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COST ASSESSMENT AND  
PROGRAM EVALUATION

OFFICE OF THE SECRETARY OF DEFENSE  
1800 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-1800

JAN 9 2015

**ACTION MEMO**

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Draft Tasking Memo for this Year's Strategic Portfolio Reviews (SPRs)

- The attached memo is a draft for discussion on the five topics, the analytic lead offices, and key questions for this year's SPRs.
- The memo is deliberately short with broadly framed questions to allow SPR teams sufficient flexibility.
- The five topics are outlined in TAB A.
- We received comments from other stakeholders as shown in TAB B. The primary unresolved issues are co-lead assignments and whether to add a Ballistic Missile Defense SPR.

COORDINATION: REQUESTED

Attachments: As stated

Prepared by: (b)(6)

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ACTION MEMO

JAN 29 2015

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Study Plans for 2015 Strategic Portfolio Reviews

- TAB A contains study plans for each of the six Strategic Portfolio Reviews (SPRs).
- These study plans, which have been jointly developed with the co-leads, provide further detail on study questions, expected outputs, and risk areas beyond the original tasking memo.
- Should you choose, these plans may be used to support a meeting between you, the Vice Chairman, SPR co-leads, and potentially key stakeholders to further refine SPR plans.
- We intend to begin socializing these SPRs at working group levels with the Services, Combatant Commanders, and Agencies starting next week. Some SPR working groups will be larger than others.
- We intend to again convene an executive level SPR integration group.

(b)(5)

COORDINATION: NONE

Attachments:  
As stated

Prepared by: (b)(6)

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JAN 30 2015

ACTION MEMO

FOR: SECRETARY OF DEFENSE

DepSec Action

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: CAPE Assessment of Manpower Alternatives to Maintain USAF Fighter Fleet in FY2015

- Section 133 (TAB C) of the Carl Levin and Howard P. 'Buck' McKeon National Defense Authorization Act of Fiscal Year 2015 (P.L. 113-291) provides a prohibition on availability of fiscal year 2015 funds for the Air Force for the retirement of A-10 aircraft. Subsection (b) provides a limitation on availability of Air Force funds to make significant changes to A-10 aircraft manning levels unless the Secretary of Defense authorizes an exception with a certification that is based on the results of an independent CAPE assessment. Subsection (c) requires CAPE to conduct an independent assessment of alternative ways to provide manpower during fiscal year 2015 to maintain the fighter fleet of the Air Force and to field F-35A aircraft.
- As directed by Congress, CAPE's report (TAB B) considers the implementation approaches proposed by the Air Force and other alternatives, including the retirement of other aircraft and the use of civilian or contractor maintainers on an interim basis for A-10 aircraft, F-35A aircraft, or other aircraft.
- Section 133 also requires you to certify that you have received the results of CAPE's independent assessment, and that you have determined that an action to move up to 36 A-10 aircraft in the active component to backup flying status, as described in Section 133(b)(2)(A), is required to avoid significantly degrading the readiness of the fighter fleet of the Air Force or to avoid significantly delaying the planned fielding of F-35A aircraft.
- CAPE assessed eight options for sourcing fighter maintenance manning, including those Congress specifically requested.

(b)(5)

(b)(5)

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_ Other \_\_\_\_\_

**COORDINATION: TAB D**

**Attachments:**

**As stated**

**Prepared by:** (b)(6)



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JAN '30 2015

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Nuclear Enterprise Review Recommendation Tracking

- In accordance with Secretary of Defense direction to "track, monitor, and independently assess the implementation of the [nuclear enterprise] reviews' recommendations," CAPE has completed Phase II of the Nuclear Enterprise Review Tracking process (September 2014 through January 2015) on schedule. We have established metrics, milestones, timelines, and approaches for each recommendation, built collaboratively with support from across the Department. The approaches are the components' methodologies for addressing the issues identified in the nuclear enterprise reviews. CAPE will assess the effectiveness of these approaches and recommend adjustments, as appropriate. We provided you the complete set of metrics, milestones, timelines, and approaches at the Nuclear Deterrent Enterprise Review Group (NDERG) on January 22, 2015; we can provide another set, if desired.
- Per your direction, metrics will be discussed during each nuclear enterprise site visit the CAPE team makes. We have visited ICBM and bomber units. Visits to ballistic missile submarine, dual-capable aircraft, and shipyard units are upcoming.
- We will continue to refine the metrics, milestones, timelines, and approaches as needed and will proceed with analysis to determine if corrective actions are improving the health of the nuclear enterprise. We will provide updates to the NDERG as work progresses.

COORDINATION: NONE

Prepared by: (b)(6)





OFFICE OF THE SECRETARY OF DEFENSE

23

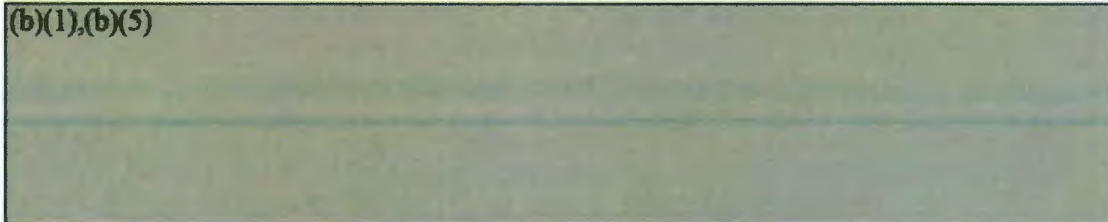

30

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) BCA Guidance DMAG Wednesday February 4- Read-ahead

- ~~(U//FOUO)~~ The DMAG on February 4 will focus on estimating what the FY16-20 program would look like if the Department was constrained to a BCA-level funding topline. The intent of the DMAG is to finalize priorities for what would likely be funded (and not funded) at this lower funding level. Based on this prioritization, we will update the summary we wrote last year, *Estimated Impact of Sequestration-Level Funding*, that described the programmatic differences between BCA and PB funding levels. (Tab A)
- ~~(U//FOUO)~~ It is important to note that this exercise is not the process we would use to produce an actual spend plan for FY16 if we need to produce a budget at a lower level (either BCA or any compromise position). In particular, we are not discussing any changes to strategy or priorities that would certainly be part of such an effort. Rather, this exercise is intended only to quantify major changes between the two budget positions, assuming the same strategic approach.
- (b)(1),(b)(5)  

- (b)(1)  

- ~~(U//FOUO)~~ We have two other attachments to support the DMAG. The first is a written description and funding stream for the highest priority issues (Tab B); the other is a Powerpoint set of slides we will use to facilitate the discussion at the DMAG on the most important issues (Tab C). Within each, we highlight important programmatic differences between the two budget positions, as well as areas where we believe the Department would

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choose to keep funding the same at each position. The bullets below explain our methodology for arriving at the BCA position. We have shared our approach and the resulting BCA position with the Services (twice) and with the 3-Star programmers (once) and have agreement on almost all the proposals; we highlight some important issues below.

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(b)(1)

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COORDINATION: NONE

ATTACHMENTS: As stated

~~Prepared by: (b)(6)~~  
~~Derived from: Multiple Sources~~  
~~Reason: 25X1~~  
~~Declassify on: 30012040~~

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FEB 13 2015

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Study Plans for 2015 Strategic Portfolio Reviews

- (U) The study plans for the six Strategic Portfolio Reviews (SPRs) in TAB A have been updated based on your comments conveyed at the meeting with co-leads last Friday.
- (U) We incorporated all of your comments for the Homeland Defense, Airborne Intelligence Surveillance and Reconnaissance (ISR), and Nuclear Enterprise SPRs.
- (U) For the Space and Cyber/Electronic Warfare (EW) SPRs, the issues were more involved. After discussions with you and Frank Kendall, we modified the study plans as follows:

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b. (b)(5)

(b)(1)

- (U) Working with the Services, Combatant Commanders, and Agencies, we have started analysis for all six SPRs. We will adjust course based on your direction.

COORDINATION: NONE

Attachments:

As stated

Prepared by:

(b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 1.4(f)~~

~~Declassify on: 204102-17~~

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MAR 3- 2015

ACTION MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Fiscal Year 2017-2021 Fiscal Guidance (U)

- (U) Attached are Fiscal Guidance memos for the Military Departments and the PSAs as well as USSOCOM and IG.

- (U) (b)(5)

- (U) Following your signature please return the letters to CAPI for distribution.

(b)(5)

Attachments:

As stated

(b)(6)

Prepared by

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SD CA		DSD SA	
SD SMA		DSD SMA	
SD MA		DSD MA	27 B/L
TSA		DSD CA	
SA RH SM			
ES		ESB Rvw	27 B/L
ESR	27 B/L	ESD	

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OSD071224-15/CMD003301-15



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MAR 20 2015

ACTION MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, CAPE

SUBJECT: FY 2014 Annual Report on Cost Assessment Activities

- The Weapon System Acquisition Reform Act of 2009 (WSARA) requires preparation of an annual report on DoD cost assessment activities. The Act requires that the report be provided to Congress along with the President's Budget submission, and be posted on the internet at a website available to the public. The sixth annual report is provided at the attachment.
- The attached report for public release has been coordinated with the staffs of the Assistant Secretary of Defense (Legislative Affairs), the Assistant Secretary of Defense (Public Affairs), and the Office of General Counsel. The report has also been informally coordinated with the staff of Under Secretary of Defense (AT&L) and each of the DoD Service Cost Agencies. In addition, the report has been cleared for open publication by the DoD Office of Security Review.
- If you approve, I will take action to have this report forwarded to the relevant Congressional committees, and post the report to a CAPE website available to the public as required by law.

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COORDINATION: TAB B

Attachments:

TAB A--2014 Annual Report on Cost Assessment Activities

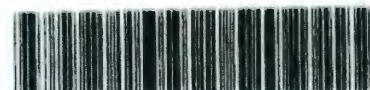
TAB B--Coordination

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_ Other \_\_\_\_\_

Prepared By: (b)(6)

SD CA		DSD SA	✓	200 3/20
SD SMA		DSD SMA		
SD MA		DSD MA		
TSA	CF	DSD CA		
SA KH SM				
ES	MS 3/23	ESB Rvw	✓	200 3/23
ESR	200 3/23	ESD	✓	200 3/23

MD



OSD003539-15/CMD004379-15





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MAR 24 2015

ACTION MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Nuclear Deterrent Enterprise Review Group Implementation Tracking

- Attached (TAB B) is an update to the Nuclear Deterrent Enterprise Review Group (NDERG) on the progress being made by the Nuclear Enterprise Review Tracking (NERT) team in accordance with the Secretary of Defense's direction to "track, monitor, and independently assess the implementation of the [nuclear enterprise] reviews' recommendations."
- This month's progress included
  - a. A site visit to Naval Submarine Base Kings Bay, where we toured the USS Rhode Island, the Strategic Weapons Facility, the Trident Training Facility, and the Trident Refit Facility. During our time there we conducted non-attributional round table discussions with both the enlisted and officer corps obtaining feedback on our work and hearing the challenges and issues the sailors are encountering.
  - b. Separately, we gathered data to support our metrics on previous climate survey responses, Navy shipyard hiring rates, ICBM operations career field crossflow outcomes, exercise results, and much more. To assist in our efforts in verifying and validating our assessments we have partnered with the Air Force Inspector General and the Navy using their existing service inspection functions to minimize our burden on the forces in the field.
  - c. Additionally, we are supporting a USSTRATCOM request to develop a dashboard incorporating our findings for senior leadership awareness.

