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FACTORS INFLUENCING THE DEVELOPMENT
OF THE AIR FORCE SYSTEMS COMMAND
PROGRAM OBJECTIVE MEMORANDUM

THESIS

Mark Welty
Captain, USAF

AFIT/GSM/LSY/84S-31

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DEPARTMENT OF THE AIR FORCE
AIR UNIVERSITY
AIR FORCE INSTITUTE OF TECHNOLOGY

Wright-Patterson Air Force Base, Ohio

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AFIT/GSM/LSY/84S-31

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AFIT/GSM/LSY/84S-31

FACTORS INFLUENCING THE DEVELOPMENT

OF THE AIR FORCE SYSTEMS COMMAND

PROGRAM OBJECTIVE MEMORANDUM

THESIS

Presented to the Faculty of the School of Systems and Logistics

of the Air Force Institute of Technology

Air University

In Partial Fulfillment of the

Requirements for the Degree of

Master of Science in Systems Management

Mark Welty, B.A.

Captain, USAF

September 1984

Preface

This research was an outgrowth of my experience with the preparation of the fiscal year 1985-89 Program Objective Memorandum (POM) submission by the Electronic Systems Division (ESD) of the Air Force Systems Command (AFSC). During that exercise, there were a wide variety of official and unofficial factors that came together to influence the development of ESD's POM submission to HQ AFSC. The officers and Air Force civilians that were experienced in the POM process all seemed to know and understand these factors, but they were not mentioned in the written POM instructions and guidance we used. Thus, newcomers to the programming process were at a disadvantage, because they did not know which factors tended to drive the POM development.

I proposed this project to authoritatively describe these POM influencing factors at HQ AFSC, both to enlighten the POM novice, and to identify any areas where improvements could be made in the AFSC programming process.

Dr. Anthony P. D'Angelo served as my thesis advisor. I am indebted to him for taking on another project, in spite of an already full schedule. His expertise in federal financial management was essential in helping me locate relevant source material. Lt Col William F. Shaw provided additional expertise as my thesis reader. His experience in past POM development exercises helped to ensure the

technical accuracy of the material presented here. This
thesis could not have been completed without the cooperation
and assistance of Lt Col Gordon F. Hollobaugh at HQ AFSC, as
well as the other survey respondents. I also want to
acknowledge the indirect contribution of Dr. Charles R.
Fenno, who taught in class the meaning of professional
communication.

The time spent on this project was usually found at the
expense of my family. I sincerely appreciate my wife's dual
contribution of her editorial assistance and substantial
patience. Of those affected, however, the largest sacrifice
was made by my children, who are old enough to need my
attention, but too young to understand why I wasn't always
there. Now their time has come.

Mark Welty

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List of Acronyms

AFSC	Air Force Systems Command
BES	Budget Estimate Submission
DCS	Deputy Chief of Staff
DG	Defense Guidance
DoD	Department of Defense
DRB	Defense Resources Board
ESD	Electronic Systems Division
FY	fiscal year
FYDP	Five Year Defense Program
FYFS&FP	Five Year Force Structure and Financial Plan
HQ	Headquarters
MAJCOM	major command
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense
PDM	Program Decision Memorandum
PDP	Program Decision Package
PEM	Program Element Monitor
POM	Program Objective Memorandum
PPBS	Planning, Programming, and Budgeting System
PRC	Program Review Committee
RDT&E	Research, Development, Test, and Evaluation
SYSTO	System Officer
TOA	Total Obligation Authority
UFB	Unified Federal Budget

Abstract

This investigation identifies the formal and informal
factors that influence the annual development of the Program
Objective Memorandum (POM) at HQ Air Force Systems Command
(AFSC). The POM is a key element of the DoD Planning,
Programming, and Budgeting System (PPBS), and is designed to
bridge the gap between fiscally unconstrained military
planning activities, and the fiscally constrained DoD budget
submission. AFSC and other Air Force major commands
(MAJCOMs) prepare POM submissions for HQ USAF, where they
are used in the development of the USAF POM.

