THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON

October 2, 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Organizational Assessment for Fiscal Year 2007 and Direction for Fiscal Year 2008 Department of Defense Organizational Performance

This memorandum provides the Department of Defense (DoD) Organizational Assessment for Fiscal Year 2007 (see attachment) and the direction for the Fiscal Year 2008 DoD organizational performance.

Section 4312 of Title 5, United States Code, and Office of Personnel Management (OPM) implementing instructions require that we base performance evaluations of Senior Executive Service (SES) members on both individual and organizational performance. OPM further requires each Agency to describe how it assessed organizational performance and how it communicated that performance to rating and reviewing officials and members of Performance Review Boards (PRBs) to inform individual performance decisions. This memorandum and its attachment comply by providing a thumbnail sketch of Department performance.

Rating officials and members of the PRBs representing organizations that fall under my cognizance as the authorizing official should utilize the attached assessment along with other relevant DoD reports to assess SES performance.

OSD 14979-07
10/3/2007 9:08:46 AM

The Department has developed a list of 25 Transformation Priorities as the basis for organizational goals and senior executive performance plans for 2008. These priorities reflect DoD's continuing attention to the Global War on Terror, strengthening joint warfighting capabilities, our focus on people and the transformation of enterprise management. Each of the 25 priorities has been reviewed by DoD's senior leadership and includes an organization with primary responsibility for coordination and oversight, along with objectives and milestones for accomplishment prior to the end of this administration. Progress is being tracked by the Director, Administration and Management. Component heads are urged to conform to this alignment of priorities when developing strategic plans, action plans and roadmaps as well as SES performance outcomes within their respective organizations. This will ensure the energies of our people target priorities and outcomes that are shared across DoD.

Attachment:
As stated

Department of Defense 2007 Organizational Assessment

Our eight priorities for FY07 underscored our determination to:

- Win the Global War on Terror
- Strengthen U.S. Combined and Joint Warfighting Capabilities
- Meet the Challenge of Improvised Explosive Devices
- Continue Transforming the Joint Force
- Significantly Improve Military Intelligence Capabilities
- Continue Transforming Enterprise Management
- Focus on People – Military and Civilian
- Improve Effectiveness and Efficiency Across the Board

Since the terror attacks of 2001 in New York, here at the Pentagon and in Somerset County, Pennsylvania, the Global War on Terror remains the focus of our nation and our Department. After the attacks on our nation, the military responded immediately, and that effort continues today. In this past year, the U.S. military, along with our interagency and coalition partners, has made significant progress in Iraq, Afghanistan and around the world.

The U.S. military is highly respected and regarded among our nation's leaders and citizens, based on their dedication, expertise, commitment and results in protecting and defending the nation. This effort has encompassed every functional organization within the Department to include recruiting, training, schooling, deployment, combat operations, combat support, combat service support, medical and family assistance. Across this full spectrum, the Department has marshaled appropriate resources and decisively engaged the enemy while also preparing for a prolonged effort to confront terrorism and to protect the nation.

Regarding strengthening our combined and joint warfighting capabilities to meet the challenges of the new century, and improving military intelligence, this past year, the Department matured the Joint Warfighting Program, established Joint Intelligence Operations Centers, and established the HUMINT Training Joint Center of Excellence – all

steps to better support the warfighter. New Special Operations Forces are being added. The Army and Marine Corps are expanding ground force capabilities, building strategic depth, and all Services are transitioning the Reserve Components to an operational force. Science and technology cells have been incorporated into exercises, allowing DoD to acquire mature technologies quickly to mitigate capability gaps. The Department is also establishing AFRICOM, integrating interagency and international personnel, focusing on addressing the conditions leading to instability on the African continent.

Improvised Explosive Devices (IEDs) are the leading cause of casualties to troops deployed in Iraq. The Department has undertaken a variety of initiatives to counter this threat. Our ability to deliver actionable intelligence in near-real time to forward deployed combatant commanders has been increased. Our analysts have enabled our warfighters to operate better inside the terrorist's "decision-cycle," resulting in more successful operations and saving lives. The ultimate goal is eliminating IEDs by attacking the networks that produce them. The Department has made measurable progress this year, but IEDs are still the greatest threat to our forces. Tactics, techniques, procedures and equipment have been developed to detect and neutralize IEDs. DoD is rapidly acquiring the Mine-Resistant Ambush Protected vehicle to better protect troops at the point of attack.

To transform the force and enterprise management, four roadmaps mandated by DoD 2006 Quadrennial Defense Review were completed this year: Senior-based Management of the Intelligence, Surveillance and Reconnaissance Enterprise and Battlespace Awareness; Joint Command and Control; Tag, Track and Locate; and Authorities. Portfolio management of four major resource areas has begun. The Department converted thousands of military billets to DoD civilian or private sector performance, freeing military members to concentrate on their warrior mission. The Department deployed the National Security Personnel System to over 110,000 employees and launched the 21st Century Leaders Initiative, which raises the bar for entry into the Senior Executive Service. By adopting Continuous Process Improvement (CPI) and Lean Six Sigma (LSS), DoD is realizing tangible improvements. For example, a soon-to-be revamped security clearance system should eliminate the backlogs that have plagued the Department for many years. Defense Language Transformation improved language instruction at the Service Academies and the Defense Language Institute, and launched the first Reserve Officer Training Corps (ROTC) grant program to increase strategic language capability in our future officer corps.

With more focus on people in this time of war, care for our wounded, ill, and injured is of paramount concern. The Department partnered with the Department of Veterans Affairs to establish a Senior Oversight Committee and an Overarching Integrated Product Team to pull together recommendations of the many groups addressing the care of wounded warriors. The two Departments are implementing all the recommendations of the Dole-Shalala Commission that do not require statutory action, and are ready to submit legislation to the Congress on the remainder. Beyond care and recovery, we are equally focused on precluding injury – not just those from the enemy (as in the IED effort discussed above), but

also from normal operation of the enterprise. Focusing on the safety of our personnel has reduced civilian workdays lost due to accidents by 29% and major aircraft accident rates by 25%.

Personnel across the Department, both military and civilian, have contributed significantly to protecting our nation during this past year. However, this is a time of continuous testing of America, and it is critical that the Department continue to quickly respond to current threats and adapt to meet evolving threats. Your continued support of the Department's mission is essential and appreciated.