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RECOMMENDATION:

(b)(5)

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_ Other \_\_\_\_\_

COORDINATION: NONE

Attachments:

TAB A: Cover Memorandum

TAB B: March NDERG Brief

Prepared by: (b)(6)

~~UNCLASSIFIED//FOUO~~



COST ASSESSMENT AND  
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**ACTION MEMO**

APR 2 2015

**FOR: DEPUTY SECRETARY OF DEFENSE**

**FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation**

**SUBJECT: Response to Senators concerning A-10 status changes**

- On February 25, 2015, eight senators sent you a letter (TAB B) expressing concern with the Air Force's intent to place aircraft in backup inventory status.
- Section 133 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (P.L. 113-291) allows the Air Force to place up to 36 aircraft in backup status to allow personnel to shift to other fighter billets, primarily to support the standup of F-35 squadrons (TAB C).
  - a. This action could only take place after CAPE's independent assessment of other alternatives to provide manpower and maintain the fighter fleet while fielding the F-35.
  - b. Then-Secretary Hagel received this assessment and provided his certification to the congressional defense committees (TAB D), enabling the Air Force to place aircraft in backup status.
  - c. The Air Force has indicated that it will likely exercise this authority for only a portion of the 36 aircraft allowed by law.

(b)(5)

**COORDINATION: TAB E**

**Attachments:**

As stated

**Prepared by:**

(b)(6)





COST ASSESSMENT AND  
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ACTION MEMO

APR 14 2015

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Annual Aircraft Inventory and Funding Plan for FY2016

- Title 10, United States Code, section 231a (TAB B) requires the DoD to submit an annual report (TAB C) outlining the long-term plan for aviation forces within 45 days of the submission of the President's budget. Section 231a also requires you to certify that the plan to procure aircraft is funded over the FYDP.
- The long-term projections for aviation are considerably less accurate in the later years. Acknowledging this limitation, the report provides quantified estimates through FY 2025 and then provides broad trends in narrative form for FY 2026-2045. We have taken this approach the previous four years and received no negative feedback from Congress.
- Section 231a also requires information be included in the report on our inactive aircraft inventory. The services do not track all the specified information. The report provides all available data (TAB C, Appendix I).
- Key Observations:
  - The aviation plan is affordable within the FYDP and generally provides the right mix of capability and capacity to meet the broad range of security challenges facing the nation. There are some risks (e.g., shortage of Navy strike fighters) which are discussed in the plan along with current mitigation strategies.
  - The aviation plan supports the Department's rebalance in a challenging fiscal environment as we end the war in Afghanistan and focus on the broader range of challenges and opportunities, including the Asia-Pacific region. Specifically, the plan maintains the current bomber fleet, while recapitalizing aviation enablers, including airlift, aerial refueling, electronic warfare aircraft, and airborne early warning aircraft.

(b)(5)

**COORDINATION: TAB D**

**Attachments:**

**As stated**

**Prepared by:**

(b)(6)





COST ASSESSMENT AND  
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APR 29 2015

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: PBR Process and Guidance

To prepare for the upcoming Program and Budget Reviews, I have attached an agenda for our discussion Thursday (Tab A) and a draft version of a memo for your eventual signature launching the submission of issue papers for Program Review (Tab B).

COORDINATION: NONE

Attachment:  
As stated

Prepared by: (b)(6)



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JUN -2 2015

**ACTION MEMO**

**FOR: DEPUTY SECRETARY OF DEFENSE**

**FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation**

**SUBJECT: Fiscal Year (FY) 2017 – FY 2021 Program and Budget Review**

- The Office of Cost Assessment and Program Evaluation (CAPE) and Office of the Under Secretary of Defense (Comptroller) (USD(C)) have jointly provided guidance for Program and Budget review in two memos so far:
  - Schedule for Fiscal Year (FY) 2017 – FY 2021 Program/Budget Review (PBR), March 23, 2015.
  - Technical Instructions for Fiscal Year (FY) 2017 – FY 2021 Program Review, May 14, 2015.
- The attached memorandum provides additional guidance for the issue nomination process. Key guidance included in this memo:
  - The focus for PBR is to be on only the most critical issues – those issues that address a potential disconnect between Component resourcing and Department priorities.
  - Issues will be binned into three tiers as last year.
  - Questions are provided to be answered for each issue with focus on the Secretary's Big Three priorities and eight "Big Rocks". Additionally, two questions have been included which support the developing strategic review.
  - The memo emphasizes the requirement to provide a single prioritized list of issues.
  - All issues emerging from the Secretary's guidance, SPRs, and the other reviews will be assigned to an appropriate issue team for refinement.

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**COORDINATION: NONE**

**Attachments:**  
**As stated**

**Prepared by:**

(b)(6)





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JUN -8 2015

ACTION MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

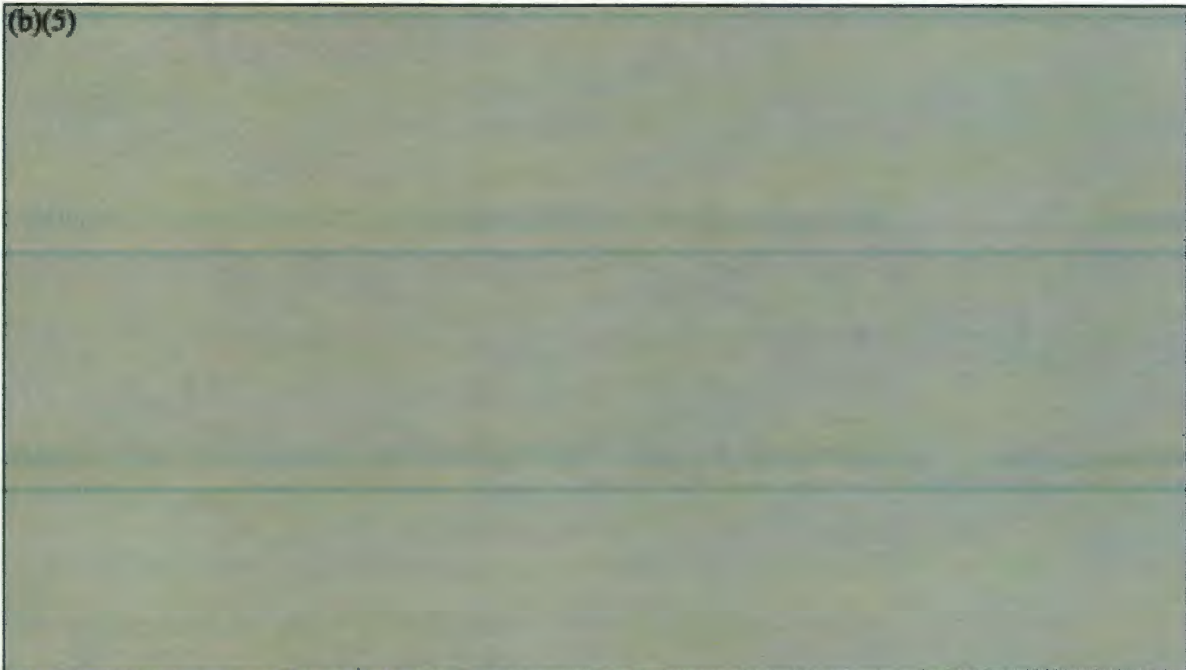
FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Reinvigoration of Wargaming and Support for Strategic Analysis (SSA)

*On behalf of  
Quad Chairs*

- Pursuant to your Wargaming and Innovation memo (February 9, 2015), the Quad Chairs are working to invigorate Wargaming and SSA in the Department. We developed concepts for expanding wargaming across all three time horizons, incorporating wargaming in SSA, and augmenting SSA with analyses of high priority excursions. These concepts were presented and discussed at the Wargaming Summit on April 23, 2015.

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Approve \_\_\_\_\_ Disapprove \_\_\_\_\_ Other \_\_\_\_\_

COORDINATION: TAB

Prepared by:

(b)(6)



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AUG 6 2015

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Issue Paper Review Process – Read-ahead

- We received the Issue Papers for the PB 2017-21 Program and Budget Review. They total 257, an increase of 73 over last year. Some of that increase is likely from the response to SECDEF priority items, particularly outputs of the Strategic Portfolio Reviews (SPR); some of the increase may also be from our prohibition on “bundling” issues this cycle. The submitted issues request \$17.3B in FY17 and about \$96B across the FYDP in enhancements, while providing about \$33B in FYDP offsets.
- As was done last year, you are scheduled to meet with the PSAs and COCOMs on their submissions on August 10 – 14; we have a prep session with you before the first session on Monday. Ahead of each session we will provide you a summary of the issues, COCOM/PSA briefings or talking points, and the issue papers. Our summary will follow the format we used last year:
  - Summaries provide a “one-line” synopsis of the issues, along with our recommended adjudication including Accept/Reject and the Tiering for those that are Accepted. Tier 1 is for SD/DSD priorities and SPR topics; Tier 2 are issues of high importance; Tier 3 issues are lower priorities that we will deal with as time and resources permit.
  - The briefings/talking points are the PSA and COCOM summaries of their issues. We expect the leaders to talk to you from those slides during your sessions with them.
  - The Issue Papers are the full package that is submitted into the system. They are quite detailed and I do not recommend you read these except on a case-by-case basis.
- Attached is the current schedule for the PSA/COCOM meetings. Monday’s sessions are with CENTCOM, USD(I), and USD(P); we are sending the details for that session separately.

COORDINATION: NONE

ATTACHMENTS: As stated

Prepared by: (b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 25X1~~

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AUG 6 2015

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Issue Paper Summaries for Monday Aug 10 – Read-ahead

- Monday's sessions are with CENTCOM, Policy, and USD(I).
- Attached are the issue summaries with our recommended dispositions, PSA/COCOM briefings and talking points, and the issue papers for these sessions.

