the impact of any proposed changes to your program. Then hold both your panel and PRC representatives accountable. Seek an audience after the meeting and, with your boss in tow, ask them what they did to represent your program. Don't let them off the hook.

Keep the interest up in your program. You can't afford to rest on your laurels. With the high turnover of personnel in the Pentagon, you must conduct a continuous education program. Silence may be interpreted as a sign of weakness in your program. However, if there is a problem, don't instigate a debate until you have a satisfactory answer.

When all the decisions have been made and the books are balanced, the programmers try to translate the program changes into budget language so the AC analysts can make the necessary changes to the F&FP database. This results in "guidance" from AF/PR (the panel support teams) to SAF/AC (the analysts). Monitor this guidance closely to make sure the deltas and their associated PDPs are matched correctly (2:24). Adding dollars to the wrong PDP can be almost as disasterous as taking money from the wrong program. When the database is final, it's "final." Even when it's wrong, it's "right" until the next update.

One of the most potent tools you have is the Zero Balance Transfer (ZBT). While the restrictions on the size/dollar amount of ZBTs will fluctuate during the President's Budget and Budget Estimate Submission exercises, the conclusion of the POM (known as the A3 drill) always includes unrestricted ZBTs. Now don't get too excited because this doesn't mean you can create new money. It does mean that within any given year of the FYDP you can transfer money between PEs, appropriations, and cost elements (attachs 3, 1, & 4 respectively). However, you cannot move money between years or change the program's direction.

These ZBT transactions allow you to adjust your resources to keep pace with real-world changes to keep your program on track. A common scenario follows:

> Your funded program includes front-end RDT&E, overlapping with a 3 or 4 year procurement profile, which dovetails with an O&M line to sustain the equipment once it's delivered to the field. But your SPO has problems with the contractor and you need more R&D money to fix the cost overrun. With a ZBT you can change your first year of procurement into R&D to cover the SPO shortfall and then backfill the procurement with the first year's

O&M. The end result is a delayed IOC and FOC, but your program has lived within its resources and directed program content.

To initiate a ZBT, your panel will require a coordinated Change Contol Sheet. (A blank CCS is at attachment 6.) This transaction will then be included as part of the "guidance" passed to the AC analysts. Use the ZBT to keep your program on track. Extra money to fix program shortfalls will be very scarce for the forseeable future, and programs will have to live within the resources they have.

BREAK TIME

Vacation time usually comes right after the "guidance" is passed to AC. This break coincides nicely with the school systems' summer vacation. Make sure the "guidance" is written correctly and then take a well-deserved vacation. Natural breaks in the cycle are rare--this is one of the biggest. The next drill starts soon.

BUDGET ESTIMATE SUBMISSION (BES)

The publication of the BES is the culmination of intense deliberations in the Issue cycle, which runs from early July to Labor Day (2:33). If you're a glutton for punishment, seek membership on an Issue Team. This part of the process is where the OSD and OJCS functional offices "take issue" with the service POMs. Service "experts" comprise issue teams and work with the OSD issue authors to try and convince OSD that changes to the proposed POMs aren't necessary. Usually it's not that the OSD ideas aren't good, but it's a matter of not having enough resources to pay for their ideas. Air Force participation on the teams is controlled by PR and you'll need the sponsorship of your panel chairman if you're not in PR. It's a great opportunity to interface with the AF Secretariat and OSD at the highest levels. I recommend this experience to everyone--once! It's very demanding and will eat up your summer, but it's worth it.

As a member of an Issue Team, or even if you're simply asked by your OSD counterpart to help clarify something about the POM, defend the AF POM at all costs. Doing otherwise could mean serious trouble and could end a career--yours!

Remember, the Secretary of the AF has signed the POM and has said it's the best balanced submission we can put together. If

you feel there's something really dumb in the POM or your program has changed over the summer, work with your panel and PRC rep and fix the error within AF channels. It will almost always get fixed. Don't go behind the Secretary and Chief's backs by working your program's shortfall via an Issue!

There are eight or nine Issue Books (attachment 7) (2:35). There's a large infrastructure of action officers and generals to determine the issues and then brief them to the Chief of Staff and the Secretary (1:33). Find the individual doing the word-smithing on your program in the Issue Book and volunteer to help--they'll accept.

The final "issue" decisions are made at the DRB--very powerful people. (The membership of the DRB is at attachment 8.) The outcome doesn't always make sense to the folks in the trenches because there are a lot of political decisions made at this level. The best available record of what happens in these meetings (which by design is woefully incomplete) is called the "Issue Scoresheet." You can find a copy in the office that supports your Air Staff Board member.

As the DRB negotiations conclude and the "Issues" are concluded, PR will get a "bill to pay" from OSD(PA&E). A "successful" OSD issue means the Air Force has lost its case and now has a bill to pay. For instance, if a strategic aircraft program has money added as a result of a successful issue, the Air Force offset to pay for this add will most likely come from strategic PEs. Again, you don't really gain anything by working "behind the issues" with OSD. At this point the panels are again operating in parallel looking for "weak programs" to pay the bill.

Most of the contentious issues aren't settled until the very last minute. These major issues usually involve billions of dollars. AF/PR and the Issue Book infrastructure work in parallel with the DRB, betting on how these major issues will come out and trying to anticipate the size of the final bill. The minute the final issues are settled the Air Force must be ready with a list of acceptable offsets that exactly equals the the bill--magic!

The process is particularly dangerous in the final days of the BES formulation and very dangerous in the final hours. Get the schedule from your panel POC and be available 24 hours a day in these final 2-3 days.

If any of the large controversial offsets are rejected by OSD, the Air Force needs big bucks in a hurry to fill the offset void. In both my years as a panel POC, I saw major damage to big programs between 10 p.m. and 6 a.m. of the final night. PEMs

who weren't available for comment didn't even know about reductions to their programs until they came to work the next morning, and it was too late to do anything. In my last year there wasn't even time to call the PEMs who <u>were</u> available on standby to discuss the impacts.

Be available constantly! Listen for "hit-list" rumors and keep talking to your PRC and panel folks no matter how exhausted they (and you) become. These "hit-lists" are the sources for the last minute book balancing. TRACK DOWN ALL RUMORS!

Many times senior officers will have their own personal lists. These lists get created by well-intentioned staff officers responding to incredible demands with impossible suspenses and, in some cases, incorporating their general's personal priorities. The facts and impacts concerning these proposals may or may not be correct or complete.

I witnessed a serious reduction to a program even though the very senior Air Force leadership was told the basis for their decision was incorrect. They needed the money and there wasn't time to find an alternative source. Promises to "fix" the program after the dust settled were not kept. When the database is final, it's "final." Follow all rumors about these hit-lists to their source and try to avoid getting this kind of "publicity."

The culmination of the Issue Cycle is a document called the Program Decision Memorandum (PDM) signed by the DEPSECDEF. Attached to the PDM are several pages summarizing the TOA changes driven by the DRB decisions <u>and</u> the services' offsets to pay the resulting "bill" (4:8). Once these changes have been translated into "guidance", we call the result the Budget Estimate Submission (2:36) and pass the product to OSD(C) to begin the process again with another President's Budget. Now that we've completed a full chronological cycle, there are a few points that apply to all parts of the process.

AUDIT TRAIL

<u>All transactions</u> that change <u>anything</u> in the F&FP or PDP databases have an 8-digit alphanumeric identifier called a Change Control Number (CCN). These CCNs are your historical trail for following the changes to your resources; they're also "fingerprints" you can use to find the culprit who "reallocated" your money without coordination. Again, your panel POC is the detective who can help you with this audit trail. They can get you one of the standard reports from the ABIDES system called the

RC-12 which is built for each individual exercise. The standard codes for the individual exercises are as follows:

POM	A1	Disconnects
	A2	Initiatives
	A3	Repricing and ZBTs
BES	B1	Issues
	B2	Repricing and "restricted" ZBTs
PB	C1	PBDs
	C2	Repricing and "restricted" ZBTs

Not every cycle will have all the individual exercises and occasionally others will be added. Your greatest number of "surprises" will occur in the "repricing" or "clean-up" drills (see appendix 1 for definitions of "repricing", "recosting", and "ramp management").

TIMELESS HINTS

COMPROMISE: Don't take "attacks" on your program personally. All the "technicians" are doing their jobs as best they can. They don't always see the PPBS world or your program the same way you do. Always be prepared to negotiate and compromise. Avoid win/lose confrontations.

AUTOMATION: It will be important for you to be proficient on the automation capability in your office. Whatever your rank, at some point in your tour (and most likely, frequently) you'll have to create a late night position paper for a very high ranking official. While normal staffing and coordination of position papers can be a painful process in the Pentagon, it's not unusual for an action officer's paper to go from the word processer to the Chief of Staff and the Secretary in less than a hour during the final hours of the BES or PB. Learn how to use your word processing system. Keep a standard talking or background paper available at all times. If possible, keep several versions (of various detail) available and as current as the changes in your dollars and program allow.

BUDGET EXECUTION: All appropriations except O&M and military personnel are "multi-year" dollars. They don't have to be spent the same year they're appropriated by Congress. Be careful! Every appropriation has an expected expenditure rate for each year (i.e. 70% expended after one year for 3080). That's a minimum rate--if you expect to keep the rest of your money you should plan to be above these required expenditure rates.

OPERATING BUDGET REVIEW COMMITTEE: The OBRC oversees the budgeting for operations and maintenance (O&M) money. You'll need to be intimately involved in the review of the MAJCOM requests. The SAF/ACB analysts usually pre-brief the OBRC chairman prior to the MAJCOM presentation. Work with the analysts before they brief their general.

HUMOR: Keep your sense of humor and take some time off. Ensure you're backed up and leave phone numbers with someone on your panel.

VISIBILITY: Don't hide--be visible to your panel support team, your panel funtional representative, and your PRC representative. If rumors persist about a cut drill, go to your panel, find out how big the bill is, and ask if your program is being reviewed.

CINCS/MAJCOMS: Don't forget your job is to represent a unified or specified CINC or an Air Force MAJCOM (2:2). It's really easy to confine yourself to the Pentagon, but don't let that happen. Your "using" and "developing" agencies must know what you have and have not got funded. Talk to them all the time. Be up-front with them--you'll need their help too!

FISCAL REALITY: Keep your MAJCOM users and your developers in touch with the reality of the fiscal environment of the time. Don't let them bury their heads in the sand if major reductions to the program are inevitable. Make them think smaller budget.

ANALYSTS: Meet your AC and LE analysts and get to know them. Drop in on them when they don't expect it. Their supposedly "non-programmatic" adjustments can kill your program. Make them deal with you face-to-face and force them to acknowledge the impacts of their actions. They have a job to do also, but they should be held accountable to the war-fighting commands for their deeds. Help them understand your program and the commands' missions.