The history of the DoD PPBS is reviewed, along with a
discussion of the concept of the POM and its role in the
PPBS, and a description of the AFSC POM development cycle.

A survey, in the form of structured interviews, was
conducted at HQ AFSC among a sample of POM decision makers.
The results indicate a number of factors that influence the
POM development to varying degrees. Some of these factors
arise as a result of program-related developments outside of
AFSC. The predominant factors, in terms of their effects on
the AFSC POM, are the program priorities of HQ USAF and the
MAJCOMs that will use the weapon systems being developed by
AFSC.

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The report calls into question the practice of prioritizing certain programs in the AFSC POM submission, based on an apparent duplication of effort at AFSC and HQ USAF.

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FACTORS INFLUENCING THE DEVELOPMENT

OF THE AIR FORCE SYSTEMS COMMAND

PROGRAM OBJECTIVE MEMORANDUM

I. Introduction

General Issue

Within the Air Force Systems Command (AFSC), managers
of research and development programs are very concerned with
their respective shares of the military budget. The
specifics of the budget, as authorized and appropriated by
Congress, determine which resources go into the weapon
system development programs. Although the ultimate
determinations of military expenditures are made by
Congress, the Department of Defense (DoD) and its military
services make formal inputs to the congressional budgeting
process through the DoD Planning, Programming, and Budgeting
System (PPBS). In AFSC and other Air Force major commands
(MAJCOMs), the key input to the PPBS is the Program
Objective Memorandum (POM), submitted annually to HQ USAF.
Many program managers see the POM as an opportunity to
influence their own programs' fiscal success.

AFSC develops its POM after receiving inputs from the
AFSC field organizations: product divisions, laboratories,
and centers. These inputs are, fundamentally, rank-ordered

lists of an organization's existing and proposed programs.
The funding proposed for these programs is consistent with
the field organizations' perceptions of the relative
importance and financial requirements of the programs. The
POM inputs from the field are combined at HQ AFSC into a
single list, which is reviewed and eventually becomes the
AFSC POM.

The POM, in the budget programming process, is a vital
element of the PPBS, because it bridges the gap between DoD
planning and budgeting activities. How that gap is bridged
at AFSC is the subject of this investigation.

Specific Problem

Many factors influence the development of the AFSC POM,
both at the headquarters and field organizations. For
example, a formal AFSC program planning initiative called
Project Vanguard is used to identify mid- and long-term
system needs to meet the requirements of specific mission
areas, and to convert those system needs into program
priorities. There are informal influencing factors as well,
such as a POM decision maker's perception of congressional
or executive level priorities. This investigation
identifies the specific POM influencing factors, and
describes their interrelationships and ultimate effects on
the development of the AFSC POM. In so doing, it will
promote an awareness of what tends to cause success or
failure in the POM process.

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Scope of the Research

This investigation addresses the multiple interacting factors that influence the programming process at HQ AFSC. Although some of the AFSC activities during the POM formulation are a direct result of guidance and direction from HQ USAF, this effort does not attempt to assess the validity or appropriateness of the Air Staff direction. Rather, the topic of investigation is limited to the identification of the discrete processes and pressures that combine to form the programming process at AFSC, as well as the direction, guidance, and perceptions that AFSC programmers (POM participants) and decision makers respond to in developing the AFSC POM submission.

Research Questions

This investigation seeks to answer two key questions. First, what are the formal and informal factors that influence the POM development process at HQ AFSC? More specifically,

-- What direction and guidance do AFSC programmers respond to?

-- What management tools are employed by AFSC programmers and decision makers to sort out the multiple elements that go into a POM formulation?

-- What are the external factors that bear on the POM formulation, such as a decision maker's perception of the program priorities at other MAJCOMs, HQ USAF, the Office of

the Secretary of Defense (OSD), Congress, or even the White
House?

Second, what are the relative importances of these factors
with respect to their influence on the most important
product of the AFSC programming process, the AFSC POM?
Considering these relative importances, how might the
efficiency or effectiveness of this process be improved?