COORDINATION: NONE

ATTACHMENTS: As stated

Prepared by: (b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 25X1~~

~~Declassify on: 20490810~~

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INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Issue Paper Summaries for Tuesday Aug 11 – Read-ahead

- Tuesday's sessions are with EUCOM, P&R, DoDIG, DCMO and NORTHCOM.
- Attached are the issue summaries with our recommended dispositions and the PSA/COCOM briefings and talking points.

COORDINATION: NONE

ATTACHMENTS: As stated

Prepared by:

(b)(6)

Derived from: Multiple Sources

Reason: 25X1

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**INFO MEMO**

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Issue Paper Summaries for Wednesday Aug 12 – Read-ahead

- Wednesday's sessions are with NGB, TRANSCOM, Army, CIO, and DOT&E.
- Attached are the issue summaries with our recommended dispositions, PSA/COCOM briefings and talking points, and the issue papers for these sessions.

COORDINATION: NONE

ATTACHMENTS: As stated

Prepared by: (b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 25X1~~

~~Declassify on: 20400811~~

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INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Issue Paper Summaries for Thursday Aug 13 – Read-ahead

- Thursday's sessions are with STRATCOM, CYBERCOM, and SOUTHCOM (and possibly JOINT STAFF if time permits).
- Attached are the issue summaries with our recommended dispositions, PSA/COCOM briefings and talking points, and the issue papers for these sessions.
- Although not officially scheduled, also included in this package are issue summaries and recommended dispositions for issue papers submitted by JOINT STAFF. Given the light schedule, Thursday may offer the best opportunity to review these issues if desired.

COORDINATION: NONE

ATTACHMENTS: As stated

Prepared by: (b)(6)

~~Derived from: Multiple Sources~~  
~~Reason: 25X1~~  
~~Declassify on: 20400812~~

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AUG 12 2015

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Issue Paper Summaries for Friday Aug 14 – Read-ahead

- Friday's sessions are with AFRICOM, EA-Space, AT&L, PACOM, and USFK.
- Attached are the issue summaries with our recommended dispositions. PSA/COCOM briefings and talking points, and the issue papers for these sessions.

COORDINATION: NONE

ATTACHMENTS: As stated

Prepared by:

(b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 25X1~~

~~Declassify on: 20400813~~

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AUG 18 2015

ACTION MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: FY 2017-2021 Program and Budget Review (PBR) Issue Nomination Adjudication

- The memorandum at TAB A reflects your decisions from the sessions you held with the PSAs and COCOMs on POM17 Issues. We have binned them into Tier 1, the highest priority issues associated with Secretary of Defense interest areas and SPRs; Tier 2, issues of major importance; and Tier 3, issues of lower importance to be addressed if resources allow.
- Where warranted, the memo incorporates component reclamas received yesterday. Reclamas were received from TRANSCOM, USD(AT&L) and USD(P).

(b)(5)

(b)(5)

CORDINATION: None

Attachments: As stated

Prepared by: (b)(6)

\* Issue rejected due to pending study results

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COST ASSESSMENT AND  
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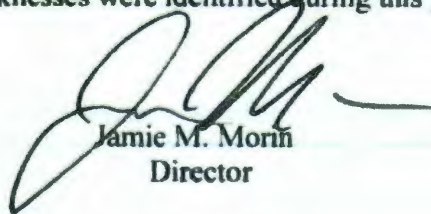
SEP -8 2015

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Annual Statement Required Under the Federal Managers' Financial Integrity Act for Fiscal Year 2015

As Director, Cost Assessment and Program Evaluation (CAPE), I recognize that CAPE is responsible for establishing and maintaining effective internal controls to meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). I have taken the necessary steps to ensure a conscientious and thorough evaluation of internal controls for CAPE.

I am able to provide an unqualified statement of assurance that CAPE's operational internal controls meet the objectives of FMFIA. TAB A provides specific information on how CAPE conducted the assessment of operational internal controls, in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*, and provides a summary of the significant accomplishments and actions taken to improve CAPE's internal controls during the past year. No material weaknesses were identified during this year's assessment.

  
Jamie M. Morin  
Director

Attachments:  
As stated



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COST ASSESSMENT AND  
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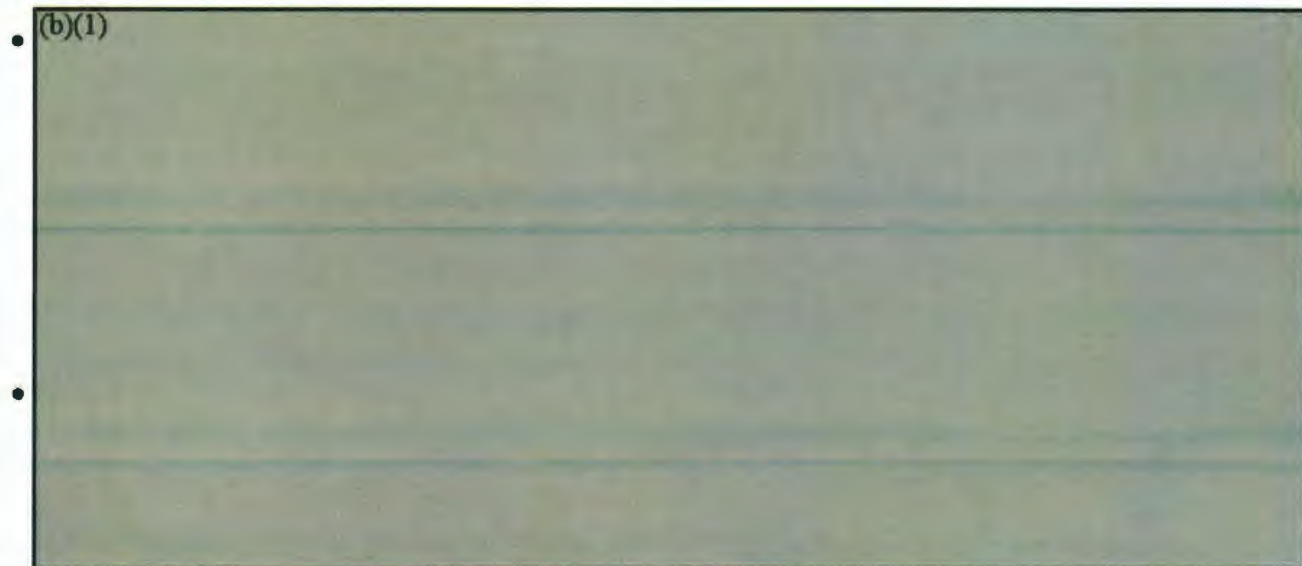
INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Nuclear Enterprise, Nuclear Command, Control, and Communications (NC3),  
and Homeland Defense 16 September DMAG RAH

- (U) The 16 September DMAG will address Nuclear Enterprise, NC3, and Homeland Defense Issues.



- (U) Homeland Defense – The Homeland Defense issue team addressed three relatively minor issues that were resolved by the 3-Stars. Those discussions are summarized in the attached paper and will be reviewed at the DMAG.

COORDINATION: NONE

Attachments: As stated

Prepared by: (b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 2.4.1~~

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SEP 21 2015

INFO MEMO

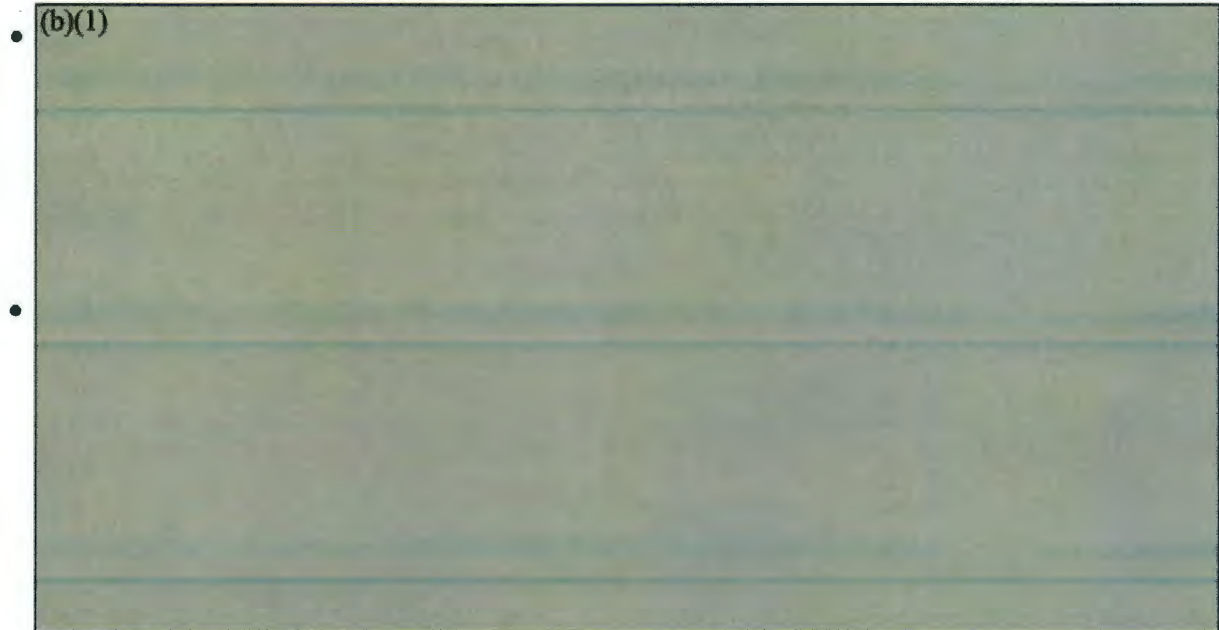
FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation *jm*

SUBJECT: (U) Electronic Warfare / Cyber (EW/Cyber), Global Posture, and Compensation  
Update 24 September DMAG RAH

- (U) The 24 September DMAG will address EW/Cyber and Global Posture issues, and provide an update on Compensation.

• (b)(1)



- ~~(U//FOUO)~~ Compensation – Joint Staff will present the status of where we stand on compensation reforms submitted in PB-16 and how those initiatives are faring on the Hill. We are not looking for decisions to be made at this time; the proposed Department's PB-17 position will be presented for decision at a follow-on DMAG (10 Nov).

COORDINATION: NONE

Attachments: As stated

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Prepared by:



~~Derived from: Multiple Sources~~

~~Reason: 25X1~~

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INFO MEMO

SEP 24 2015

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Power Projection and ISR 30 September DMAG RAH

- (U) The 30 September DMAG will address Power Projection and ISR issues. Both topics include SAP so the papers and DMAG briefings will be transmitted to your office via SAPCO channels.

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COORDINATION: NONE

Attachments: As stated

Prepared by: (b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 25X1~~

~~Declassify on: 20400813~~

Note: This page is ~~SECRET//NOFORN~~ however the entire readahead package is ~~SAP~~ so please handle accordingly.