APPROPRIATION MANAGERS: Meet your appropriation managers (See attachment 1). Learn what they do and how they interface with the congressional staffs. The supporting documentation (exhibits) they submit to Congress are known as P-series (for procurement) and R-series (for RDT&E). The preparation of these documents is time-consuming, and you must be meticulous. Start early and follow directions carefully.

ZBTs: Find out early what the rules for ZBTs will be for each drill. There are a few key people in AF/AC and PR who control the rules of engagement. Those rules will change depending upon their experience and the mood of the OSD staffers they deal with. Use the ZBT to keep your program on track.

PANEL BRIEFINGS: Brief your panel on your program "out of cycle." Host the support team or the entire panel at the SPO or operating command. Don't wait for the scheduled "baseline reviews" when they're looking at hundreds of programs. Get their attention when there isn't any pressure of an impending cut drill. Convince them how important your program <u>really is</u> to the Air Force. In other words--market your program.

KNOW YOUR PROGRAM: Know where the dollars will go and for what. Know the procurement schedules and other timelines. Know unit costs, the procuring agency, the kind of contract, who the contrator is, contract award dates, etc. (6:2-4) If you leave unknowns in the minds of the panel, it will make their jobs easier when it comes time to look for money.

PROGRAM DIRECTION: If your program has its "content adjusted" and a programmatic change is directed, it's the PEM's responsibility to issue a change to the Program Management Directive (PMD) (7:Ch 5) and, if necessary, change the narrative in the PDP. A change in the PDP narrative alone <u>does not</u> constitute an official program change. Only a revised PMD changes program content.

PRC REP: Talk to your PRC representatives constantly. Keep these people current on your program all the time. Don't wait for a cut drill to start your representative's education. Keep an up-to-date background paper in their PRC book at all times.

PANEL REP: There is one of your peers (O-4 or O-5) on your panel who needs to be smart on your program too. Early discussions about cutting your program can be turned off quickly if that key individual has the facts. Keep them smart and avoid a "feeding frenzy" on your program's resources.

BOSS: Make sure your boss goes face-to-face with the panel chairman, your panel representative, and your PRC representative. Don't wait until your resources are on the chopping block. Try and establish some kind of rapport between them when the pressure is minimal. Personal relationships <u>do play</u> an important role in the process.

PEOPLE: "The formal PPBS provides the skeleton [for the building of the Air Force budget], but <u>people</u> provide the heart, brains, and muscle which make it work" (2:50).

INTEGRITY: There's a tongue-in-cheek saying that declares PEMs will lie for four reasons:

a. for the good of their country,
b. for the good of the Air Force,
c. for the good of their program, and
d. for practice!

You'll have to establish <u>your</u> credibility and expertise. Your panel and various representatives at different levels of the Air Force Board structure will support you if you level with them and have your facts together.

SUMMARY

For every potential problem I've discussed, there are another 100 I didn't mention or have time to deal with. For every possible solution or opportunity I <u>have</u> mentioned, there are at least another 100 options. The most successful PEMs I had the pleasure to work with were the professionals who could put the needs of the Air Force ahead of their MAJCOM and program loyalties.

After having his program picked apart for two years, one PEM stood up at an early panel strategy meeting and said, "My program should be killed in the first round. There isn't enough money to do the job properly." That took guts, and he took some heat from his MAJCOM; but he knew he was right, and his boss did too.

Don't hesitate to challenge the "technicians." Fight if you really believe your program should survive--but look around and see what other kinds of programs are losing money and assess the relative benefits your program can provide to the Air Force.

Remember, don't take it personally. Take leave when you can and enjoy the opportunities of the Washington area.

GOOD LUCK!

BIBLIOGRAPHY

1. AFP 172-4, The Air Force Budget Process, Washington, DC. 1 October 1984.

2. Air Force. Directorate of Programs & Evaluation. A Primer, The Planning, Programming and Budgeting System (PPBS), Interim Edition. Washington, DC, January 1987. 50p.

3. Department of Defense. Planning, Programming, Budgeting System: Historical Milestones 1961-1973. Washington, DC. 1973? 32p.

4. DoD Instruction 7045.7, The Planning, Programming and Budgeting System, Washington, DC. 19 October 1969.

5. HQ USAF HOI 21-18, The Air Force Board Structure. Washington, DC. 21 November 1986.

6. HQ USAF HOI 27-1, DoD Programming System, Washington, DC. 26 September 1973.

7. HQ USAF HOI 800-2, Program Management Direction, Washington, DC. 5 June 1985.

8. Industrial College of the Armed Forces. A Modern Design for Defense Decision: A McNamara-Hitch-Enthoven Anthology. Washington, DC. 1966. 259p.

LIST OF ATTACHMENTS

1. Appropriations/Codes/Appropriation Managers
2. Corporate Air Staff Panels/MAJCOM Relationships
3. Major Force Programs/Program Elements
4. Cost Elements
5. Organizational Activity Codes (OAC)
6. Change Control Sheet (CCS)
7. Issue Book Titles
8. Defense Resources Board (DRB) Membership
9. Essential Pentagon Phones/Locations
10. Data Element Definitions
11. Data Element Matrix
12. ABIDES Standard Report Definitions
13. MILCON Categories

MAJOR APPROPRIATIONS*

APPROPRIATION TITLE	CONGRESSIONAL AND PDP CODE	ABIDES CODE	LIFE SPAN	APPROP MANAGER
Aircraft Procurement	3010	10	3	LEXM
Missile Procurement	3020	20	3	LEXW
Other Procurement (AF)	3080	16	3	LEXP
MILCON (AF)	3300	24	5	LEEP
RDT&E (AF)	3600	28	2	SAF/AQX
O&M (AF)	3400	30	1	SAF/ACB
Military Personnel (AF)	3500	32	1	PRM
Reserve Personnel (AFR)	3700	50	1	RECB
MILCON (AFR)	3730	51	5	RECB
O&M (AFR)	3740	52	1	RECB
MILCON (ANG)	3830	54	5	NGB/DE
O&M (ANG)	3840	55	1	NGB/AC
ANG Personnel (ANG)	3850	56	1	NGB/AC

Attachment 1

* Expanded from AFP 172-4 pp52-56

AIR STAFF PANELS
AND THEIR
MAJCOM RESPONSIBILITIES*

PANEL	PANEL TITLE	CHAIRMAN	MAJCOM(S)
A	Strategic Offense	PRPF	Strategic Air Command (SAC)
B	Strategic Defense	XOXFD	Air Force Space Command (AFSPACECOM) Alaskan Air Command (AAC)
C	Command and Control Systems	SCPB	None
E	Electronic Combat	XOEX	Electronic Security Command (ESC)
F	Facilities	LEE	None
H	Support Information Systems	SCPB	Air Force Communications Command (AFCC)
J	Research, Development Test & Evaluation	SAF/AQXT	Air Force Systems Command (AFSC)
K	Reconnaissance and Intelligence	XOOR2	None
M	Mobility	PRPFM	Military Airlift Command (MAC) US Transportation Command (USTRANSCOM)
N	Space	SAF/AQSL	None
P	Personnel Activities	DPPR	Air University (AU) Air Force Reserve (AFR) National Guard Bureau (NGB) Air Training Command (ATC)
S	Support	PRPRC	Air Force Logistics Command (AFLC)
T	Tactical	PRPFT	Tactical Air Command (TAC) US Air Forces Europe (USAFE) Pacific Air Forces (PACAF) US Central Command (CENTCOM)
U	Special Operations Forces	XOOS	Special Operations Command (SOC)
W	War Readiness Materials	XOXFM	None

Attachment 2 *Expanded from HOI 21-18 Attachment 2

MAJOR FORCE PROGRAM (MFP)
AND
PROGRAM ELEMENT (PE) COMPOSITION*

MFP	DESCRIPTION	MAJOR USERS
1	Strategic Forces	SAC SPACECMD AAC
2	General Purpose Forces	TAC PACAF USAFE CENTCOM
3	Intelligence and Communications	AFCC ESC
4	Airlift/Sealift Forces	MAC
5	Guard and Reserve Forces	NGB AFRES
6	Research and Development	AFSC
7	Central Supply and Maintenance	AFLC
8	Training, Medical and Associated Activities	ATC AU
9	Administration and Associated Activities	
10	Support of Other Nations (the database substitutes an "a" for "10")	NATO
11	Special Operations Forces (the database substitutes a "b" for "11")	SOC

PROGRAM ELEMENT COMPOSITION

The Program Element is a six-digit code whose first digit is the MFP and last digit designates the service or agency:

XXXXX̲X̲

MFP	SERVICE
a,b or 1-9	A=ARMY F=AIR FORCE N=NAVY J=OJCS D=OSD

Attachment 3 *Expanded from AFP 172-4 and the AF/PR Primer

MAJOR COST ELEMENTS BY APPROPRIATION

There are two types of Cost Elements (CE) PEMs have to deal with. The first is a nine-digit code used on the F&FP ABIDES system:

Positions 1-2 are appropriation (APPN)
Positions 3-5 are element of expense investment code (EEIC)
Positions 6-7 are budget activity code (BAC)
Position 8 designates constant dollars or inflation
Position 9 designates development, investment or operating code

These F&FP data elements are explained in detail in attachment 10

The Cost Elements more commonly used by the PEM are the PDP_CE used on the Program Decision Package (PDP) system. This seven-digit code uses the two-digit appropriation designator in the first two positions and adds either the Weapons System Code (WSC), Resource Identification Code (RIC), or DoD Element of Expense (DODEE) as its source. Again, these individual components are explained in attachment 10. The most common PDP_CEs follow:

3010 Aircraft Procurement	3020 Missile Procurement
101000x Aeronautical Vehicle	1420xxx Aeronautical Vehicle
1010x19 Advanced Buy (PY Credit)	1421xxx Modifications/Updates
1010x29 Advanced Buy (CY)	1422xxx Replenishment Equipment
1011xxx Modifications	1423xxx Space Prgms & Adv Buy
1012000 Common AGE (PAI Costing)	1424xxx Industrial Facilities
101200x Common AGE (Other)	1425xxx Replenishment Spares
1013xxx Sims & Other Tng Devices	1426xxx Initial Spares
1014xxx Industrial Facilities	1427xxx Special Act & Undist
1015001 Non-recurring Spares	
101500x Replen Spares (POS Costing)	
10150xx Replen Spares (WRSK/BLSS)	
10161xx Initial Aircraft Spares	
10162xx Initial War Reserve Spares	
10163xx Initial Common GSE Spares	
10164xx Initial Modification Spares	
1017xxx War Consumables	
1019xxx Other Charges	
10xxxxx Undistributed	

3080 Other Procurement

1681xxx Minitions
1682xxx Vehicles
1683790 Comm-Elect Spares
1683801 Comm-Elect Class IV Mods
1683xxx Elect & Telecom Equip
1684xxx Oth Base Mx & Spt Equip
16xxxxx Undistributed

