

FOR OFFICIAL USE ONLY

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

AUG 6 2002

MEMORANDUM FOR OUSD(AT&L) PRINCIPAL STAFF ASSISTANTS  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

SUBJECT: DPG Flow-Down Implementation Plan

I have reviewed the actions proposed by you in response to my memorandum of 19 June 2002. My decisions are attached. I am directing Mike Wynne to take the lead implementing these decisions, and to ensure that the necessary steps are taken to execute these decisions by the most appropriate and expeditious means. I appreciate the efforts to date, and believe we have made significant progress to realign the organization and put a sharper focus on our primary roles of policy formulation and oversight.

However, we are still falling short of the Legislative mandate for personnel reductions. Therefore, by August 19<sup>th</sup>, each Principal Staff Assistant should provide me specific justification of their "to be" organizations and individuals onboard consistent with the changes I am approving now. These plans should include the following:

- 1) A 20% reduction in dedicated contractor support (excluding admin)
- 2) Elimination of dedicated military assistants or military deputies
- 3) Elimination of dedicated principal deputies that are not specifically "dual hatted".
- 4) A second look at remaining functions and responsibilities identifying those that are non-essential to an executive level organization. If applicable, include any necessary action required to overcome regulatory or statutory impediments to elimination or transfer.

A handwritten signature in black ink, appearing to read "E. O. Cheney".

Attachment:  
As stated

FOR OFFICIAL USE ONLY



**AT&L will initiate actions to:**

- Return excess funding from the NATO Security Investment Program.
- Transfer funding for the following programs to the Army:
  - Explosives Demilitarization Technology
  - Force Health Protection
  - Strategic Environmental Research and Development Program
  - Historically Black Colleges and Universities / Minority Institutions
  - Defense Experimental Program to Stimulate Competitive Research (DEPSCoR)
  - Environmental Security Technology Certification Program.
  - Joint Robotics programs.
  - Physical Security Equipment program.
  - Unexploded Ordnance and Detection program.
- Transfer funding for the following programs to the Navy:
  - In-House Lab Independent Research
  - High Performance Computer Modernization program, **except for \$14M annual investment in Software Protection S&T and High Performance Embedded Computing program, which should be devolved as a separate entity to the Air Force.** Designate the program ACAT IC and use existing acquisition oversight and management processes.
  - Past Performance Automation Program.
- Transfer funding for the following programs to the Air Force:
  - High Energy Laser programs, as separate, stand alone Program Elements. The High Energy Laser Technology Council will perform formal program oversight.
  - Lincoln Laboratory
  - Software Engineering Institute
- Transfer the Mentor Protégé program to the Services.
- Transfer the Advanced Distributed Learning program to Defense Human Resources Activity (DHRA)
- Transfer funding for the following programs to USD(P):
  - SO/LIC Advanced Development
  - Combating Terrorism Technical Support
  - Humanitarian Demining
- Transfer funding for the Special Technical Support program to ASD (C3I):
- Initiate actions to transfer Installations and Environmental personnel, functions, and responsibilities to the Under Secretary of Defense (Personnel and Readiness).
- Transfer the Joint Test and Evaluation Program to the Director, Operational Test and Evaluation.
- Transfer the Militarily Critical Technology program within DTRA from the Technology Security directorate to the Technology Development directorate.

**Decisions concerning DDR&E**

- Transfer funding management for Nuclear Matters to the ATSD(NCB). Redesignate resources from S&T to RDT&E Budget Activity 6.
- Technology Planning Guidance: The proposal to develop and publish Technology Planning Guidance is approved.
- Defense Modeling and Simulation Office (DMSO) / Joint Wargaming: Mike Wynne will convene a group consisting of DDR&E, S&TS, PA&E and J-8 to assess alternatives for accomplishing the current functions of the DMSO, and how existing resources and capabilities should be realigned and dramatically reduced. Recommendations should be provided to me no later than September 13<sup>th</sup>.
- University Research Initiatives: Transfer all funding in the FY04 POM devolving equally to Army, Navy, and Air Force. Transform existing oversight as needed to guide technology development in the future. Consider using future Technology Planning Guidance as vehicle for communicating and managing oversight.
- Lincoln Lab: Transfer to the Air Force as executive agent, at currently programmed funding levels. Use the Joint Advisory Council (JAC) chaired by DDR&E for necessary oversight.
- Software Engineering Institute: Transfer funding and management responsibility to the Air Force. S&TS in conjunction with DDR&E will assume responsibility for the Joint Advisory Council (JAC) for necessary oversight.