II. Literature Review

In order to understand the context in which the AFSC
POM is developed, this review of the relevant literature
addresses three areas. First, the history of the DoD PPBS
is discussed, with emphasis on its relationship to research
and development activities. Second, the concept of the POM
and its function in the PPBS is examined. Third, the AFSC
POM development cycle is discussed, in terms of the major
inputs and processes involved, as well as some deficiencies
which may exist in the present system.

History of the DoD PPBS

In the late 1950s, the DoD came under increasing public
criticism of its budgeting operations, because of an
apparent gap between planning and operations on one hand,
and financial management on the other. Leaders of the day
suggested that the DoD move toward a budgeting system that
corresponded more closely to a coherent strategic doctrine.
In 1961, Secretary of Defense Robert McNamara was charged by
President Kennedy to determine and provide what was needed
to safeguard the national security without arbitrary budget
limits, but to do so as economically as possible. Secretary
McNamara set out to create a financial management control
system that would integrate the planning, budgeting, and
accounting activities throughout the DoD (13:13-15).

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Assistant Secretary of Defense (Comptroller) Charles
Hitch was assigned the task of creating such a system. He
identified six weaknesses of the existing budgeting system:

1. Two important functions, planning and budgeting,
were performed by different groups of people. Planning was
done by military planners, and budgeting by the civilian
secretaries and the comptroller organizations.

2. Budget control was exercised by the Secretary of
Defense, but the planning function was largely done by the
services.

3. The planning horizon extended four or more years
into the future, but the budget was projected only one year
ahead.

4. Military planning was mission-oriented, but
budgeting was done in terms of budget categories: personnel,
operations and maintenance, procurement, and construction.
There were few mechanisms for translating one into the
other.

5. While financial managers faced the facts of fiscal
limitations, planning was fiscally unrealistic and,
therefore, of little help to budget decision makers.

6. Military requirements were stated in absolute
terms, with little regard for their costs, thus denying
decision makers the opportunity to compare expected benefits
and costs (13:15-17).

In 1961, Mr. Hitch designed a programming system,
initially called the Five Year Force Structure and Financial

Program (FYFS&FP), which created the first management tie
between the long range planning done by the services and the
constraints of the resources available to the DoD. This
"programming" concept allowed DoD budget decision makers to
see more clearly the available alternatives in terms of
their military worth in relation to their costs. When Mr.
Hitch resigned in 1965, he had achieved the integration of
the planning and programming portions of the DoD budgeting
process. Common terms and concepts were used by both the
planning and the programming functions of the FYFS&FP, which
had come to be called the Five Year Defense Program (FYDP)
(13:17,21).

Robert Anthony was appointed as the new Assistant
Secretary of Defense (Comptroller). He completed the
budgeting loop of the PPBS started by Mr. Hitch.
Specifically, he revised the annual budgeting and accounting
systems of the DoD so that there would be a completed path
between the planning, programming, budgeting, and accounting
functions. Mr. Anthony's changes established a means for
translating resource costs into the FYDP, providing for a
more comprehensive PPBS (13:21,23).

Although the implementation of the PPBS served to
improve budget decision making, there were still
deficiencies in the budgeting process. The most conspicuous
of these were the cost overruns within DoD. They indicated
that the PPBS had not been perfected, or at least that it
was not being used correctly. There were several major

problems with the initial PPBS:

1. Program review for decision making was concentrated within too short a period.

2. The objectives of service programs and activities were not specified with sufficient clarity.

3. Actual program accomplishments to date were not specified adequately.

4. Alternatives were inadequately expressed for consideration by top management.

5. In some cases, future costs of present decisions had not been systematically estimated.

6. Formalized planning and systems analysis had too little effect on budget decisions (13:25-26).

When Melvin Laird became Secretary of Defense in 1969, he was familiar with the criticisms and deficiencies of the PPBS. He believed that these deficiencies resulted from a lack of involvement by lower-level managers in the decision making process, and from an unrealistic approach to developing the military budget. Thus, he set out to revise the PPBS to reflect a more participative management concept, and a more realistic approach to the budget (13:28-29).