3500 Military Personnel

3220101 Officer Pay
3220102 Enlisted Pay
3220103 Cadet Pay
3220104 PCS
329xxxx Undistributed
32xxxxx Other

3300 Military Construction

24301xx Ops and Training Fac
24302xx Mx & Production Fac
24303xx RDT&E
24304xx Supply Facilities
24305xx Hospital & Med Fac
24306xx Admin Facilities
24307xx Unaccomp Housing
24308xx Community Facilities
24309xx Utilities Installation
24310xx Air Pollution Abatement
24311xx Water Pollution Abatement
24312xx Energy Conserve Invest
24314xx Planning & Design Prgm
24315xx Minor Construction Prgm
24330xx Consolidated Crypto Prgm
24331xx GDIP
24333xx Special Activities
24xxxxx Undistributed

3850 ANG Personnel

56xxxxx Nat'l Guard Personnel

3400 Operations & Maintenance

3001xxx Civilian Personnel
3002xxx Travel of Persons
3003xxx Transport of Things
3004xxx Std-Level-User-Chgs
3005xxx Utilities and Rent
3006xxx Communications
3007xxx Printing & Repro
3008xxx FNIH Personnel
3009xxx Purchase Eq Mx-Cml
3010xxx Purchase Eq Mx-IF
3011xxx Purch Eq Mx-Oth DoD
3012xxx Other Purchases fm IF
3013xxx Other Purchased Service
3014xxx Aircraft POL
3016xxx Other Supplies
3017xxx Equipment
3018xxx Other Expenses
3019xxx Mat Mx Service Credit
30xxxxx Undistributed

3600 Research, Dev Test & Eval

2800xx1 Technology Base
2800xx2 Adv Technology Dev
2800xx3 Strategic Programs
2800xx4 Tactical Programs
2800xx5 Intel & Communications
2800xx6 Programwide Mission Spt
2839xxx Civilian Personnel
2860xxx Mission Support
2861xxx Fuel
28xxxxx Undistributed

3740 AFR Operations & Maint

5239xxx Civilian Personnel
52xxxxx Other O&M (AFR)

3840 ANG Operations & Maint

5539xxx Civilian Personnel
55xxxxx Other O&M (ANG)

Attachment 4

OPERATING AGENCY CODE (OAC)

A two-digit code on ABIDES which uniquely identifies each MAJCOM, SOA, or DRU which receives Air Force funding.

OAC	AGENCY
35	HQ Air Force withhold
40	Air Force Intelligence Service (AFIS)
41	National Guard Bureau (NGB)
42	Air Force Accounting and Finance Center (AFAFC)
43	Air Force District Washington (AFDW)
46	Electronic Security Command (ESC)
47	Air Force Systems Command (AFSC)
49	Air Force Communications Command (AFCC)
51	United States Central Command (USCENTCOM)
52	Special Operations Command (SOC)
53	Air Force Technical Applications Center (AFTAC)
54	Air Force Office of Special Investigation (AFOSI)
55	Air Force Audit Agency
56	Air Force Inspection and Safety Center (AFISC)
57	Air Force Manpower and Personnel Center (AFMPC)
58	Air force Operational Test & Evaluation Center (AFOTEC)
59	Air Force Management Agency (AFMEA)
60	AF/ACBMC
62	Air Force Reserve (AFRES)
63	Air Force Logistics Command (AFLC)
64	Air Training Command (ATC)
65	Military Airlift Command (MAC)
66	Air University (AU)
67	Strategic Air Command (SAC)
68	Air Force Elements
70	United States Transportation Command (USTRANSCOM)
71	Alaskan Air Command (AAC)
73	Air Force Commissary Service (AFCOMS)
74	Pacific Air Forces (PACAF)
76	Air Force Engineering & Services Center (AFESC)
78	Tactical Air Command (TAC)
79	Aerospace Defense Command (ADC)
80	United States Air Forces Europe (USAFE)
83	Space Command (SPACECMD)
88	Foreign Military Training Assistance Group
93	United States Air Force Academy (USAFA)

Attachment 5

CLASSIFICATION

PRPRP CTL NO

PDP CHANGE CONTROL SHEET (CCS)

SUSPENSES 1. _____
2. _____
3. _____
4. _____

EXERCISE _____

DELTA PDP NO. _____

DELTA PDP TITLE. _____

ADD/DELETE FUNDED PDP NO. _____

ADD/DELETE FUNDED PDP TITLE _____

HOME PDP _____

HOME PDP FOR PE _____?

WHO DIRECTED CHANGE _____

WHAT IS DELTA PDP SUPPOSE TO ACCOMPLISH ? _____

RESOURCE SUMMARY FOR DELTA PDP

PE/APPN/CE	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94

ADMIN RULE: MERGE ☐ PE MOVE ☐ CE MOVE ☐ SPREAD ☐ NEW INITIATIVE ☐

GUIDANCE REMARK: _____

COORDINATION:

PANEL(S) _____ MANPOWER _____

FORCE PROGRAMMER _____ PEM(S) _____

FLYING HOURS _____ APPN MGR _____

PROP MGR _____ AFR/ANG _____

PRPRP USE ONLY

INITIAL RECEIPT/ISSUE _____ ADD/DELETE LIST _____

RETURNED _____ DELTA LIST _____

RECEIVED _____ GUIDANCE: VERSION _____

DATE _____

CLASSIFICATION

CLASSIFIED BY: _____

DECLASSIFY ON: _____

ISSUE BOOK TITLES

BOOK NUMBER	TITLE
1	Policy & Risk Assessment-CINC Issues Memo
2	Nuclear Forces
3	Conventional Forces
4	Modernization and Investment
5	Readiness & Other Logistics
6	Manpower
7	Intelligence (limited distribution)
8	Management Initiatives, Defense Agency Issue Memo

Attachment 7

DEFENSE RESOURCES BOARD (DRB) MEMBERSHIP*

Chairman: Deputy Secretary of Defense

Executive Secretary: Director, Program Analysis and Evaluation

PERMANENT MEMBERS

Secretary of the Army
Secretary of the Navy
Secretary of the Air Force
Chairman, Joint Chiefs of Staff
Under Secretary of Defense (Policy)
Under Secretary of Defense (Research and Development)
Assistant Secretary of Defense (Acquisition and Logistics)
Assistant Secretary of Defense (Command, Control, Communications and Intelligence)
Assistant Secretary of Defense (Comptroller)
Assistant Secretary of Defense (Health Affairs)
Assistant Secretary of Defense (International Security Affairs)
Assistant Secretary of Defense (International Security Policy)
Assistant Secretary of Defense (Manpower)
Assistant Secretary of Defense (Research and Technology)
Assistant Secretary of Defense (Reserve Affairs)
General Counsel
Director, Program Analysis and Evaluation
Director, Strategic Defense Initiative Organization
Director, Operational Test and Evaluation
Assistant Director for National Security and International Affairs

OTHER ATTENDEES (NONVOTING)

Chief of Staff, Army
Chief of Naval Operations
Chief of Staff, Air Force
Commandant Marine Corps
National Security Council Representative

Attachment 8

*Extracted from AF/PR Primer

ESSENTIAL PENTAGON PHONE NUMBERS AND LOCATIONS

	Room #	Phone**
Audiovisual Equipment	5E233	78105
Barber Shops		
POAC (they take appointments)	POAC	920-3007
Concourse*	Concourse	52470
*Check with your office-mates to find out which barbers to avoid		
Beauty Shop	Concourse	71644
Biographies		
AF (active duty)	4C914	57793
AF (retired)	5C879	55809
Army	2E749	77994
Clothing Sales		
Purchases	5E510	57508
Alterations	5E510	59690
Club Purchasing*	5E380	79866
*"Membership" is a building pass or military ID		
Computer Hardware Maintenance		51450/72193
Computer Supply Store	5E152	N/A
Department of Motor Vehicles (VA)	Concourse	55786
Executive Dining Room	3C1063	50876
Finance	5D236	56694
Florist	Concourse	50800
Graphics (AF)	5E181	78251
Jewelry Store	Concourse	521-2444
Legal Assistance		
Notary Public-AF	5C276	70413
Lock Shop (Safe lock-outs)	5E322	53364
METRO Information	Concourse	635-1234 (ask for Pentagon)

Passports	1B872	N/A
Pharmacy*	4A750	71188
*Flight surgeon's office will fill prescriptions written at Malcolm-Grow Clinic (Andrews AFB hospital)		
Photo Lab	1C600	52603
POAC		
Paging		521-5023
Cafeteria (reservations)		521-5020
Printing Plant (AF)	4C851	52355
Recreation Services		
Army	3A176	73816
Air Force	5E367	79866
Armed Forces Hostess Assoc.	1A736	73180
Reference Libraries		
AF Publications	4A1088C	74835
DoD Publications	3B960	52167
Reproduction (AF self-help)	4A1088D	75079
Small Computer Software Assistance	3A153	40580
Switchboard*	BF935A	71201
*"Official" connection from AUTOVON to your home or vice-versa		
Tours		
Helicopter tours of DC	Nat'l Arpt	920-1194
by Stuart Aviation	Commuter Terminal	
Pentagon (begin at 0930)	Concourse	51776
Travel (GELCO)		
TDY Domestic	1A864	762-8180
TDY International	1A864	279-7901
Personal	Concourse	979-5500
Emergency (on the road)		800-328-6200
Video Club	5E416	N/A
Weather (recording)		936-1212
Worldwide Locator	Randolph AFB	AV 487-5774

**All Pentagon phone numbers have "69" as the missing commercial prefix, and "22" as the AUTOVON prefix.

Attachment 9

DATA ELEMENT DEFINITIONS

CODE: APPN TITLE: Appropriation SOURCE: Congressional Law

DEFINITION: A fund authorization established by Congressional Act which permits Federal agencies to obligate the Federal government to pay for goods and services.

PURPOSE: Appropriations allow identification of funds by their expenditure category, i.e., investment, personnel pay, construction.

CODE: AV_ID TITLE: Aerospace Vehicle Identification
SOURCE: DoDM 4120.15-L

DEFINITION: Unique identifier for all aerospace vehicles of direct interest to DoD.

PURPOSE: Provides cross-reference to approved designations and popular names.

CODE: AV-PURP-ID TITLE: Aerospace Vehicle Purpose ID
SOURCE: AFR 800-20, VOL I

DEFINITION: Indentifies the purpose for which an aerospace vehicle or trainer is assigned or possessed. For example, combat coded aircraft are indentified as CC resources; TF relates to flying training.

PURPOSE: Discriminates between like aircraft for employment purposes.

CODE: CCN TITLE: Change Control Number SOURCE: ABIDES ASCAD

DEFINITION: An eight-position field assigned by the Air Staff to provide an audit trail of each change to the F&FP database.

PURPOSE: Allows tracking of changes from each exercise for any program or level of detail.

CODE: CE TITLE: Cost Element SOURCE: ABIDES

DEFINITION: A nine-digit field denoting appropriation (positions 1-2), element of expense (positions 3-5), budget activity

(positions 6-7), constant dollars or inflation (position 8), and development, investment, or operating code (position 9).