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OCT -1 2015

ACTION MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Report on Cost Comparison of Department of Defense (DoD) Civilian Personnel  
and Contractors

- The Senate Report 114-49, to accompany S. 1376, the National Defense Authorization Act (NDAA) for Fiscal Year 2016, directs DoD to conduct a study comparing the fully-burdened cost of DoD civilian personnel to contractors performing comparable functions and submit a report to the Committees on Armed Services of the Senate and the House of Representatives and to the Comptroller General of the United States by February 1, 2016.
- The report is to include an assessment of performance in at least six DoD installations (four CONUS, two OCONUS).
- The Office of Legislative Affairs has asked CAPE to conduct the study on behalf of the Secretary.
- CAPE's study will:
  - 1) Compare the fully-burdened costs of a sample of functions by DoD civilian personnel and contractors at multiple DoD installations.
  - 2) Assess the flexible authorities available for employment and retention of DoD civilian employees.
- In order to enable CAPE to collect data for this Congressionally-directed task, I request that you sign and distribute the attached memo (TAB A) which tasks CAPE with the study and directs the full cooperation of the DoD Components.

(b)(5)

Attachments:  
As stated

Prepared by: (b)(6)



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OCT -1 2015

## INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Background on DDG 1002 Truncation Proposal

- CAPE's Navy Program Balance issue team identified potential offsets in the Navy's portfolio to fund higher priorities. Among these offsets was an option to truncate the third ship of the Zumwalt-class destroyers (DDG 1002), which is approximately 40% complete.
- AT&L noted that CAPE was examining DDG1002 as a potential offset in an unclassified Defense Acquisition Executive Summary brief. That brief was subsequently leaked to the press, generating a series of articles and Congressional interest. The press articles are largely accurate, but do not include any of the details discussed by the issue team.

(b)(5)

COORDINATION: NONE

Attachment:  
As stated

Prepared by: (b)(6)





COST ASSESSMENT AND  
PROGRAM EVALUATION

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OCT -8 2015

INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Program Review Brief 1: Nuclear Enterprise including NCS

(U) The Deputy Secretary and I are scheduled to meet with you to cover program review issues four more times this cycle. In the interim, I will provide weekly summaries covering the issues that have been through DMAG deliberation to keep you apprised of how the program is being shaped in program review. Each summary will lay out the state of the portfolio, our recommendations on key issues within that portfolio, and what issues remain. I will provide these on a weekly basis in order to avoid sending too much material as read-aheads for our scheduled discussions about program review, the next of which is October 19<sup>th</sup>.

(U) Below is the first of these summaries, focused on the nuclear enterprise including command, control, and communications. I expect next week's summary will cover power projection and intelligence, surveillance, and reconnaissance.

- Tab A in this package includes a briefing packet, with slides referenced in this memo.
- Tab B includes the individual issue slides on all the major items we have considered in preparing recommendations for your consideration.
- Tab C includes the DMAG memos on each topic.

(U) I believe these summaries will keep you informed on what is transpiring within program review, explain what decisions have been made and why, and highlight critical issues where you can direct the shape of the program. After discussing with you, I can tailor them to better suit you.

**Nuclear Enterprise and Command, Control and Communications**

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### Background

(b)(1)

(b)(5) (U) For the submarine leg, in PB13 we delayed the Ohio-class replacement for two years creating a gap in the number of ballistic-missile submarines in the 2030s.

The Navy has already used an incremental funding approach on the first and second boat to reduce the FY21 cost to \$4.1 billion, but such an approach requires an average of almost \$5 billion in each year from FY21 to FY25, with an average of nearly \$10 billion a year for the 10 years after. The submarine missile, the D5, is one of the few pieces of the Triad not in immediate need of recapitalization with its follow-on system not projected to start until 2025.

(b)(5) (U) For the ICBM leg, we started a full replacement program—called Ground Based Strategic Deterrent (GBSD)—in PB16, laying in almost \$1 billion over the FYDP. The Air Force in POM17 added an additional \$330 million over that sum and an additional \$860 million in FY21, doubling the amount from FY20.

(U) For the bomber leg, the new bomber (LRS-B) is funded at nearly \$2 billion in the coming budget year, FY17, and averages \$2.8 billion per year across the FYDP. Previously, we had delayed the air-launched cruise missile replacement, LRSO, outside of the FYDP, but in PB16 we reversed that decision and fully funded it for a total of \$2.2 billion across the FYDP.

(U) We also transfer about \$1.7 billion to NNSA every year throughout the FYDP to support their infrastructure, as we have since FY11.

(U) Besides this structural bow wave, the nuclear community in 2013 and 2014 suffered a series of high-profile incidents. In response, Secretary Hagel chartered two separate reviews, which identified 175 recommendations for improving the nuclear community. The Deputy Secretary stood up a senior-level review group supported by a dedicated team to monitor implementation of the recommendations. (See Tab A, slide 3)

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**Resolved Program Review Issues**

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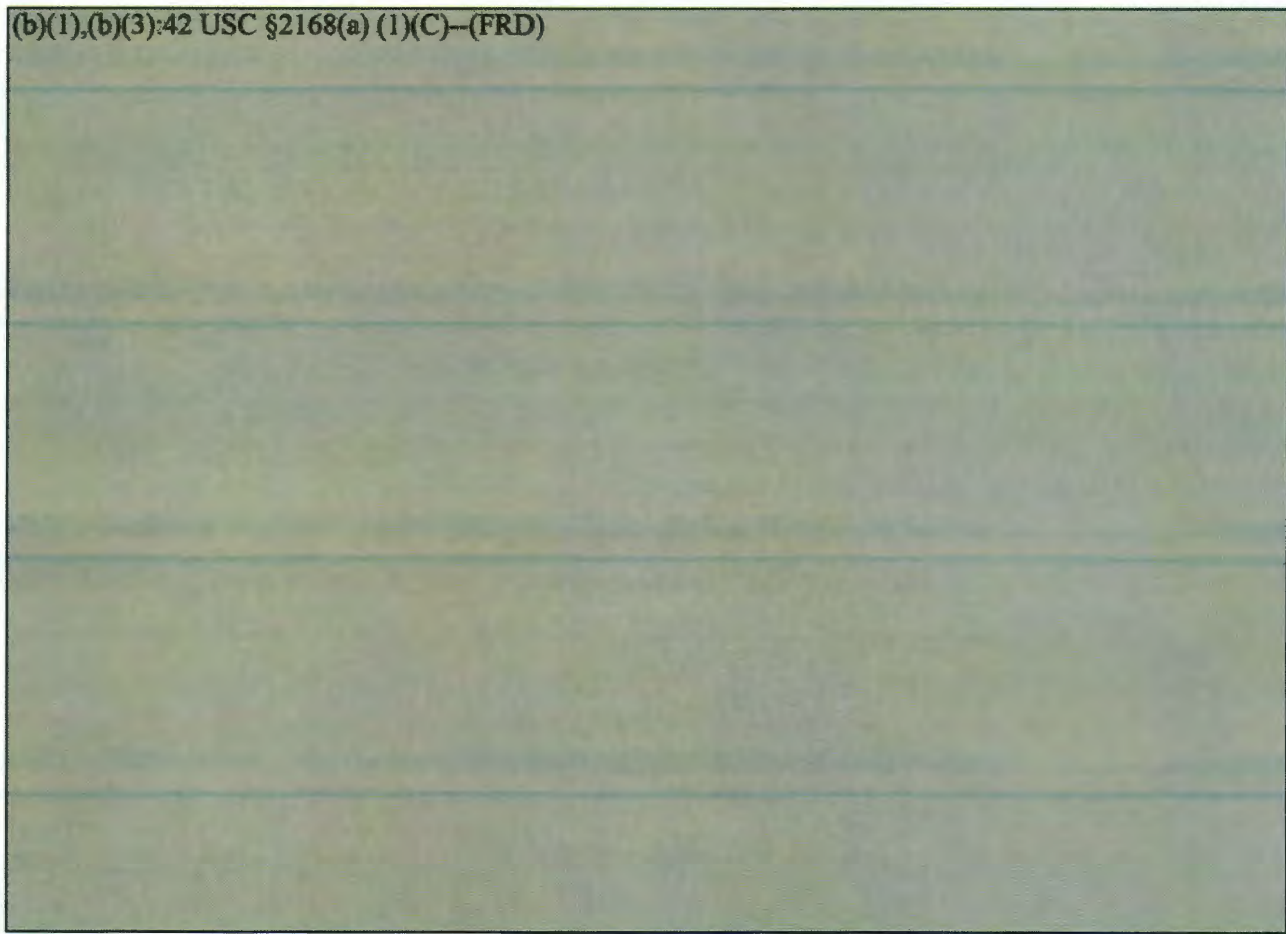
**Remaining Issues**

~~(S)~~ Two issues remain to be resolved:

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(b)(1),(b)(3):42 USC §2168(a) (1)(C)--(FRD)



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**Conclusion**

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**Enclosures: As stated**



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OCT

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: Air Force, Army, and MDA Program Balance 21 October DMAG RAH

- The 21 October DMAG will address Air Force, Army, and MDA Program Balance issues.
- We will also finish the Navy Program Balance discussion during this DMAG.

COORDINATION: NONE

Attachments: As stated

Prepared by

(b)(6)

~~Derived from: Multiple Sources~~

~~Reason: 25X1~~

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INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: 28 October DMAG RAH

- The 28 October DMAG will address several issues remaining in PBR17 to include Science and Technology (S&T), Insider Threat/Security Clearance, M-Code GPS User Equipment (MGUE), Nuclear Security Helicopters, and Installation Readiness. The Installation Readiness paper and slides were previously submitted as part of the RAH for the 21 October DMAG.
- The S&T paper and slides are classified TS/SCI and therefore will come in a separate package.
- Also, this DMAG will include Recap #3 and a review of manpower decisions made during this PBR. We will provide those to you at the DMAG prep session.

COORDINATION: NONE

Attachments: As stated

Prepared by: (b)(6)

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OCT 28

INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Program Review Brief: USMC Program Balance

(U) This is another weekly summary on how program review is transpiring. The Deputy Secretary and I will meet with you to discuss the USMC portfolios covered in this summary.

(U) The packet includes with this memo a list of issues and the alternatives considered to resolve them, plus for greater detail the following:

- Tab A in this package is a briefing packet.
- Tab B includes the individual issue slides on all the major items we have considered in preparing recommendations for your consideration.