Based on recommendations from Harold Brown, then Secretary of the Air Force, Mr. Laird in 1969 instituted changes in three areas. First, fiscal constraints were applied throughout the budget cycle. Previously, there had been a tendency to overestimate the costs of programs by the services because of the lack of fiscal constraints. It was

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left to OSD to reduce the estimates to realistic levels.
Second, the participation of OSD and the the Joint Chiefs of
Staff was increased at the service level to encourage
submission of service programs which recognized the need for
the fiscal constraints discussed above. Third, a series of
annual action points was established to provide better
guidance from OSD to the services in preparing their budget
proposals (13:54-56).

Although improved, the PPBS was still far from perfect.
Over the next decade, the PPBS grew top-heavy and congested
with paperwork and the details to support the budget
proposals. Planning was not in step with fiscal realities,
and the proliferation of management structures and data
bases had served to impede the flow of the system. The PPBS
was still meeting its basic objectives, but it was not doing
so in the most effective manner (12:21).

Critics of the PPBS charged that the system was
impeding the efficient development of the defense budget in
at least four areas. First, the centralized planning
approach did not provide sufficiently detailed force plans
at the field and unit levels. Second, the services did not
present adequate alternatives to top DoD management. Third,
there was no requirement to systematically quantify future
costs. Fourth, the central focus of the PPBS tended to be
on the minor problems, with the result that DoD decision
makers spent too little time considering major programs
(10:21-22). In a 1980 report, OSD cost analyst Franklin

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Spinney concluded that the PPBS directed attention to the planning and programming elements, as opposed to the defense program as a whole. Investment decision making was focused on individual programs. As a result, decison makers were overwhelmed with program details, and an incentive structure was created that favored those programs that predicted optimistically low future costs and high system capabilities (14:124).

In 1981, Deputy Secretary of Defense Frank Carlucci chartered five working groups to make recommendations for improving the defense systems acquisition process. Based on the report of these working groups, Mr. Carlucci initially identified 31 actions for implementation by DoD. Another action was added later. These actions, formerly known as the Carlucci initiatives, are now officially referred to as the DoD Acquisition Improvement Program. Four of these actions address the problem of program turbulence caused by a lack of discipline in planning and programming for the later years of an aquisition program (5:54,65-66).

The Acquisition Improvement Program implements a broad management philosophy: centralized planning and decentralized operational responsibilities. The central OSD staffs have been tasked to concentrate on broad policy guidance rather than detailed program direction as in prior years, and to emphasize cross-service and cross-command analysis to help the Secretary of Defense make the high priority decisions. Further, managers at all levels in DoD

are now expected to look for economies and efficiencies in
executing their programs (12:27).

The POM and its Function in the PPBS

The programming phase of the PPBS is the first point
where fiscal constraints are formally imposed on the
military requirements developed during the planning phase.
Since competing requirements must now be fitted into a
fiscal ceiling, a high level of interest is expressed by all
parties throughout the rest of the PPBS cycle. Programming
is accomplished at HQ USAF through the use of planning phase
products, inputs from the MAJCOMs, and guidance from OSD
(7:16). The result is the proposed Air Force Program: the
USAF Program Objective Memorandum.

In the programming phase of the PPBS, decisions are
made about the programs the Air Force intends to pursue over
the next five years. Thus, each year a POM is produced
which programs funds and personnel over a five year period
(3:11). The USAF FY 87 POM, for example, will actually be
the FY 87-91 POM. FY 87 is the budget fiscal year, and FY
88-91 are considered the "out years" for that POM.