PURPOSE: Identifies the element of expense for Air Force programs.

CODE: CMD TITLE: Command SOURCE: ABIDES

DEFINITION: Identifies MAJCOM's and Separate Operating Agencies.

PURPOSE: Identifies resources by command.

CODE: CONFIG_ID TITLE: Configuration Identification
SOURCE: AFR 700-20, VOL I

DEFINITION: Aircraft unique system configuration, e.g., F-15C with PW F100 engine = PV; F-15C/D with PW F200 engine = PW.

PURPOSE: Identifies aircraft unique system configurations for improved logistical support.

CODE: COUNTRY TITLE: Country SOURCE: ABIDES ASCAD

DEFINITION: Nation/country where a specific manpower resource is based.

PURPOSE: Assures various end strength ceilings are tracked and maintained per status of forces agreements, Congressional inquiries, and budget submissions.

CODE: EEIC TITLE: Element of Expense Investment Code
SOURCE: ABIDES

DEFINITION: A subset of appropriation which categorizes the nature of services and items acquired for immediate consumption or capitalization. There are two types of EEIC: DoD Element of Expense, 2 positions, and Air Force Element of Expense, 3 positions.

PURPOSE: Identifies the type of resource consumed in executing a program.

CODE: INSTL_NAME TITLE: Installation Name SOURCE: GEOLOC

DEFINITION: Base name where resources are located.

PURPOSE: Relates resources to bases.

CODE: MILCON_PROJ TITLE: PDC Project Number
SOURCE: Base level programmers

DEFINITION: A 12-position identifier used to control and track MILCON projects.

PURPOSE: Allows tracking of MILCON projects through this unique number.

CODE: MOD_NO TITLE: MODIFICATION NUMBER SOURCE: AFLC

DEFINITION: A four- or six-position identifier associated with aircraft modifications. This identifier provides a reference for a specific aircraft modification for programming and management considerations.

PURPOSE: Provides tracking of Class III, IV, and V aircraft modifications for LEX action officers.

CODE: OAC TITLE: Operating Agency Code SOURCE: AFAFC

DEFINITION: A two-digit code which uniquely identifies each MAJCOM, SOA or DRU which receives Air Force funding.

PURPOSE: Allows identification of command/agency/unit-related funding.

CODE: PBD TITLE: Program Budget Decision SOURCE: OSD/C

DEFINITION: A code derived through a matrix of program element, weapon system code, operating agency code, and cost element which relates OSD decisions to program funding.

PURPOSE: Relates OSD-related changes to program funding within the ABIDES database.

CODE: PDP TITLE: Program Decision Package SOURCE: ASB Panels

DEFINITION: A four-position identifier assigned to a set of resources (cost and quantity) associated with a "named program". Named programs can occur in any combination of program elements, appropriations, or cost elements.

PURPOSE: Provides a means of aggregating resources into a single identifiable package (PDP) in order to define all resources (costs and quantities) associated with a specific named program.

CODE: PDP_CE TITLE: PDP Cost Element
SOURCE: PDP Conversion Tables

DEFINITION: Lowest level of cost/resource detail in the PDP. The PDP_CE is derived from ABIDES according to the APPN, e.g., for APPN 1-4 and 16, WSC is the source; 5-7, RIC; 10, 14, 24, 28, 30, 50, 51, 52, 54, 55, 56, 58, 60, and 61, EEIC (APPN 30 uses the EEIC converted to a DODEE.

PURPOSE: Provides resource and cost data at a sufficiently aggregated level of detail to aid the Air Staff Board Structure in making programmatic decisions and allow budget analysts to interpret the decisions as changes in ABIDES.

CODE: PE TITLE: Program Element SOURCE: ABIDES

DEFINITION: An aggregation of appropriation/EEIC funding and resources which constitute a specific, identifiable military capability or support activity.

PURPOSE: Relates programs to funding per OSD program budget definitions.

CODE: PROJ_TYPE TITLE: Type Program SOURCE: Base/MAJCOM

DEFINITION: A three-position code which allows differentiation of MILCON projects according to the activity, i.e., Active, ANG, AFRES, MFH, O&M, or medical.

PURPOSE: Identifies type of program, i.e., REF - Regular Air Force, ANG - Air National Guard, RES - Reserves, NAF - nonappropriated funds, MFH - Military family housing, O&M - operations and maintenance, MED - medical.

CODE: RD_PROJ TITLE: RD Project SOURCE: PEM

DEFINTIION: An R&D project groups tasks or efforts directed toward a single end result. A project will contain an effort unique to a single program element and the budget activity of which that element is a part.

PURPOSE: Identifies funding associated with a specific project for the budget submission.

CODE: REGION TITLE: Region SOURCE: ASCAD Country Table

DEFINTIION: Identifier for one of nine geographic regions to which manpower resources are assigned.

PURPOSE: Provides basis for cost factors and analysis of manpower resources. Allows a determination of manpower by region for budget submission and Congressional inquiries.

CODE: RIC TITLE: Resource Indentification Code SOURCE: OSD/C

DEFINITION: An OSD data element which identifies appropriation manpower, force structure, or unit size. Required by OSD/C in the budget submission.

PURPOSE: Identifies funding and resources for the FYDP transmission to OSD.

CODE: UNIT_ID TITLE: Organization SOURCE: AF/PRPJ

DEFINITION: Provides the number, kind, and type of an organization which contains PDS resources. Example: 1234TFGS90000.

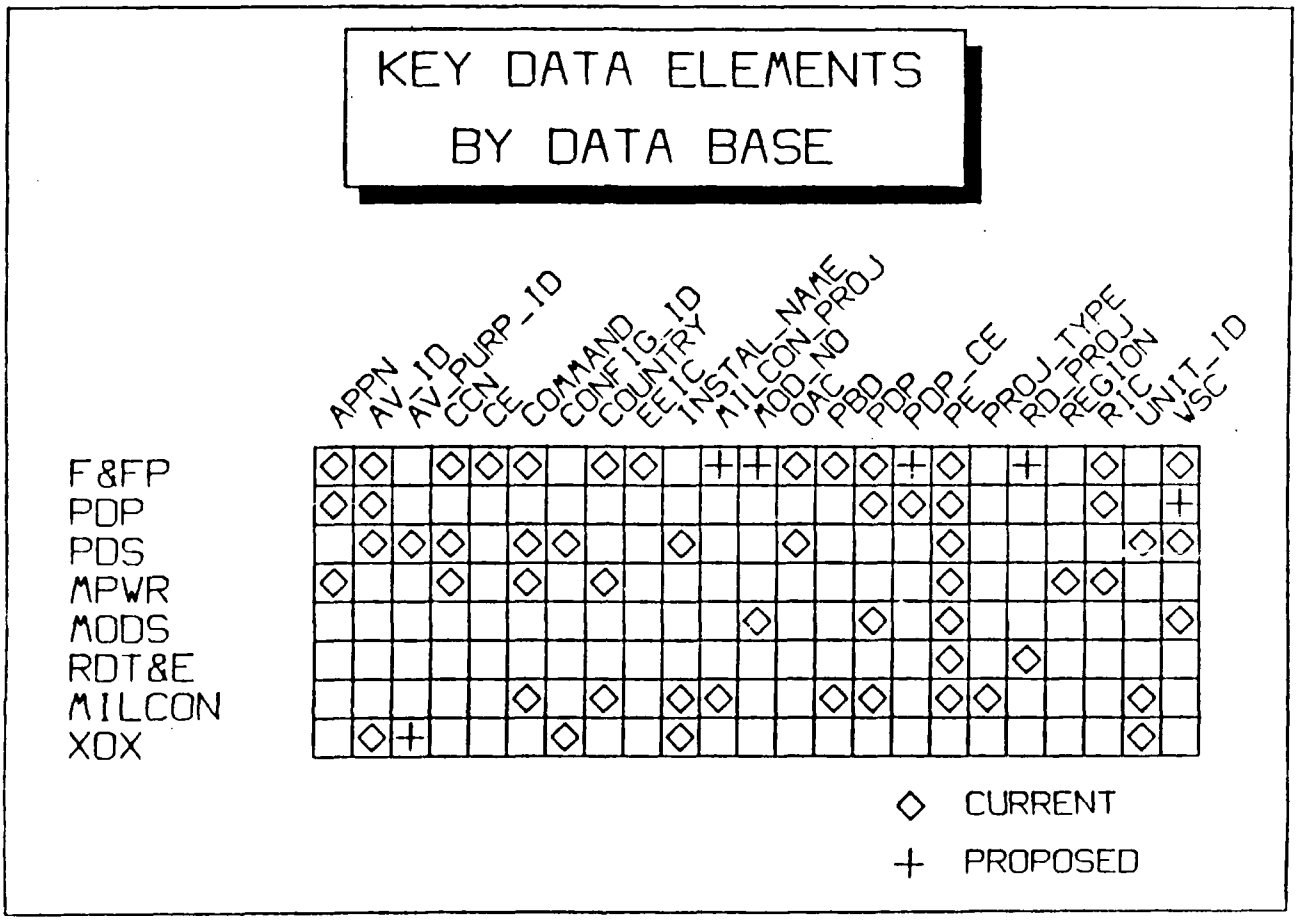
CODE: WSC TITLE: Weapons System Code SOURCE: PDS, LE, RD

DEFINITION: A six-position identifier for line items in the procurement (investment) and RDT&E appropriations.

PURPOSE: Identifies line item funding or quantities.

The above information was condensed from a product produced by AF/PRFS, Col Fred Czerner, in the spring of 1987 for the PDP Working Group.

Attachment 10



The above matrix was provided to the Program Decision Package (PDP) Working Group in the spring of 1987 by Col Fred Czerner, AF/PRFS

Attachment 11

ABIDES STANDARD REPORT DEFINITIONS

RC-12: This report is broken by Program Element (PE), Resource Identification Code (RIC), and appropriation. Shows the changes to the baseline position for any given exercise. Note the report only goes down to the appropriation level. You will need a specialized report down to the Organizational Activity code (OAC) and Element of Expense Investment Code (EEIC) to accurately determine what happened. The report reflects the Change Control Number (CCN) which provides the audit trail for each transaction. The RC-12 reflects "exercise guidance" and shows the impacted Program Decision Package (PDP).

OMPE: This report only shows operations & maintenance (O&M) resources. It is broken by PE and has subelements of endstrengths, manyears, and flying hours. The lowest level of detail on the OMPE is the EEIC.

OM 31: This report shows your program in current and inflated dollars. It's the report that shows the impact of inflation. The OM 31 is broken by PE, Department of Defense Element of Expense (DODEE), and EEIC.

STD101: Called the "standard 101", this one-page report shows an entire PE at the appropriation level. It's an excellent report to see flying hours, end strengths, and manyears. In contrast to the OMPE, the STD101 shows all appropriations.