**Marine Corps**

(b)(5)

(U) The Marine Corps expects the 182K force will continue to conduct deployments leading to deploy-to-dwell (D2D) ratios of about 1:2 for major units—supporting rotational demand at about the PB16 levels of roughly 7.6 Infantry Battalions, and their enablers, deployed at any given time (compared to equivalent presence of about 6 Infantry Battalions with enablers pre-9/11). The expected deployments include:

- (U) Two to three Marine Expeditionary Units (MEUs) on amphibious ships;
- (U) Two large Special Purpose Marine Air Ground Task Forces (SPMAGTFs) conducting engagement and crisis response ashore in CENTCOM (above and beyond the 1.0 MEU presence) and in AFRICOM/EUCOM;

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- (U) The Unit Deployment Program (UDP) in PACOM—which includes the Marine Rotational Force-Darwin—at about a 3 Infantry Battalion (plus enablers) presence.

(U) Marine Corps presence supporting PACOM is roughly 72% of overall Marine Corps presence, supporting the shift to the Pacific and helping satisfy DoD policy to maintain 22.5K Marines West of the International Date Line.

(U) BES-17 does not significantly change PB16 resourcing levels for training and employment, which the Marine Corps deems sufficient to support near-term unit readiness.

(b)(5)

(U) (b)(5) Though Active Component Infantry Battalions and possibly command units currently rotate faster than the Marine Corps' 1:3 D2D goal, most ground force elements achieve high training and on-hand equipment condition ratings despite their high OPTEMPO. Some units suffer in personnel and equipment on hand ratings, but this may be temporary if the units are sourcing detachments. CAPE will study this further to confirm before POM18.

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(U) While fully funding priority programs (e.g., ACV and JLTV), BES-17 continues a pattern of delayed or unprogrammed sustainment and upgrade initiatives and underfunded maintenance at depot-level and below.

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(U)

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Squadrons using legacy platforms like F/A-18 and CH-53 are limited by total inventory and material readiness of aircraft driven primarily by delayed recapitalization. Other communities like medium lift helicopters (MV-22) and light attack/utility helicopters (H-1), are temporarily challenged as they are completing recapitalization and transition over the FYDP.

(U)

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The emphasis on supporting current operations with the 182K force and robust readiness continues to place pressure on modernization and sustainment.

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(U) On the next page is a list of issues and the alternatives considered to address them, along with the recommendations of the DMAG. We take all these decisions as preliminary given the potential for unexpected bills and pending final fiscal guidance.

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COORDINATION: NONE

Attachment: As stated

Prepared by: (b)(6)

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OCT 28 --

INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Program Review Brief: Army Program Balance

(U) This is another weekly summary on how program review is transpiring. The Deputy Secretary and I will meet with you to discuss the Army portfolios covered in this summary.

(U) The packet includes with this memo a list of issues and the alternatives considered to resolve them, plus for greater detail the following:

- Tab A in this package is a briefing packet.
- Tab B includes the individual issue resource slides on all the major items we have considered in preparing recommendations for your consideration.

**Army Program Balance**

~~(U//FOUO)~~ The Army's BES-17 funding is balanced across force structure, readiness, and modernization for a 980K total force.

(b)(5)

Modernization dollars are focused on preserving current capabilities while posturing for next generation weapons development in 2025 and beyond.

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~~(U//FOUO)~~

(b)(5)

Total Army end strength levels are stabilized at 980K including 450K in the Active, 335K in the Army National Guard, and 195K in the U.S. Army Reserve. The program maintains 30 Active Component brigade combat teams (BCTs) and 26 Army National Guard BCTs.

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~~(U//FOUO)~~ Army's program continues with implementation of the Aviation Restructure Initiative (ARI). The initiative divests all Kiowa Warrior armed scouts, transfers all Apache attack helicopters into the Active Component, replaces legacy training aircraft with Light Utility Helicopters (LUH), and increases the number of Blackhawk utility helicopters in the Army National Guard. Current Congressional marks in the unsigned 2016 NDAA do not hinder the Army's plan. However, that could change dependent on the findings of the National Commission on the Future of the Army to be published on February 1, 2016.

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~~(U//FOUO)~~ Regarding modernization accounts. [REDACTED]

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The Army is pursuing three [REDACTED] programs to improve firepower and mobility capabilities in Infantry and Stryker units. The Army fully funded S&T to PB16 levels, supporting future developmental efforts and positioning the Army to initiate new development programs in the 2020s. Next generation weapons capabilities are planned for the 2030s.

(b)(1)

(U) On the next page is a list of issues and the alternatives considered to address them, along with the recommendations of the DMAG.

COORDINATION: NONE

Attachment:

As stated

Prepared by: (b)(6)

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Reason: 1.4 (a), (c), and (e), 1.5 (g)  
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51



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INFO MEMO

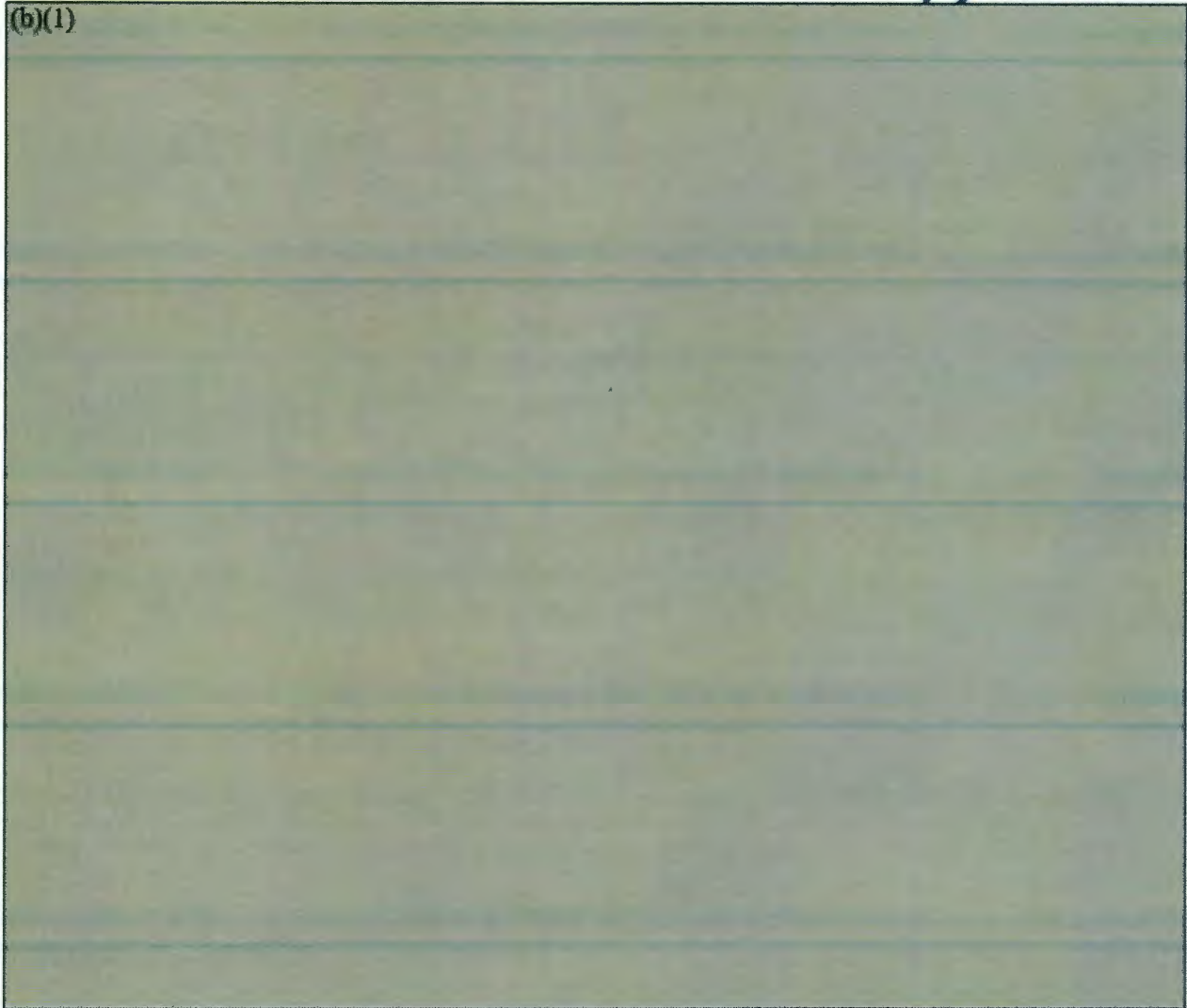
FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) CAPE Assessment of Virginia Payload Module (VPM) Feasibility

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COORDINATION: NONE

Attachment:  
As stated

Prepared by: (b)(6)















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COORDINATION: NONE

Attachment:  
As stated

Prepared by: (b)(1)



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INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) LCS Capability and Required Capacity against China

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COORDINATION: NONE

Attachment:  
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Prepared by: (b)(6)





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INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

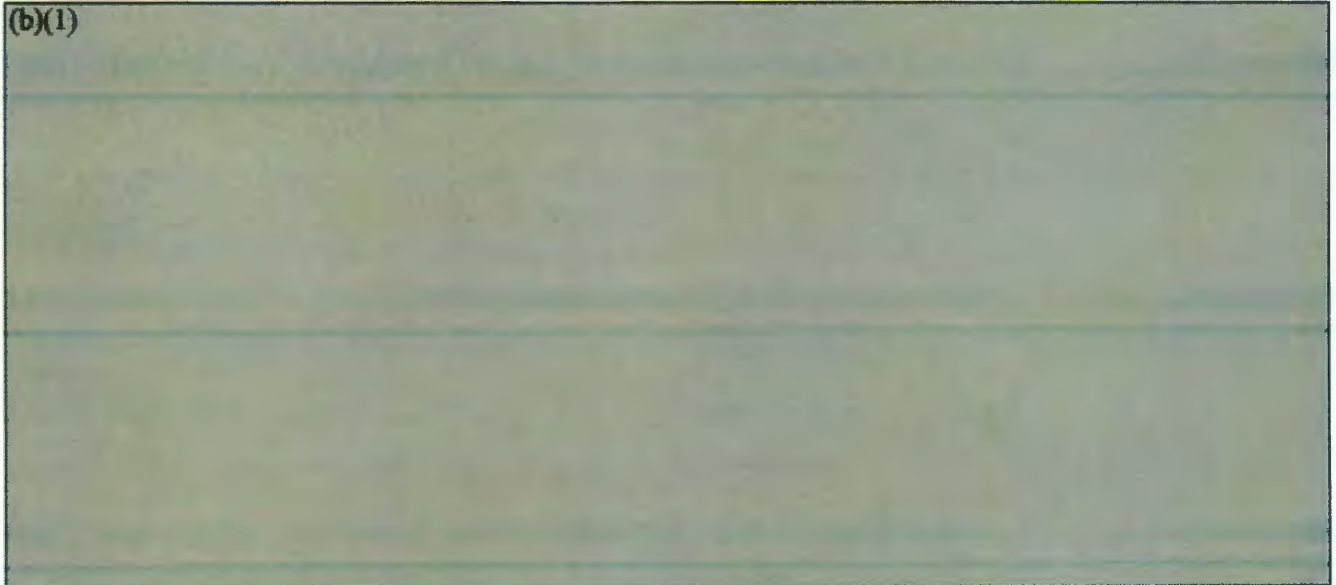
SUBJECT: (U) Air Force Program Balance Summary

(U) This is the fifth of the weekly summaries I will provide on how program review is transpiring. The Deputy Secretary and I will meet with you shortly to discuss the portfolio covered in this summary, Air Force Program Balance.