The USAF POM is developed annually over a six month
period, following the receipt of the MAJCOM POMs. The POM
must be completed by May 15, in order to influence the
President's budget, due to Congress during the following
January. Therefore, the MAJCOMs must submit their POMs to
HQ USAF during the preceeding December. This would be, for

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example, December 1984, to affect the USAF FY 87 POM in May
1985, which will lead to the Joint USAF/DoD Budget Estimate
Submission (BES) in September 1985, which will in turn
influence the President's Unified Federal Budget (UFB) for
FY 87, submitted to Congress in January 1986. If
congressional authorization and appropriation actions are
completed on time, the end result will be the FY 87 Defense
Appropriations Act, signed into law by the President by 1
October 1986. The MAJCOMs, therefore, are working on their
POMs at least 24 months ahead of the start of the budget
fiscal year. Figure 1 illustrates these timing
relationships.

The HQ USAF POM development is constrained by a
directed fiscal ceiling, the Total Obligation Authority
(TOA). The TOA is, or at least is a slight variation of,
the budget year total from the most recent form of the prior
year's budget. Using the example above, while HQ USAF is
preparing its FY 87-91 POM in the spring of 1985, the FY 87
TOA will have come from the FY 87 Air Force total in the FY
86-90 President's budget.

The basic decision document of the POM is the Program
Decision Package (PDP), which is a one to several page
document that describes the current status and any proposed
alternatives to a given Air Force program. A PDP describes
some portion of the total Air Force program in terms of
mission capabilities, dollars, and manpower, and may contain
one or more program elements. PDPs were originally

Calendar Year | 1984 | 1985 | 1986 | 1987
Month | OND|JFM AMJ JAS OND|JFM AMJ JAS OND|JFM AMJ JAS OND|

Fiscal Year | FY 1984 | FY 1985 | FY 1986 | FY 1987

Congress

OMB/Executive Branch

OSD

HQ USAF

HQ AFSC
(and other MAJCOMs)