STD106: The "standard 106" is a multi-page report broken by PE, APPN, and CE. It shows dollar appropriations but does not include manpower. It's a good report to use if you want a gross total for the PE.

Attachment 12

MILITARY CONSTRUCTION CATEGORIES*

INTRODUCTION: Each of the projects in the Military Construction (MILCON) Program is placed into one of these two broad categories: New Mission or Current Mission.

DEFINITION:

New Mission - This category consists of all projects considered "must pay" items since they directly support decisions already made to acquire and deploy weapons systems and equipment, or to achieve a high degree of force sustainability and readiness, or to provide the capability for rapid deployment of contingency forces. New Mission MILCON does not revitalize existing Air Force facilities. This category includes projects to support: (a) new and expanded mission beddowns such as the B1-B bomber, Peacekeeper, Advanced Technology Bomber (ATB), and Over the Horizon Radar (OTHB); (b) new equipment scheduled for delivery such as flight simulators, computers, command control and communications equipment, and intelligence gathering equipment; (c) space programs and new research, development and test initiatives; (d) force sustainability, readiness and increased combat capability and survivability of our forces in Europe and the Pacific such as POL and munitions storage, aircraft shelters, security facilities, chemical warfare protection, alternate launch and recovery, and rapid runway repair facilities; and (e) projects to support rapid deployment of contingency forces to Southwest Asia and Central America, such as facilities at Oman, Morocco, Diego Garcia and Panama. The "New Mission" category also includes planning and design funds which are required to design all future construction programs and finally, the minor construction program which supports urgent out of cycle requirements.

Current Mission - This category provides facilities that are essential for attracting, retaining, and motivating quality Air Force people. These include projects that provide better places to live and work in and are essential for revitalizing and protecting the $117 million investment in the Air Force physical plant. This is done by upgrading or replacing obsolete facilities and alleviating existing space shortages. "Current Mission" projects increase efficiency, productivity, and morale, and while not specifically driven by weapons and equipment purchases, they are essential to accomplishment of the Air Force mission. The category includes upgrading and replacement of unaccompanied personnel housing, morale and welfare facilities, shops, storage, administration facilities, improved research and development facilities, and utility systems.

Summary of Content of each Category

New Mission - Typical Items Included

- Aircraft beddowns such as B-1B, ATB
- Missile Programs such as - Peacekeeper, Small ICBM, ALCM
- Radar/Electronics such as - OTHB, Simulators, Communications, Intelligence, Computers
- Special R&D such as Large Rocket Test Facility
- Space such as Titan Launch Facilities
- Readiness/Sustainability such as - POL, Ammo, Shelters
- Air Base Operability
- Southwest Asia support at Oman, Diego Garcia, and Morocco
- Central America support at Howard

Current Mission Typical Items Included

- Building replacements, building upgrades and correction of long-standing building deficiencies
- Unaccompanied Personnel Housing
- Gyms, Chapels, Libraries, Recreation Centers
- Aircraft, Vehicle, and Base Engineering Maintenance Facilities
- Warehouses and other storage
- Utility Systems
- Improvement of R&D Facilities
- Pavements (airfield and roadways)

*The above paper was provided by HQ USAF/LEEPD (Facilities Panel) to the Air Staff Board Structure Panels in the spring of 1987.

Attachment 13

APPENDIX

The following glossary has been extracted from Major Dan Mumaugh's 1987 ACSC project (87-1825), The ABCs of the PPBS, an Action Officer's Glossary and has been edited for brevity. Entries preceeded by an asterisk have been added or modified. Biographic entries refer to Major Mumaugh's references which follow the glossary.

ADVOCACY PDP: This type of PDP is used to lend support to a program not sponsored or built by your organization. These PDPs are almost always coordinated between MAJCOMs in support of each other. For example, your MAJCOM may have great interest in a particular program being pursued by another MAJCOM. In recognition of this interest, your MAJCOM builds a PDP that mirrors the other command's PDP and includes it in your Program Objective Memorandum (POM) submission to the Air Staff. Normally, when you submit a new PDP to Air Staff, you provide the funds to execute it. In the case of an Advocacy PDP you hope the other command can cover the cost of executing the program. If they are unable, your command will be asked to provide your share of the funding required.

AIR FORCE COUNCIL (AFC): Highest Air Staff decision making body (PPBS decisions among others). The AFC resides at the top of the Air Force Board Structure (except for the SECAF Policy Review Council which doesn't get too involved with POM development) and is the last level of POM review prior to the Air Force POM going to the USAF Chief of Staff and the SECAF. The AFC is deeply involved in the PPBS because it is charged with reviewing Air Force objectives in light of the USAF mission and the associated policies, plans, and problems involved in accomplishing it. A look at the AFC voting membership will illustrate why it is at the top of the Air Force Board Structure:

AF/CV	Vice Chief of Staff (chairman)
AF/CVA	Assistant Vice Chief of Staff
SAF/AC	Comptroller of the the Air Force
AF/IG	Inspector General
AF/LE	DCS Logistics and Engineering
AF/DP	DCS Personnel

AF/XO	DCS Plans and Operations
AF/PR	DCS Programs and Resources
SAF/AQ	Military Deputy for Acquisition
AF/SG	Surgeon General (1:79)

AIR STAFF BOARD (ASB): The ASB has wide-ranging responsibilities similar to that of the AFC. As far as its PPBS duties go, the ASB reviews all POM related issues prior to those issues going to the AFC. The ASB's voting membership is as follows:

AF/PRP	Director of Programs and Evaluation (chairman)
AF/IG	Deputy Inspector General
SAF/ACB	Director of Budget
AF/IN	Asst Chief of Staff for Intelligence
SAF/AQ	Director of Development and Production
AF/SC	Asst Chief of Staff, Systems for Command, Control, Communications and Computers
AF/XOX	Director of Plans
AF/LEX	Director of Logistics Plans and Programs
AF/SGH	Director of Medical Plans and Resources
AF/DPP	Director of Personnel Programs
AF/SA	Asst Chief of Staff for Studies and Analysis (1:Fig 7-3)

AIR STAFF BOARD STRUCTURE: The Air Staff Board Structure is the Air Force corporate organizational framework with and within which HQ USAF and Air Staff senior officials can review, plan, implement, and study Air Force issues to include future plans and policies, major programs, resource allocation priorities, etc. It consists of the following:

The SECAF Policy Review Council/Program Review Participants
The Air Force Council
The Air Staff Board
-The Force Structure Committee
-The Program Review Committee
-The Operating Budget Review Committee
-The Security Assistance Committee
-14 Panels
-Action Officers

This organizational framework is constantly in use. While it can and does allow the Air Staff to work any issue in a corporate manner, it is particularily well suited to PPBS activities, especially POM building. Starting at the very bottom and the foundation of the successful functioning of the entire structure are the Action Officers. They are the Program Decision Package and Program Element Monitors, the

people who put all the data together to form the POM itself, the program advocates, and the program defenders. Action officers are often panel members themselves and as such respond to the panel chairmen. Panel chairmen have twenty to thirty panel members (captains, majors, and lieutenant colonels) on whom they rely to review and prioritize baseline and new initiative programs. Panels are chaired by colonels. The panel chairmen are responsible to the committees--primarily the Program Review Committee. The committees are made up of senior colonels (12 to 15) and are chaired by general officers (usually brigadiers). The committees report to the Air Staff Board (ASB) which is populated primarily by major generals and is chaired by AF/PRP. The AFC is chaired by the Vice Chief of Staff (four star general) and its membership is mostly at the Deputy Chief of Staff level (three star generals). The whole organization is serviced by a board secretariat (AF/CVS) which provides administrative and scheduling support.

APPROPRIATION: This is a type of funding authorized by an act of Congress. This act (manifest as an appropriation bill) allows a department or agency (like the DOD or CIA) to obligate the United States government to pay money. This money may be paid for goods (F-100 engines and spare parts) or services (contractor support to install F-100 engines in F-15 fighters). The appropriation itself does not cost taxpayers any money--it only authorizes the department or agency to sign a contract or in some manner fiscally obligate the government for goods yet to be delivered and services yet to be performed. The money is only paid after it has been raised by the treasury in anticipation of receiving the goods and services and only as/after those items and actions have been realized. Appropriations may be in effect for varying lengths of time--an annual appropriation lasts for one fiscal year. A multiyear procurement contract may have the benefit of being authorized a multiyear appropriation and be in effect for an entire Five Year Defense Program. (3:A-3)

APPROPRIATION CATEGORY: Also known as and referred to as "Color of Money". These categories or "colors" are the channels down which money, once appropriated by Congress, flows to a specific program. It is a broad way to slice the DOD money pie and it allows Congress to (in a macro way) see where funds are going. These categories are described in detail in AFP 172-4 and they are further broken down into their subelements--you should refer to 172-4 for a description of what these categories buy and for a listing of their subsets.

APPROPRIATIONS BILL: This bill (passed by the U.S. Congress once a year) actually grants monies sought by departments and agencies via their PPBS activities and as approved through the Congressional authorization process. This is, in POM builders' language, when the check is finally put in the mail. It is the last Congressional action that caps the PPBS process--it legislates the dollars! These are the dollars which the Air Staff Board Structure and the major commands programmed approximately two years prior to the year of the bill's passage. However it often does not appropriate the full amount sought by the Air Force or authorized by the Congressional Authorization Committees. In recent years Congress has failed to pass this bill within the time limits it has imposed on itself. In this case, Congress passes what is known as a Continuing Resolution Amendment (CRA). A CRA allows the government (DoD included) to continue to operate at previously approved levels of funding but does not allow any new programs to be started unless specifically stated in the legislation. An appropriations bill is the product of both houses of Congress. In the House of Representatives, this process is conducted by the House Appropriations Committee, referred to as the HAC. In the Senate, the process is handled by the Senate Appropriations Committee--it is known as the the SAC.

AUTHORIZATION BILL: This is similar to an appropriations bill in that it too is a Congressional process aimed at putting money against needs. An authorization bill precedes (usually) an appropriations bill and as such is the second to last step prior to the services (as well as all other government departments and agencies) being able to expend funds. However, there is an important difference between the two processes. While an appropriations bill grants actual expenditure of funds, the House and Senate Authorization Committees merely "O.K." programs and the cost associated with them as long as that cost is not open-ended.

BASELINE: This term takes on different meanings depending on whether you are a planner, a programmer, a budgeteer, a logistician, or an acquisition specialist. No matter what category you put yourself in, the meaning of "BASELINE" can change as you transition from one conversation to another--it depends on who you are talking to or what part of the acquisition/PPBS pipeline you are grappling with. The paragraphs below explain two common usages--one for programmers and one for acquisition specialists.