(U) Along with this memo, the packet includes a list of issues and the alternatives considered to resolve them, plus for greater detail the following:

- Tab A in this package is a briefing packet.
- Tab B includes the individual issue slides on all the major items we have considered in preparing recommendations for your consideration.

**Background**



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(U) Air Force Program Balance Issues

(b)(1)





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~~(U//FOUO)~~ **Air Force Active End-strength Reduction:** At the endgame of the PB16 process, the Department added funding in FY16 to slow Air Force's ramp-down of active duty end-strength to 311K, which aligned with the divestment of the A-10 and EC-130H. However, Air Force unexpectedly ended FY15 with 311K active duty personnel, achieving the FY19 goal four years early and without divesting any force structure. Units are reporting reduced manning levels and hence readiness. Rather than sustaining PB16's intended final end-strength of 311K, BES17 reverses this downsizing and grows back to an active duty end-strength of 321K by FY19.

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~~(U//FOUO)~~

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With that growth comes the understanding that this number will be revisited in the next budget cycle. Of note, service secretaries have authority (via statute) to adjust service end-strength by plus or minus 1%.

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(U) On the following page is a list of issues and the alternatives considered to address them, along with the recommendations of the DMAG. We take all these decisions as preliminary given the potential for unexpected bills and pending final fiscal guidance.

COORDINATION: NONE

Attachment:  
As stated

Prepared by (b)(6)



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INFO MEMO

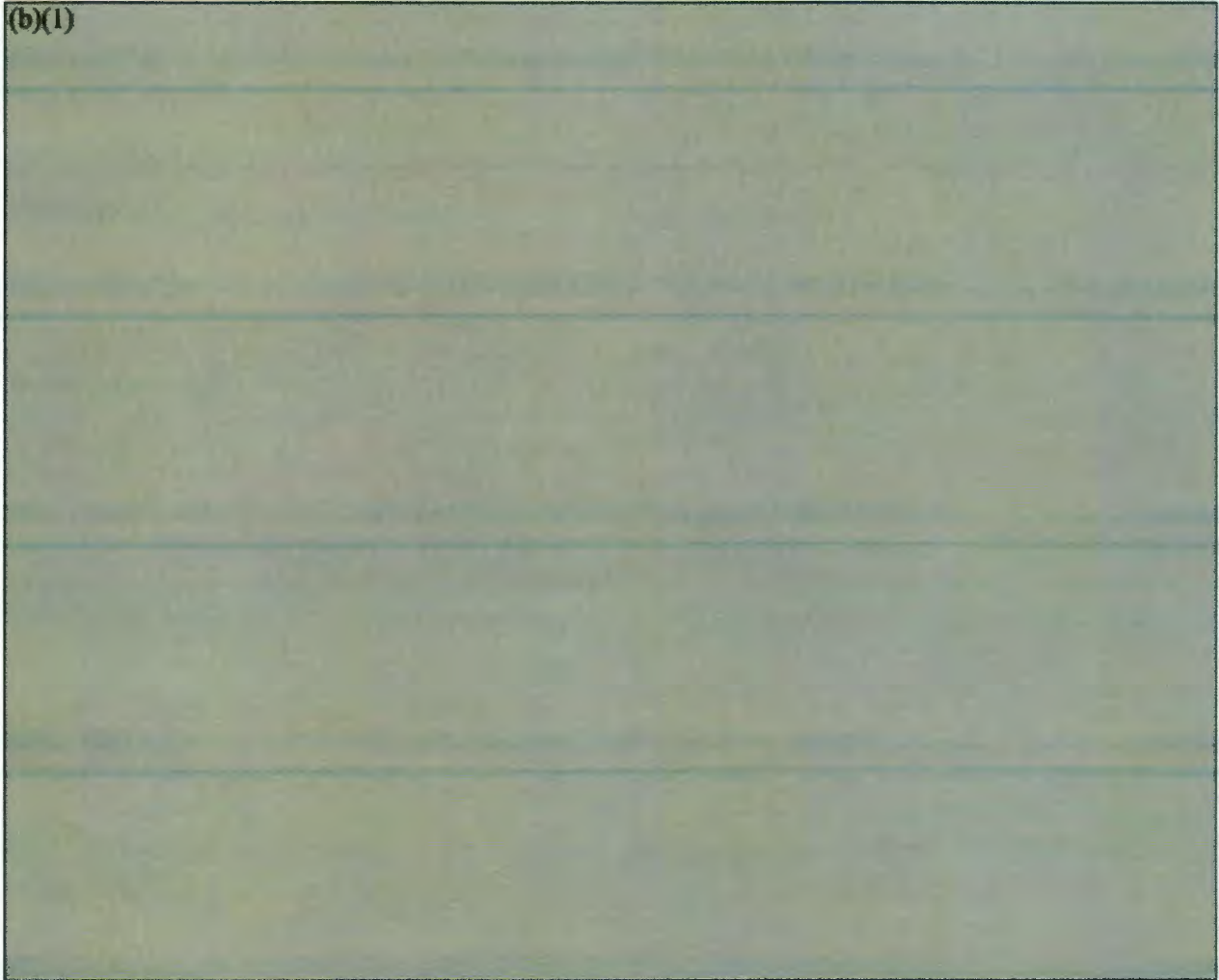
FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Rebalancing Navy Investments with Reductions to Destroyers or the Littoral  
Combat Ship

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- We assessed whether reductions to DDGs, in coordination with corporate funds and other offsets, could meet your priority investments and/or the DMAG recommendations. Our assessments (TAB A) suggests:

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- We also assessed whether reductions to the LCS program, either by itself or in combination with offsets to DDGs could meet the priority investments and/or the DMAG recommendations. Our assessments (TAB A) suggests:

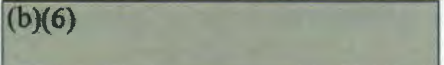
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COORDINATION: NONE

Attachment:  
As stated

Prepared by: (b)(6)



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NOV 13

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: 18 November DMAG RAH

- The 18 November DMAG will include a summary of PBR manpower adjustments as well as a review of PBR17 proposed CIO and DCMO efficiencies.
- The RAH includes papers and slides for both topics.

COORDINATION: NONE

Attachments: As stated

Prepared by: (b)(6)

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~~Reason: 25X1~~

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INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Program Review Brief: Navy Program Balance

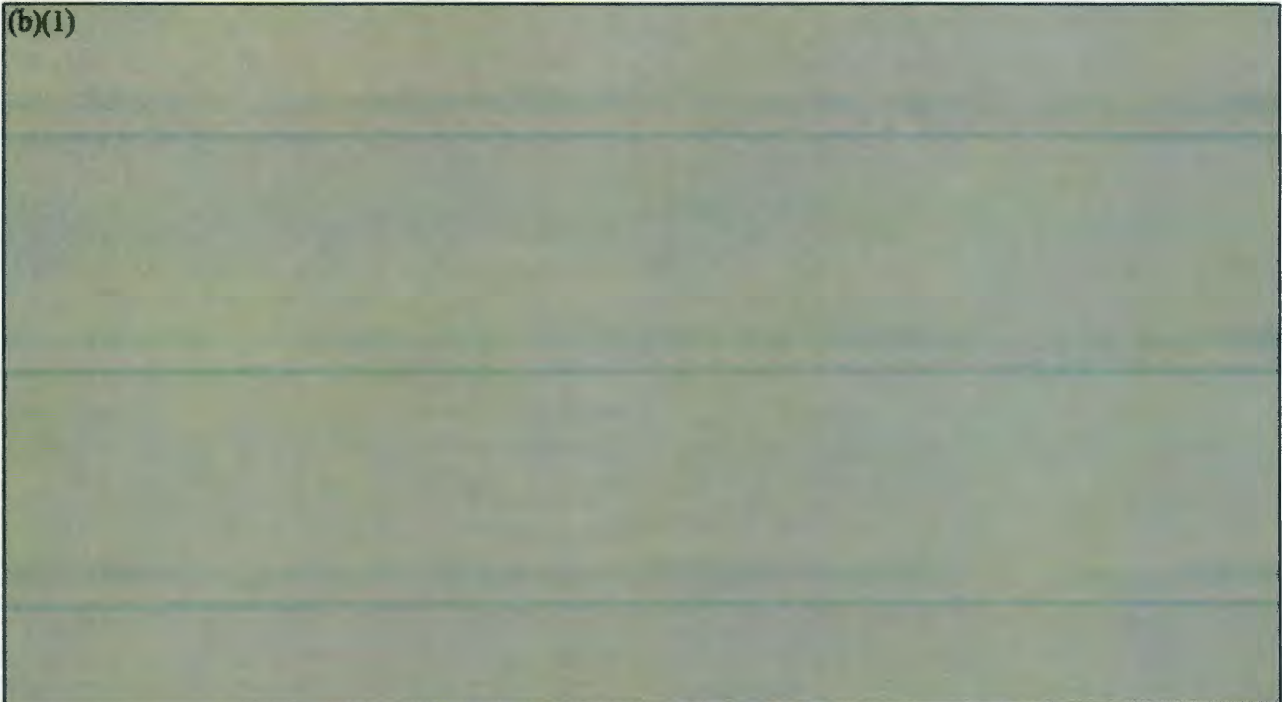
*Updated  
11/19/15*

(U) This is one of the weekly summaries I will provide on how program review is transpiring.

(U) The packet includes a list of issues and the alternatives considered to resolve them, plus for greater detail the following:

- TAB A in this package is a briefing packet.
- TAB B includes the individual issue slides on all the major items we have considered in preparing recommendations for your consideration.