Field units

PDM
PDM
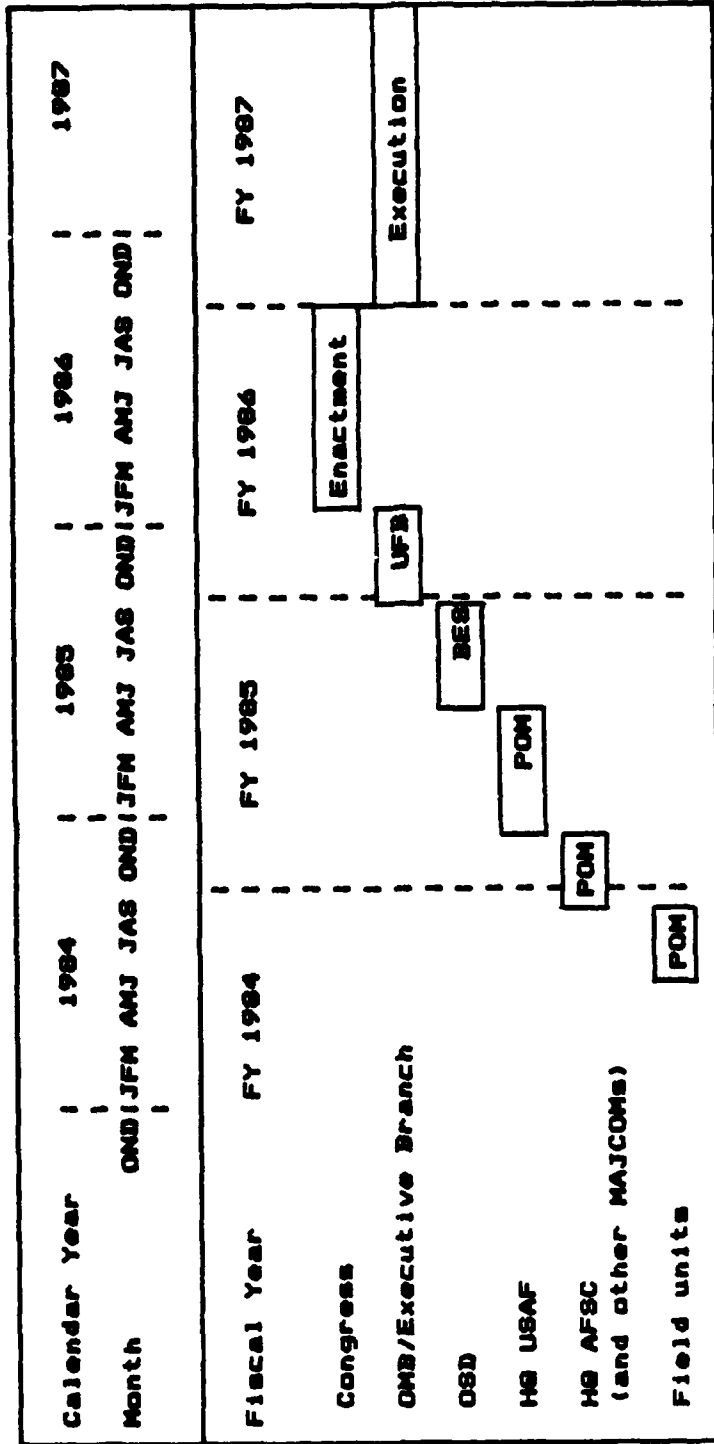POM
BES
UFB
Enactment
Execution

Figure 1. Time-Phase Relationships of Programming and
Budgeting Processes for Fiscal Year 1987

developed to support the POM process, but are now used throughout the year as a reliable source of program information (7:19). Several sample PDPs from the FY 86 AFSC POM are included as Appendix A.

An important activity in the Air Force POM development cycle is the ranking of the PDPs. The total of the current programs, proposed program enhancements, and proposed new program starts may exceed the TOA by as much as 10-20 billion dollars. The ranking process is designed to prioritize resource expenditures, to ensure that the most critical needs are met within the expected TOA. The process seeks to establish an Air Force program mix that is balanced between competing mission areas, force structure and support, readiness, and modernization (7:20-29).

The Air Force and other service POMs are reviewed by the Joint Staff, the OSD staff, and the Office of Management and Budget. The reviewers develop alternatives to some of the program proposals contained in the POMs. The Defense Resources Board (DRB), consisting of senior OSD and service representatives, reviews the alternatives and makes recommendations to the Secretary of Defense. The DRB was established in 1979 to improve the efficiency of the PPBS, by supervising the OSD review of the service POMs and the budget submission. In 1981, as part of the Acquisition Improvement Program, the role of the DRB was changed to that of assisting the Secretary of Defense in managing the entire PPBS (8:6). After consideration of the DRB recommendations,

the Secretary provides his decisions to each service via a Program Decision Memorandum (PDM). The POM, as modified by the PDM, serves as the baseline for the start of the budgeting phase of the PPBS (7:16).

The AFSC POM Development Cycle

In order for AFSC to make its POM submission to HQ USAF in December, the AFSC field organizations must begin work on their respective inputs during the preceding summer. During the FY 86 POM cycle, for example, AFSC's POM call was sent to the field organizations in early August, 1983 (see Appendix B). The AFSC Deputy Chief of Staff/Comptroller (AFSC/AC), primarily responsible for the POM, specified a due date for the field POM inputs in late September, 1983 (2).

The AFSC staff spends considerable time in deriving each field organization's share of the expected AFSC TOA. The field units then prepare prioritized inputs to balance against these TOA figures. As is the case at HQ AFSC, the field organizations expend significant effort in producing a rank-ordered list of their PDPs, that reflects the local program priorities (6:17-18).

Field organizations have expressed dissatisfaction with the baseline TOA allocation and PDP prioritization processes, and the lack of time to prepare an adequately researched POM submission. Fiscal guidance from HQ USAF is not clear on the funds which will flow to AFSC, so the

baseline TOAs for the AFSC field organizations are frequently changed (6:18).

Considerable criticism has been leveled against the concept of prioritizing PDPs at the AFSC field level or even at HQ AFSC. In the case of the field units, each program manager knows where his program stands with respect to the Air Force POM of the prior budget year, and, therefore, what the current Air Force priority of his program is. In keeping with his program direction, he will continue to seek support for his program at AFSC if his program is funded in the prior year's USAF POM, even though it may be outside the funded band at the field unit in this year's POM submission. If AFSC ranks it unfunded, he will then go to HQ USAF for support. As a practical matter, therefore, prioritization at levels lower than HQ USAF may be of little use to the program manager in his search to secure continued funding for his program (15:3-4).