Programmers will most often hear and use this term in relation to individual existing PDPs/ongoing programs--separate packages already funded and expected to continue

(like the PDP funding F-15 Squadrons). They also use it when referring to an entire group of existing PDPs/ongoing programs--again funded and expected to remain that way (all those programs contained in last fiscal year's Air Force budget). In simple language "BASELINE" programs are those that were already in existence the day the programmer began work in his office. They were funded by Congress in prior years. Barring cancellation or retirement of the program or weapon system, it will continue to receive annual funding. These PDPs and the programs they support form the basis (the BASELINE) for building new programs. The programmers add to or take away from these PDPs to enhance the programs themselves or can "claim" money excess to the needs of one or more programs to be used somewhere else by the Air Force or MAJCOM. A particular PDP/program can be called a "baseline PDP/program". A whole group of PDPs/programs can be referred to as the "SAC (or MAC or TAC, etc.) baseline" or the "Air Force baseline".

The definition of baseline to an acquisition specialist is more easily understood, and is found in AFR 800-25. It is used in connection with defining program content when dealing between MAJCOMS and the Air Staff. It involves a rigorous match-up and documentation of program requirements, content, and cost with the participation of all MAJCOMS concerned with the program. Baseline agreements and objectives are coordinated with the Air Staff and tasked via Program Management Directives which are similar to contracts between developing MAJCOMs (AFSC and AFLC), using MAJCOMS (SAC, TAC, etc.), and the Air Staff. (2:A-5).

One final word on the term BASELINE: The two definitions given above are only a couple of the ways this term can be used. If someone uses it and you are not sure of what he or she means, you'd be smart to have them stop and explain their usage--you'll save a lot of confusion.

BASE OPERATING AND SUPPORT (BOS): BOS is what it costs to "open the doors" at any Air Force base and keep them open. BOS dollars are those dollars it takes to sweep the streets and plow the runways. BOS dollars are required to man and operate the commissary and the recreation center. The BOS dollars cannot be directly tied to a weapon system, military construction project, or research and development program. BOS dollars are identified under the 3400 category of appropriations--it is one of those 15 different "colors of money".

BLACK PROGRAM: This term is used almost interchangeably with SAR (Special Access Required). It refers to those programs

that require special compartmentalized security clearances. You may hear someone say, "I can't discuss that program. It's 'black'." Or this, "This program is in the 'black world' and details regarding its funding can't be discussed." Black Programs are handled outside the normal PPBS.

BOGEY: This is best thought of as a TARGET. It is a dollar mark the Air Force, a MAJCOM, or an Air Staff Board/MAJCOM panel can be asked to hit. Who is asking you to hit the BOGEY simply depends on where you sit. If you are chairman of the Air Staff Board, you'll probably be asked (told) by the Defense Resources Board. If you are the person in charge of your MAJCOM POM building shop, you'll probably be asked (told) by the ASB's Program Review Committee or your Air Staff counterpart who represents your interests there. And so it goes. Unfortunately, hitting this target usually involves a lot of figurative bloodletting and literal heartburn because, wherever you sit in this process, the people above are asking you to cut your programs back--usually severely. The term BOGEY is most often used during what is referred to as a "Cut Drill" and that means lots of difficult decisions must be made in a hurry.

BOS TAIL: Every weapon system and every person in the Air Force carrys a BOS (Base Operating and Support) tail around with it, him, or her. A BOS tail is the cost associated with stationing one airplane/missile or a whole squadron at a base. If you put a weapon at a particular base, you are also going to have to send people to maintain it. You are going to have to provide more fuel to power it and its support equipment and people to operate and maintain the support equipment. And you'll have to send more people to take care of the people who work on or with the weapon system--people like commissary workers and hospital technicians, etc. The magnitude of the tail depends on how many airplanes or missiles and people you put on a base, but whether it is a single airplane or 10, a few people or a whole squadron, there are costs associated with putting them there. This funding is almost always in the 3400 appropriation category.

*BUDGET PROGRAM ACTIVITY CODE (BPAC): A BPAC is a Weapons System Code (WSC) for the "Other Procurement" appropriation. These are broad categories which include procurements related to a specific type of activity.

BUDGET ESTIMATE SUBMISSION (BES): The FYDP is updated three times every year and the BES is one of those updates--the other two updates are the PB and the POM. Each update

displays all the programs in the FYDP (known as BASELINE programs) based on a previous costing exercise. In the case of the BES, the data displayed is based on the services' POM submissions to the Defense Resources Board (DRB). When the DRB is through, the SECDEF issues a Program Decision Memorandum (PDM) which tells the services what he did and did not like about their POM submissions and what will and will not be in the DoD's portion of the President's Budget. The BES combines the results of the "issues" between the DRB and the services. It is the document that shows the outcome of the SECDEF's decisions and presents the costs associated with them. Most importantly, it is the BES that the MAJCOMs use to start the construction of their next POM submission to the Air Staff--it is their baseline document.

CLASS IV MODIFICATION: A Class IV MOD is a weapon system modification intended to restore that weapon system to its original capabilities. This type of modification usually is required due to aging of the system or a design flaw discovered after the weapon was placed in service. An example of this kind of modification is having to re-skin the lower wing surface of the KC-135 fleet due to fatigue associated with the airplane's age. This modification restores the aircraft "back to specs", so to speak. The costs of performing these modifications are usually funded under the 3010 (for aircraft) or 3020 (for missiles) appropriation category--two of the fifteen different "colors" of money.

CLASS V MODIFICATION: A Class V MOD is a weapon system modification intended to improve that system's capabilities. This type of modification is usually required to offset an increase in enemy capability or because it just makes sense to modernize the system with available technology. An example of this type of modification is re-engining the KC-135 fleet with new, more powerful engines. This modification improves the KC-135's ability to perform its mission--it improves on the original specifications. The costs of performing these modifications are usually funded under the 3010 (for aircraft) or 3020 (for missiles) appropriation category--two of the 15 different "colors" of money.

COLOR OF MONEY: This term is used interchangeably with and refers to the 15 different appropriation categories Congress uses to channel money into large budget accounts.

CONTINUING RESOLUTION: This is a Congressional work-around of its own rules. It is tied to the annual appropriations

bill supposed to be signed into law each October 1st which is the beginning of the fiscal year. A continuing resolution amendment (CRA) allows Congress to fund the government, to include the DoD, at the previous year's level while they haggle over funding levels in the bill they are trying to pass. The DoD usually watches this debate closely as the Congressional arguments perennially revolve around how much will go to defense programs and how much will go to domestic programs. A CRA does not allow any new program starts unless specifically stated in the legislation. In recent history, Congress has often failed to pass an appropriations bill on time and a CRA has been relied on to fill the gap.

CUT DRILL: This is an activity (usually frenzied) tied to a downward directed reduction in the amount of funding programmed for the current FYDP and/or proposed POM submissions. A cut drill usually occurs as the result of an OSD or Congressionally mandated reduction in the amount of funding the services had programmed into the FYDP. The reduction in the amount of a service's funding means their program plans must be scaled down. This scaling back can take the form of outright cancellation of some programs, reducing the scope of others, a stretching out of many programs, or a combination of all of these options. This kind of drill often creates a pressure cooker atmosphere as the guidance usually comes from high levels and the response time is always too short. You have to present a plan of what your service, command, or panel (depending at what level you're operating) is willing to let go. If you don't present a plan on what you will cut and what you won't, you'll lose something anyway, and it may not be what you would choose to give away first. A cut drill is never any fun to be part of, but you've got to play or you'll lose a program or programs you can't stand to be without.

DECREMENT: Here is one that means pretty much what you'd think it should. It means taking away from an established baseline. This term is used most often regarding taking all or a portion of funding away from a program.

DECREMENT PDP: A decrement PDP is a very special and specific type of "Delta PDP". This type of PDP is built to take funding out of a program. It can "claim" all the money in a particular program or just a portion thereof.

DEFENSE GUIDANCE (DG): The Defense Guidance is an OSD produced planning document. Putting the DG together demands much from the joint staff, service staff, and subordinate

command staff officers who perform this task. It is the "authoritative statement directing defense policy, strategy, force and resource planning, and fiscal guidance for development of the [service] POMs." (3:2-1) The DG has sections in it dealing with "near and long-term threat assessment and opportunities; policy and strategy;. . . force planning guidance; . . . resource planning;. . . fiscal guiddance; and unresolved issues requiring further study".(3:2-1) The DG is distributed throughout the DoD to include MAJCOMs.

DEFENSE RESOURCES BOARD (DRB): The DRB is the highest DoD corporate decision making body and much of what it does revolves around the PPBS. It directs and supervises the OSD review of all the DoD component POM and BES submissions. It ensures the DoD components follow OSD fiscal guidance and generally makes sure the PPBS is kept on track. It attempts to resolve as many PPBS related problems (usually to do with force structure and associated funding levels) without elevating them to the SECDEF. If unable to resolve issues at their level, they make recommendations to the SECDEF regarding their resolution. In simple terms, the DRB reviews each service POM and BES to see if they are in concert with the force structure and fiscal guidance as defined in OSD policy and as laid out in DoD planning documents.

DELTA: This refers to a change (either an increase or a decrease) in a baseline PDP/program. A delta becomes necessary for one of the three following reasons:

1. The original funding profile was not sufficient to produce what the program was supposed to provide. You have a funding shortfall and it has to be alleviated or the program will be unexecutable. A delta (in this case an increase) is applied to fix it.

2. The original funding profile was too generous and all the money contained in the PDP is not required to complete the program. A delta (in this case a decrease) is applied to "claim" the extra money. The excess money is often used to fix programs that have shortfalls, fund new programs, or enhance others.

3. An existing (baseline) program needs to be made more capable. In this case the delta is increasing the amount of money in the program's appropriated funding profile.

In any case, where funding is added to or taken from a program, a "delta PDP" must be built to effect the transaction.

DELTA PDP: This a special type of PDP. It is built to add to or take funding from a program. When this kind of PDP is adding money to a program, it is known just as a "delta PDP. However, when this type of PDP is taking funding from a program it acquires a more specific name--it is then referred to as a "Decrement PDP".

DISCONNECT: Like a lot of these terms, this one has about as many definitions as there are programmers. There is even a quasi-official definition the Air Staff Board Structure recognizes. A disconnect is a program funding or content shortfall--driven by forces "outside the Air Force. The shortfall will result in not meeting a capability or schedule originally programmed. Conscious Air Staff Board decisions (during previous drills) to reduce program content of delay schedules are not considered disconnects. These "program shortfalls are considered initiatives. There are two ways to fix a disconnect:

1. You can adjust program content to align with the funding available. This usually results in stretching the program into the years beyond the FYDP or scaling down of the capabilities the program was originally designed to provide. Sometimes you have to do both.

2. You can add money to the program's funding profile to put it back on its original track. You always try this first. However, your command or panel will have to find resources to fill the shortfall, so be prepared to identify the offset. If you're not successful, then you adjust content and/or stretch the schedule.

*DRILL: Each year there are three scheduled pertubations to the Five Year Defense Plan (FYDP). These "drills" result in:

1. the Air Force Program Objective Memorandum (POM) which is submitted the the Office of the Secretary of Defense (OSD);

2. the pricing exercise resulting in the Budget Estimate Statement (BES), and;

3. the formulation of the President's Budget (PB).