**Navy Program Balance**



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~~SECRET//NOFORN~~

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COST ASSESSMENT AND  
PROGRAM EVALUATION

OFFICE OF THE SECRETARY OF DEFENSE  
1800 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-1800

INFO MEMO

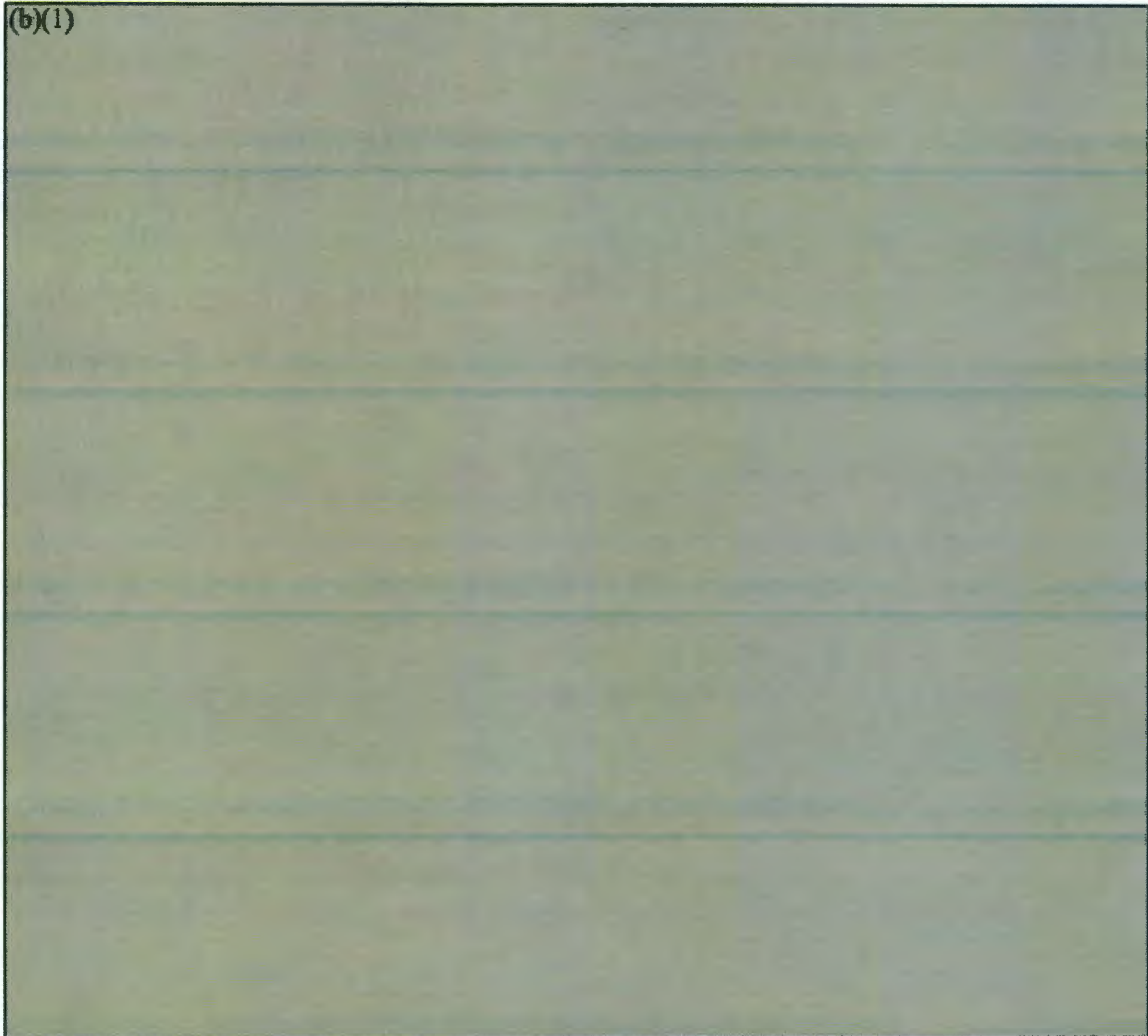
FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Analysis of Navy "Converting DoN/DoD Assets into Strike Fighters and  
UCLASS" Plan

A handwritten signature in blue ink, likely belonging to Jamie M. Morin, is located to the right of the subject line.

(b)(1)



~~SECRET//NOFORN~~

~~SECRET//NOFORN~~

(58)



COST ASSESSMENT AND  
PROGRAM EVALUATION

OFFICE OF THE SECRETARY OF DEFENSE  
1800 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-1800

20 Nov 15

INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Overview of PB17 by Portfolio

(U) Included in this binder are two-page summaries of portfolios within the defense program and where they stand as we draw near the close of PB17. A table of contents listing the portfolios is on the next page. The summaries capture where the portfolios stand, including how it was addressed by the Services and in the program and budget reviews. As we move closer to budget rollout, we will collaborate with Comptroller, Public Affairs, and Legislative Affairs to build the unclassified version of this narrative.

(b)(5)

(b)(1)

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(b)(1)

(b)(5)

(b)(5)

(U) PB17 focuses the force on your five challenges by investing in the innovation we need to stay ahead of our adversaries and transition the force to full spectrum warfighting. With the resources provided by the budget deal, we can maintain our planned force and still make these critical investments.



~~SECRET//NOFORN~~

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COST ASSESSMENT AND  
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WASHINGTON, D.C. 20301-1800

NOV 25

INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation *JSM*

SUBJECT: FY17 Program Review State of Play for Navy Program Balance

(b)(1),(b)(5)

(U) The Deputy Secretary explained this proposal to the Secretary of the Navy and asked him to present any alternatives along with the Navy's plan to meet RMD direction and the reductions necessary to meet the expected FY17 topline. The Navy plan is due on December 2<sup>nd</sup>.

(b)(1),(b)(5)

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(b)(1),(b)(5)



~~SECRET~~



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WASHINGTON, D.C. 20301-1800

60

INFO MEMO

DEC 1 2015

FOR: SECRETARY OF DEFENSE

DepSec Info \_\_\_\_\_

FROM: Jamie M. Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) U.S. Central Command Program and Budget Concerns (S)

- (U) Your office requested CAPE provide comments and recommendations on General Austin's memorandum to you, dated 12 November 2015, regarding U.S. Central Command (CENTCOM) Program and Budget Concerns.
- (U) Program Review actions related to specific points raised in General Austin's memorandum are provided in TAB A.

(b)(5)

COORDINATION: TAB B

Attachments:  
As stated

Prepared by: (b)(6)

~~Derived From: U.S. Central Command Program and Budget Concerns, 12 Nov. 2015.  
Declassify On: 20251109~~

UNCLASSIFIED WHEN SEPARATED FROM CLASSIFIED ATTACHMENT

~~SECRET~~



(61)

~~SECRET//NOFORN~~



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DEC 3 2014

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

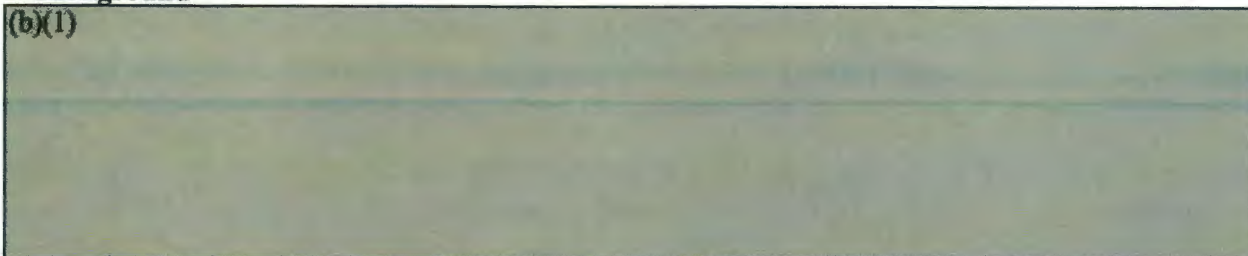
SUBJECT: (U) Potential UCLASS Investment Strategies

A handwritten signature in black ink, likely belonging to Jamie Morin, is located to the right of the "FROM" line.

(U) This memo describes potential UCLASS investment strategies to integrate unmanned aviation into the carrier air wing by the mid-2020s and better position carrier aviation to address 2030 A2AD threats.

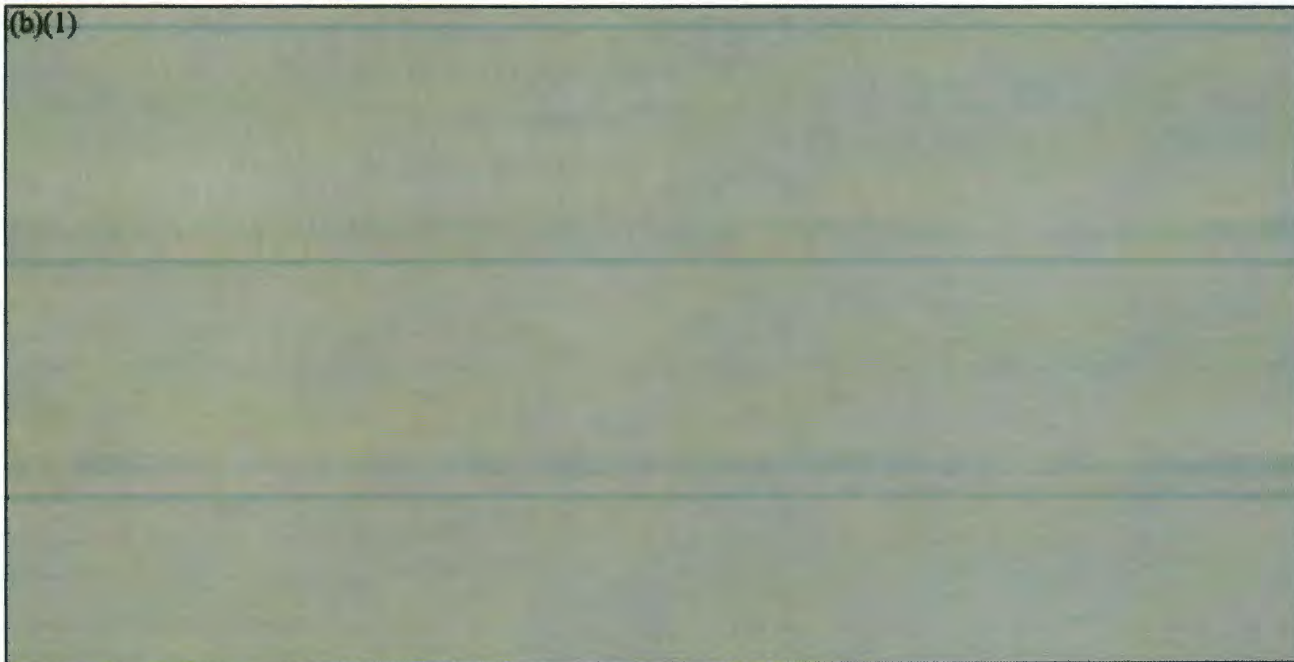
Background

(b)(1)



Future Carrier Air Wing Requirements and Risks

(b)(1)



~~SECRET//NOFORN~~

(b)(1)



**Potential UCLASS Investment Strategies**

(b)(1)



~~SECRET//NOFORN~~

(b)(1)