**Decisions concerning AR&A**

- Descope the O&M funding for studies to \$20M annually.
- Establish an internal AT&L E-Business center within ARA leveraging the existing Information Technology backbone and cross-functional expertise. The primary emphasis should be on internal business operations of the AT&L organization and related interfaces within the OSD enterprise.
- The proposal to develop and field an enterprise Portal to support interactive business processes and direct access to databases is approved.
- The proposal to significantly enhance the capabilities of the Consolidated Acquisition Reporting System (CARS) is approved.
- Deskbook program funding should be retained. Day to day management and execution will be the responsibility of the Defense Acquisition University.
- Transfer responsibilities for technical CIO/Joint Staff board representation as well as CMMI and Software Intensive Systems responsibility to S&TS.

- Transfer responsibility for Systems Acquisition Policy to the consolidated AI/DP organization with no transfer of resources.

**Decisions concerning AI**

- The Acquisition Initiatives and Defense Procurement organizations are to be merged. The current Director, Defense Procurement will become the Director, Defense Procurement and Acquisition Policy. The current Director, Acquisition Initiatives, will carry the title of Principal Deputy together with her duties as assigned in the new organization. However, the proposed structure and functional responsibilities require additional evaluation before the merger is implemented. I direct Mike Wynne to lead a re-evaluation of the merger proposal, organizational alignment and personnel requirements.
- Implement the proposal to descope Commercial Practices and Acquisition Reform Support & Improvement.
- Implement the proposal to fully fund and increase the level of participation in the Workforce Demonstration under the assumption that the Alternative Personnel System is approved.

**Decisions concerning DP**

- Implement a merger with Acquisition Initiatives as discussed above.
- Establish an external AT&L E-Business center within the new DP/AI organization leveraging the existing role as primary stakeholder for end-to-end procurement and related systems. The primary emphasis should be on external DoD business operations and related interfaces outside the OSD enterprise.
- Implement the proposal for a comprehensive review and transformation of the current Federal Acquisition Regulation (FAR) and Defense Acquisition Regulation Supplement (DFARS); and operational proceedings used to revise and implement the FAR and DFARS. Continuation of the currently programmed DAR automation effort may be included within the amount provided.

**Decisions concerning I&E**

- Implement the proposal to fund the Installation Visualization Tool and the Real Property Enterprise System.
- Continue funding for the Defense Environmental International Cooperation Program without offsets from NATO Security Investment. D,ARA to identify source.

- Defer a decision on transferring and increasing funding for Native American Lands Environment Mitigation Program and the Arctic Military Environmental Coordination program.
- Initiate actions to establish a BRAC office within existing resources.

**Decisions concerning S&TS**

- The proposal to merge the current S&TS and IO offices is approved with the following modification.
  - Arms Control and Implementation functions and personnel are to be transferred to DTRA.
  - The Systems Capability and System Engineering organizations should be merged.
  - Clarify the proposal to establish a restructured System Engineering program to better emphasize mission area analysis and interoperability.
- Transfer the Foreign Comparative Test Program and personnel to DUSD(AS&C).
- Assume responsibilities as described earlier for technical CIO/Joint Staff board representation as well as CMMI and Software Intensive Systems responsibility. Also assume responsibility, as decided above, for the Software Engineering Institute.

**Implementation decisions concerning ITS**

- Dr. Charlie Holland will assume responsibilities as the acting Director in addition to his current duties until Dr. Jack Shaw returns to AT&L from his detail to support the DoD IG.