Each drill may have several intermediate steps for changing program content , changing budget projections, inflation adjustment, etc. These "drills" are frequently called "exercises". "Drill" is a term used as an umbrella for all the prepatory meetings, briefings and negotiations involved in each step. The "exercise" is technically a much smaller piece of the process.

*EXERCISE: The actual "exercise" is the implementation of the decisions made during the meetings/hearings in each drill. The "exercise" is the mechanical process involving database manipulation and files transfer.

EXTENDED PLANNING ANNEX (EPA): The EPA is part of Defense Guidance. While the DG looks at and provides guidance for the FYDP years, one of its annexes (the EPA) looks at what our force structure should be 10 years into the future. This anex helps determine where the services and MAJCOMs should direct their programming efforts. (3:X-12)

FIVE YEAR DEFENSE PROGRAM (FYDP): The FYDP is an automated data base. The FYDP quantifies DoD's future plans regarding forces and resources. The data is updated three times a year. These updates coincide with the submission of the service POMs, submission of budget estimates, and submission of the President's Budget. The FYDP contains all the SECDEF approved programs and provides a detailed cost profile associated with each one of them. The FYDP is used extensively for many activities in and out of the DoD. The Executive and Congressional branches of government use it to display and review DoD prior, current, budget, and out-year funding levels. Within the DoD, in addition to containing the official published results of the PPBS process, it is also widely used as a source of data both for analysis and as an input to alternative ways of displaying actual and programmed resources. (2:7)

*FORCE AND FINANCIAL PLAN (F&FP): This database is maintained by SAF/ACB and is the official set of books for tracking all the decisions made by the DRB and the Air Staff Board structure.

FORCE STRUCTURE COMMITTEE (FSC): The FSC is one of the four committees that report to the Air Staff Board. It studies enemy force structure, draws conclusions regarding how our

forces should be tailored to meet the threat, and advises the Air Force leadership (via the Board Structure) accordingly.

FUNDED PROGRAM: A funded program is a program that has had money appropriated by Congress. The terms "funded program" and "baseline program" are used interchangeably. A funded program is a program that made it! What did it make it through? Let's take a simplified look at what it takes for a program to earn the distinction of being referred to as "funded". First it had to survive the MAJCOM POM building competition. Then on to the trials of Air Staff scrutiny, past the DRB issue cycle and the PBD costing routine, hopefully to shine in the President's Budget. But even at that point it couldn't be called a "funded program". It still had to survive the three-tiered Congressional inquisition and then hope to have a check written in its honor at the beginning of the fiscal year. The whole process from the time it started the MAJCOM competition to the time Congress said "O.K." took almost two years. Simply said, "It isn't funded until it's funded." And that means not until Congress says someone can "write a check" on that program's account.

GENERAL DEFENSE INTELLIGENCE PROGRAM (GDIP): This is not a "program" like most of the other "programs" referred to in this appendix. The GDIP funds a number of highly classified activities--many have to do with various reconnaissance programs. A good example of the GDIP's relationship with a MAJCOM is how it works with SAC. SAC owns recon crews and airplanes, but the GDIP funds a majority of their operational flying.

HOUSE APPROPRIATIONS COMMITTEE (HAC): Probably the most powerful committee in the House of Representatives. Between it and its Senate counterpart, it controls all the money in the budget of the United States. This has obvious implications for the DoD as the HAC has jurisdiction over all appropriations and really scrutinizes any appropriation aimed at starting a new program.

HOUSE ARMED SERVICES COMMITTEE (HASC): As far as the armed services are concerned, this committee ranks second only to the Appropriations Committee in degree of impact it has on their plans and programs. This committee has jurisdiction over all monetary authorizations (do not confuse

appropriations with authorizations) for the DoD. It has seven subcommittees that delve into the military's business in detail. When these committees want a question answered, that question gets fired down the line faster than you can imagine (via the SAF/Legislative Liaison Office) and may end up on your desk. The turn around time on q ,stions like these is often numbered in hours. Here's what these subcommittees are responsible for: Investigations, Military Installations and Facilities, Military Personnel and Compensation, Procurement and Military Nuclear Systems, Readiness, Research and Development, Seapower, and Strategic and Critical Materials. (3:A-6)

INITIATIVE: This refers to a new program. It is synonymous with the term "New Start" and is opposite in meaning to "Baseline", "Funded", and "Ongoing".

ISSUE CYCLE: The Issue Cycle occurs every summer and is the DRB's review of the service POM submissions. Issues are divided into eight separate areas and eight "Issue Books" are developed for our senior leadership to refer to during the DRB's review of individual programs.

JOINT PROGRAM ASSESSMENT MEMORANDUM (JPAM): The JPAM is a programming document providing a JCS analysis of the service POMs. It is consulted during POM reviews in conjunction with the DRB Issue Cycle and is an aid in drafting the Program Decision Memorandum each year. It provides a risk assessment based on the composite of the POM force recommendations and includes the views of the Joint Chiefs on the balance and the capabilities of the overall POM force to include support levels. (2:2-2)

JOINT STRATEGIC PLANNING DOCUMENT (JSPD): The JSPD is a planning document. It provides the President, the National Security Council, and the SECDEF military advice regarding force levels and military objectives and strategy as derived from national objectives and strategy. It contains a summary of the JCS force planning levels necessary to execute the approved national military strategy with reasonable assurance of success. It also provides JCS views on the attainability of these force levels in consideration of the fiscal environment, manpower resources, technology, industrial capacity, and the interoperability of cross and joint service programs. Considering the above topics, the JSPD then provides an appraisal of the capabilities and risks associated with the programmed force levels. (2:2-1)

JUSTIFICATION FOR MAJOR SYSTEM NEW START (JMSNS): If a new system will exceed a certain dollar level in its first year or total amount over the FYDP, it must undergo the JMSNS review process. These dollar levels vary. A JMSNS is reviewed by the OSD during its study of the service POM submissions. Only after a JMSNS is reviewed by OSD can it be included in the DoD Budget Estimate Submission (BES). A new program the JMSNS supports is then eligible to compete for a place in the President's Budget. (3:A-7)

MAJOR FORCE PROGRAM (MFP): There are currently eleven MFPs. Of all the ways the DOD's funding is divided, subdivided, and otherwise divvied out, this category of splitting it up is the first and biggest cut. The easiest way to think about this is to consider MFPs as one way to slice the DoD money pie. These big slices (MFPs) can be sliced into smaller and smaller parts (Program Elements, Cost Elements, etc.). A complete description including the types of activities each one of these MFPs covers is contained in AFP 172-4 and DoDI 7045.7 (23 May 84).

NEW START: This term is used interchangeably with and means essentially the same as "Initiative". Both refer to a program/PDP that has never before been funded. Its opposite is a "baseline" or "funded" program. A New Start must compete and survive through the entire POM build, OSD review, and Congressional authorization and appropriation debate before it becomes a "funded/baseline" program. New Starts can be "initiated" at either the Air Staff or MAJCOMs. New Start/Initiative programs require monetary offsets if they are to compete favorably at the Air Staff. The need to provide offsets means the number of these programs any one panel/command can press for is fairly limited.

OFFSET: Offsets are a method of paying for New Starts and Disconnects. They are hard to come by because offsets are, in fact, excess funds that are not or cannot be used somewhere else in the FYDP. When this "excess" money is discovered in a program, it is quickly claimed and used to pay for something else. The extra funds may go to "offset" the cost of fixing a program suffering a Disconnect, to "offset" the cost of a New Start, or become part of a larger draw down of Air Force resources at the direction of OSD (a smaller budget). In order to "claim" the excess funds, the organization making the discovery (a panel at Air Staff or MAJCOM level or a MAJCOM programs office) will have to build a Decrement PDP to get the money out of the original program and into safekeeping until it can be applied somewhere else. The competition for dollars is very intense and when offsets are discovered they become closely guarded information.

ONGOING PROGRAM: An Ongoing Program is the same as a "Baseline" and "Funded" program. This means it has been in the FYDP for at least one year. See "Baseline Program" for a thorough explanation of this concept.

OPERATING BUDGET REVIEW COMMITTEE (OBRC): The OBRC is one of the four committees which are part of the Air Staff Board Structure. It conducts an annual repricing of the POM with particular interest in the operating and support accounts. It works as a part of the Board Structure in reviewing the Air Force budget within the PPBS cycles. (1:83)

PANEL: Panels are part of the Air Staff Board Structure. The panel is the lowest level of review (MAJCOM or Air Staff) for all Baseline and New Start programs. Panels discover where excess money is in the Baseline PDPs and set it aside (in the form of decrement PDPs) to be used for other programs. They decide which New Starts will withstand the competition. They put together their individual priority list (for programs in their area of responsibility) and advocate and defend those priorities before the next higher level of review. They also act as advisory bodies regarding programs under their over-sight. In short, the panel level is where all the "trench work" is done. Panels are made up primarily of captains, majors, and lieutenant colonels--about 20 to 25 people altogether, with an O-6 chairperson. The panel members represent a broad range of operational and staff experience.

PDP MONITOR: Every PDP has one! The PDP monitor is the person responsible for knowing all there is to know about a PDP and the program(s) it supports. A PDP will (most of the time) have a number of different Program Elements (PEs) in it and the PDP monitor not only needs to know what each one of those Program Elements is funding, but also know the person who "owns" those PEs. In addition to knowing the PEs and their "owners", the PDP monitor will coordinate on all actions relating to his or her package such as making (or consulting on) any adjustments to the package. The panels (at Air Staff or at MAJCOM level) will normally determine which office, or even person, will be assigned PDP monitor responsibility for specific programs. When questions are asked about a PDP/program, the PDP monitor for that program is the first person to see for answers. This job can be tough if the monitor has an especially complex program. PDP to to keep track of. PDP monitors are very often Program Element Monitors (PEMs) also. These two jobs are often confused, but they are different. See "Program Element Monitor" to help sort out the confusion.