**Recommendation**

(b)(1)



~~SECRET//NOFORN~~



~~SECRET//NOFORN~~



COST ASSESSMENT AND  
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DEC 4 2016

INFO MEMO

FOR: SECRETARY OF DEFENSE

THROUGH: DEPUTY SECRETARY OF DEFENSE

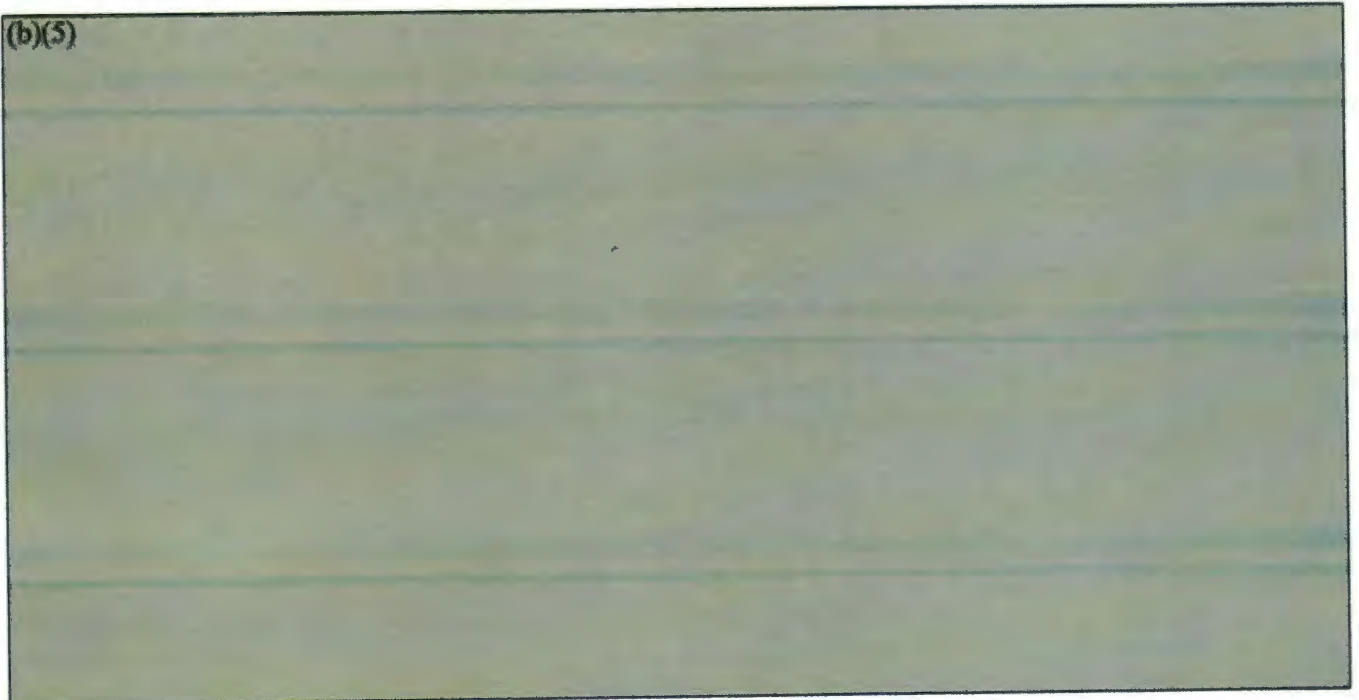
FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) Program Review Brief: Final Decisions and Endgame

(U) Monday the Deputy Secretary and I will present options for your final decision and outline how we will close the program by the end of next week. I expect to cover our current estimate of the Department's overall balance; options for your decision on Navy balance and programmatic options to counter Russia; where we stand regarding pay raises; how we are approaching OCO, including the CT Hubs; and how we will close the program.

**Current Program Balance**

(U) The budget deal, though better than expected, still creates a significant bill for FY17: \$21 billion compared to our planned topline, although the budget deal also allows up to \$8 billion of OCO to defray that bill. Favorable economic assumptions have provided significant assets in the outyears but the program as a whole still faces a deficit because of the FY17 bill.



~~SECRET//NOFORN~~

(b)(5)



(U)

(b)(5)



We will present you a potential option to close the program in line with your priorities by the end of next week.

**Navy Balance**

(b)(5)

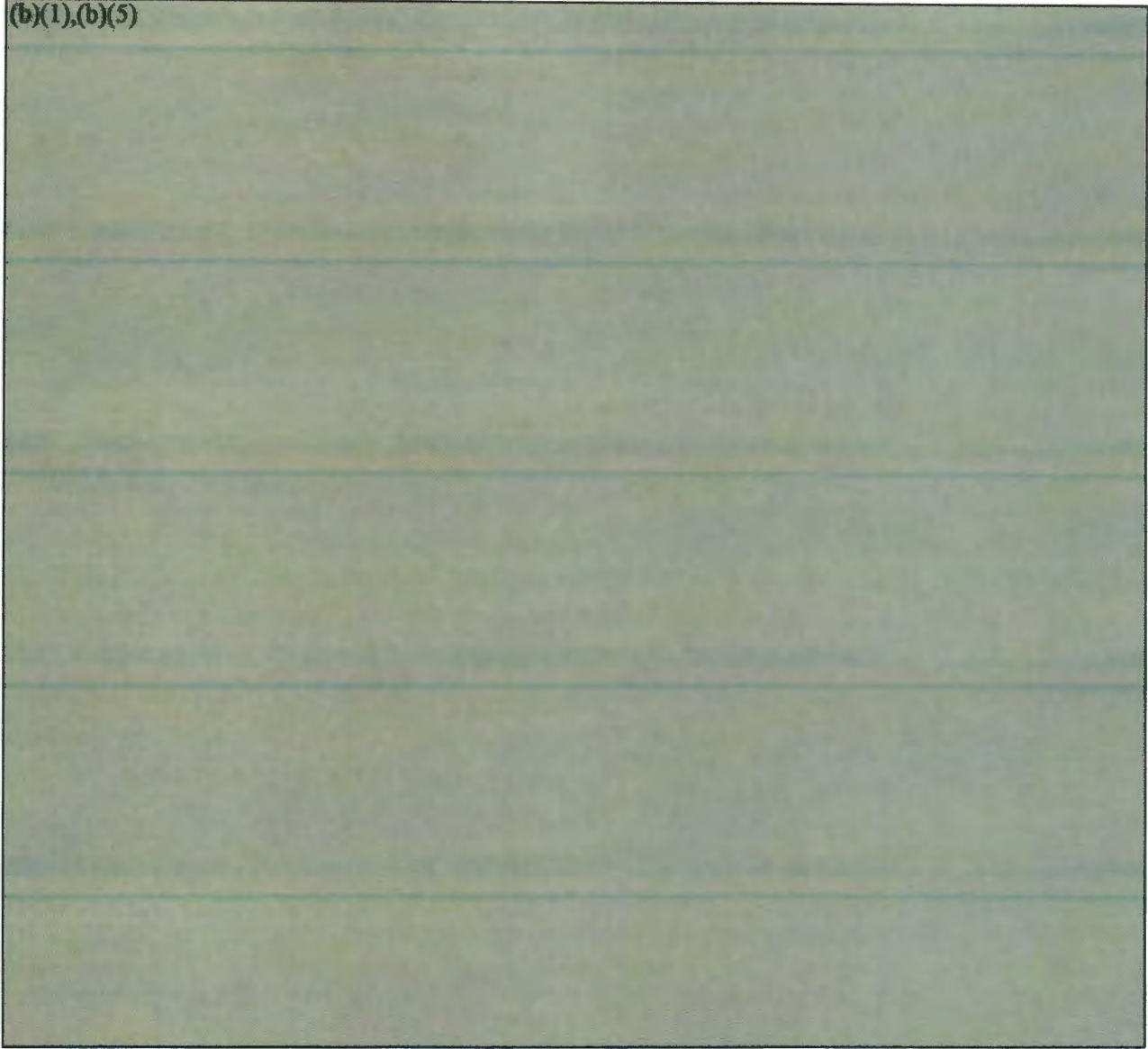


(U) I will present you alternatives Monday, displayed in Tab A. Two of the alternatives are particularly relevant. The first is the Navy's plan.

(b)(5)



(b)(1),(b)(5)



**Pay Raises**

(b)(5)





(b)(5)



(b)(5)



(U) I intend to familiarize you with this issue but not seek a decision until Friday.

**Overseas Contingency Operations**

(U) As discussed,

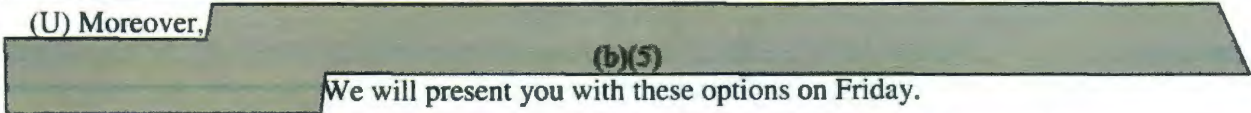
(b)(5)



(U) Moreover,

(b)(5)

We will present you with these options on Friday.



(b)(5)



(U) The programmatic options to counter Russia will also be funded with OCO.

**Closing PB17**

(b)(5)



(U) In our initial review of the services' reductions, I expect to find reductions where I need your guidance on how to weigh in the competition for resources. I will have this list ready to brief you Monday.

(U) We have already started competing potential enhancements and restoring reductions. After we have received your decisions and OMB guidance, we will finalize the amount available and brief you Friday for your decision on what combination best achieves your priorities.

~~SECRET//NOFORN~~

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WASHINGTON, D.C. 20301-1800

12 JAN 2016

INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: (U) 4-Star 2018-2022 Defense Program Guidance (DPG) Concerns

~~(U//FOUO)~~ I am currently coordinating on the draft of the 2018-2022 Defense Program Guidance (DPG) and want to highlight three issues that may warrant further discussion.

Issue 1

~~(S//NF)~~ The DPG directs use of

(b)(1)

(b)(1)

~~(S//NF)~~ Even if we retain the

(b)(1)

Issue 2

~~(S//NF)~~ The DPG guidance

(b)(1)

(b)(1)

~~SECRET//NOFORN~~

**Issue 3:**

~~(S//NF)~~ The DPG guidance to



(b)(1)





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INFO MEMO

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: Jamie Morin, Director, Cost Assessment and Program Evaluation

SUBJECT: 20 January DMAG RAH

- The 20 January DMAG will include a hotwash of PB17 – 21, a discussion on PB18 – 22 planning, and will introduce the Strategic Portfolio Reviews for 2016.
- Slides and paper are attached.

COORDINATION: NONE

Attachments: As stated

Prepared by: (b)(6)