PLANNING, PROGRAMMING AND BUDGETING SYSTEM (PPBS): The PPBS is the DoD resource management system. Controlled by the SECDEF, its purpose is to identify mission needs, match them with resource requirements, and translate them into budget proposals. The PPBS output becomes the DoD portion of the annual President's Budget. Planning, the first step in the PPBS cycle, identifies the estimated threat for the next 5 to 20 years, assesses our capability to meet the threat, and recommends the forces and support necessary to overcome it. Programming, the second step, matches dollars available against the most critical needs and priorities. The result of this effort is a 5-year program proposal called the Program Objective Memorandum (POM). This procedure is followed by all the services. After SECDEF review and approval (via the PDM) of the service POMs, they become the basis for budgeting action. Budgeting involves refinement of detailed costs and development of the individual service Budget Estimate Submission (BES) needed to accomplish the approved program. Following review and approval, the DoD budget then serves as one input to the President's Budget on which legislative action is taken. (1:19)

PRESIDENT'S BUDGET (PB): The PB is presented to Congress near the end of January each year. The PB represents the President's view of how the budget of the United States should be divided. His budget represents the balance struck between competing departmental programs (Defense, Education, Energy, Transportation, etc.) and is arrived at after consulting with his Cabinet and the Office of Management and Budget (OMB). OMB oversees the development of the PB. In that capacity, OMB gets deeply involved in the Program Budget Decision (PBD) cycle. The PBD cycle takes the services' Budget Estimate Submissions (BES) data and performs (with service involvement) a thorough costing of all the programs in the BES. Submission of the PB to Congress concludes the budget formulation phase of the PPBS and all of the DoD programs (new and ongoing) are now in the hands of the Congressional Budget, Authorization, and Appropriation Committees. At publication of the PB, the FYDP is updated to reflect the most current data as submitted to Congress. This is one of three annual updates to the FYDP data base. The others are the POM and the BES.

PROGRAM BUDGET DECISION (PBD): The PBD Cycle immediately follows the submission of the services' budget estimates (the BES) and attempts to verify those estimates so they are accurately represented in the President's Budget. PBDs result from this program cost review. The PBD review is conducted primarily by the OSD Comptroller with oversight by the Office of Management and Budget (OMB). The services can

appeal DRB/OMB PBDs that affect the scope of a program. Appeals are made through a formal process and may result in a revised or reaffirmed PBD.

PROGRAM DECISION MEMORANDUM (PDM): The PDM is signed by the SECDEF or DEPSECDEF. It wraps up all the haggling that takes place each year between the Defense Resource Board (DRB) and the service components. This negotiation occurs during the OSD issue cycle and deals with the DRB's review of each service POM submission. The PDM puts into writing all the final decisions regarding programs proposed in the POMs.

PROGRAM DECISION PACKAGE (PDP): A PDP is an AF-only format that displays all the resources needed to support a program. It contains a narrative description of the program and, more importantly, specifies the funds (across the FYDP) required to execute it. A PDP is identified by a specific alpha-numeric such as A205, C515, or W102. These alpha-numeric identifiers belong to only one PDP, and they also show which Air Staff panel has responsibility for its health and well-being. A PDP is a part of the entire FYDP picture and it is also a complete and whole entity unto itself. For example, a PDP supporting everything to do with flying all of SAC's B-52s might have the following title and alpha-numeric: B-52 Squadrons-PDP A200. All resources in the AF portion of the FYDP are represented in a PDP.

PROGRAM ELEMENT (PE): A PE is one of the ways to slice the DOD funding "pie". The first big step is accomplished by dividing all the DoD Total Obligation Authority (TOA) into the Major Force Programs (MFPs). The next step down the pie slicing ladder is the Program Element. (The mission-specific slice.) There are over 400 PEs in the Air Force. Most Air Force activities, functions, and weapon systems have very specific PEs assigned to them and them alone. For example, we know MFP 1 funds strategic forces and we know B-52s and FB-111s are strategic force weapon systems. But we also know there are dozens of other strategic weapon systems (offensive and defensive) funded under MFP 1. The question in this case is how do we find out which strategic force program is getting what part of the MFP 1 slice of the pie. The Program Element provides the answer. The B-52 weapon system is funded under its own mission specific PE--in this case the PE is 11113. And the FB-111 is funded under PE 11115. No other mission or activity is funded by those specific PEs. One more example may help. The KC-10 is considered a General Purpose Forces asset. As such, it is funded under MFP 2 and its PE is 27222. Notice how the first number of the PE for a type of system coincides with the MFP under which it's

funded? It is designed to work like that! Whenever you look at a PE, you'll know immediately what MFP you're dealing with by noting the first number in the sequence. (1:85)

PROGRAM ELEMENT MONITOR (PEM): Every Program Element (PE) has one! The duties of a PEM are very similar to that of a PDP monitor in that they both have to possess expert knowledge about what is happening in their area of program responsibility. If you read the definition of a PDP monitor, the same type of responsibilities apply to the PEM. And if you read the PDP monitor definition, you may be expecting an explanation of the difference between the two jobs. There are probably any number of individual variations different action officers will attest to, but the main distinction is this: A PDP monitor may have one or more (usually not more than five) PDPs for which he or she is responsible. Each of those PDPs is composed of individual PEs. Any time the PDP monitor wants to move money around inside his PDP he must coordinate with the appropriate PEM. The PEM, on the other hand may only have one PE (often they have more), but that PE may be contained in several PDPs. That means the PEM is one of the busiest people you can imagine. He or she, like the PDP monitor, had better have answers forthcoming quickly when questions are raised regarding his program responsibilities.

PROGRAM OBJECTIVE MEMORANDUM (POM): The POM identifies total program requirements for the next five year period and includes rationale in support of the planned changes from the previously approved FYDP baseline. The POM is based on strategic concepts and guidance stated in the DG and includes an assessment of the risk associated with current and proposed forces and support programs. When developing the POM, services rank and recommend programs for implementation within the fiscal ceiling for each of the five years in the FYDP. In addition, a key feature of the Air Force POM development process is the use of a corporate review body, the Air Force Board Structure. (1:33)

PROGRAM REVIEW COMMITTEE (PRC): The PRC is one of the four Air Staff Board Structure committees. The PRC reports to the Air Staff Board and, based on expertise gained in its review of all the panel programs, makes recommendations to the Board Structure regarding funding allocations and the potential impact of funding shortfalls on projected programs and forces. The PRC is chaired by a brigadier general (the deputy AF/PRP) and has approximately 15 to 18 senior colonels as committee members. (1:82)

*RAMP MANAGEMENT: A phrase used to describe non-programmatic and unjustified adjustment to a program's funding based solely on the rate of growth from any given year to the next. The "acceptable rate of growth" is rarely stated and therefore the reduction is usually arbitrary. The ramp usually appears when looking at a single appropriation within a program. For instance, conclusion of R&D and the beginning of a major procurement will create a steep ramp if you're only looking at the procurement line (as the funds jump from $0 to $X). Ramp management can also be called "recosting", "smoothing", or "repricing".

SENATE APPROPRIATIONS COMMITTEE (SAC): This Senate Committee, like its Congressional counterpart, the House Appropriations Committee (HAC), is one of the most powerful on Capitol Hill. It presides over all government appropriations and pays special attention to any newly proposed expenditures. The SAC's responsibilities are essentially the same as the HAC's.

SENATE ARMED SERVICES COMMITTEE (SASC): The SASC is another one of the very powerful Congressional bodies that affect DoD plans and programs. It has jurisdiction over all authorizations for military programs and has six subcommittes that look at specific areas of the military. Those committees are Manpower and Personnel, Military Construction, Preparedness, Sea Power and Force Projection, Strategic and Theater Nuclear Forces, and Tactical Warfare. (3:A-10)

SPECIAL ACCESS REQUIRED (SAR): This term is very often used interchangeably with the term "Black Program". It refers to those programs requiring a special access security clearance to even discuss. See "Black Program" for a more thorough explanation.

STATEMENT OF OPERATIONAL NEED (SON): The SON is a document which outlines a requirement to develop a capability not currently possessed. It is the primary document by which using commands (SAC, MAC, TAC, etc.) communicate to the Air Staff and the developing commands (AFSC and AFLC) their need for a new operational capability. If a fellow action officer wants to build a new PDP, the programmer should make sure he or she has a "validated" SON to go with it before going any further--without a SON (or other validation documentation) the PDP will go absolutely nowhere.

TOTAL OBLIGATION AUTHORITY (TOA): In its simplest meaning, TOA refers to the the total resources authorized by Congress to execute an individual program, the Air Force POM, or the entire DoD FYDP.

*WEAPONS SYSTEM CODE (WSC): A WSC is a six-position identifier for line items in the procurement (investment) and RDT&E appropriations. These "line items" refer to lines in the Congressional support documentation that is sent to the Hill. For procurement, the documents are called P-series, and the line items are P-line items. For RDT&E, the documents are R-series and the entries are R-line items.

BIBLIOGRAPHY

1. AFP 172-4, The Air Force Budget Process. Washington, D.C.: 1 October 1984.

2. DoD Instruction 7045.7, The Planning Programming and Budgeting System. Washington, D.C.: 23 May 1984.

3. Headquarters Strategic Air Command/XPRR, HQ SAC Operational Requirements Action Officers Handbook. Offutt Air Force Base, Nebraska: 15 May 1986.

INDEX

Automated Budget Interactive Data Environment System (ABUIDES) 4, 14
Air Force Comptroller (SAF/AC) 2, 4, 6, 7
Air Force Operations (AF/XO) 7
Air Force Programs (AF/PR) 6, 9
Air Staff Board (ASB) 2
Appropriation Manager 16
Bill 6, 13, 16
Budget Estimate Submission (BES) 5, 6, 9, 14, 46
Budget Review Board (BRB) 8
Change Control Number (CCN) 14
Change Control Sheet (CCS) 12
Congress 7
Continuing Resolution Amendment (CRA) 8, 47
Cost element 24
Cut drill 9, 48
Defense Guidance (DG) 1, 48
Defense Resources Board (DRB) 13, 29, 49
Deputy Secretary of Defense (DEPSECDEF) 7, 14
Disconnect 10, 50
Drill 5, 6, 10, 50
Exercise 5, 51
Five Year Defense Plan (FYDP) 6, 51
Force & Financial Plan (F&FP) 4, 5, 11, 51
Guidance 11
Hit list 14
Initiative 10, 53
Inquiries 5
Issue Book 13, 28
Issue Cycle 7, 9
Issue Team 12
Issues 6, 7, 12, 13
Major Budget Issue (MBI) 9
Major Force Program (MFP) 23, 54
McNamara, Robert S. 2, 3
Nonattribution 2
Non-programmatic adjustment 9-10, 16
Obligation rates 4, 8
Office of the Secretary of Defense (OSD) 5, 6
Office of the Secretary of Defense/Comptroller (OSD(C)) 6, 7, 8, 9
Office of the Secretary of Defense/Program Aquisition and Evaluation (OSD(PA&E)) 6
Offsets 9, 13, 54
Operating Agency Code (OAC) 26

Operating Budget Review Committee (OBRC) 2, 16, 55
President's Budget (PB) 5, 6, 7, 15, 56
Program Budget Decision (PBD) 7, 8, 56
Program Decision Memorandum (PDM) 14, 57
Program Decision Package (PDP) 3-4, 14, 57
Program Objective Memorandum (POM) 3, 5, 6, 10, 58
Program Review Committee (PRC) 10, 14, 58
Program Review Committee Representative 10-11, 17
Program Management Directice (PMD) 10, 17
Programmatic adjustment 9-10
Programmers 9
Reclama 8
System Program Office (SPO) 7, 8
Target 6
Total Obligation Authority (TOA) 9, 14
Zero Balance Transfer (ZBT) 11, 14-15