An ad hoc study group was formed at AFSC to reflect on the lessons learned during the FY 84 POM exercise, and to formulate recommendations to improve future programming efforts. With respect to the ranking process, the predominant view of the study group was that prioritization of programs, either by PDP or by program element, would be better left to HQ USAF, in concert with the using commands. If the ranking requirement was eliminated from the AFSC cycle, the process of developing baseline TOAs for AFSC and its field organizations would also be eliminated. This

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might reduce the administrative work load during the POM development by as much as 50 percent (6:18).

There is no formal direction, in the form of Air Force or AFSC regulations, that specifies how AFSC is to formulate its POM submission. The official direction for the MAJCOM POM submissions takes the form of the USAF POM Call, issued during each October. Other documentation requirements, such as requests for additional program information, come from multiple sources at HQ USAF, and one set of instructions may not recognize the activities directed by another set. AFSC finds itself preparing POM submissions to respond to multiple requirements. This has contributed to making the formulation process both complex and lengthy (1:1,6).

In 1982, AFSC implemented a revised POM process that was compatible, in terms of documentation and structure, with the USAF and DoD PPBS processes. Additionally, these changes stressed fiscal "credibility," by seeking to produce PDPs that document fully executable programs (2).

Appendix B is the FY 86-90 AFSC POM Call, 3 August 1983, with selected attachments. This document provided the basic POM instructions and guidance to the AFSC field units. The FY 85-89 USAF POM, 11 May 83, served as the baseline for the field units to prepare their FY 86 submissions. As such, the PDP priority list in the FY 85 USAF POM was to be the point of departure for the development of the field unit priority lists, and the FY 86-89 funding levels in the FY 85 USAF POM formed the baseline for the FY 86 submission (2).

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Field organizations that wish to submit PDPs that
differ from the USAF POM, either in program descriptions or
funding levels, do so through a system of delta (change)
PDPs. Additional PDPs are written that alter program
descriptions, add dollars to, or subtract dollars from, the
program baseline. This delta PDP system is fully explained
in Appendix B.

After the field organization POM inputs are received at
AFSC/ACB (the budget directorate), the PDPs are sent to the
appropriate mission area panels. Table I lists the 11
panels at HQ AFSC. The mission area codes shown in the
table correspond to the alphanumeric designator system used
to identify the PDPs, and are sometimes used as a short way
of referring to the panel.

As part of the panel deliberations, the PDPs are
forwarded for corrections or revisions to the various system
officers (SYSTOs). The AFSC SYSTOs are the staff officers
who are concerned with the specifics of one or more
development programs, serving a function comparable to that
of the Air Staff Program Element Monitors (PEMs). Through
contact with both the field system program offices and the
PEMs, the SYSTOs incorporate the latest program information
into the PDPs (4).

The mission area panels are chartered to use the field
POM inputs and other source information to produce a
proposed AFSC program mix of funding levels (PDP pricing)
and priorities, within a specific mission area, e.g.,

Tactical Air Warfare or Command, Control, and
Communications. During the panel deliberations, short
briefings may be scheduled for SYSTOs to explain some of the
details of their programs. The rankings of the panels are
coordinated with AFSC directors (three-letter chiefs, e.g.,
AFSC/XRX). After appropriate adjustments, the panel
rankings are forwarded to the next level of POM development,
the AFSC Program Review Committee (PRC) (1:Atch 23).

TABLE I

Mission Area Panels at HQ AFSC (1:Atch 23)

Mission Area Code	Mission Area Panel
A	Strategic Offense
B	Strategic Defense
C/H	Command, Control, Communications/ Data Automation
E	Electronic Combat
J	Research and Development
K	Reconnaissance/Intelligence
M	Mobility
N	Space
P/S	Personnel Activities/Support
T	Tactical Air Warfare
W	War Reserve Material

The PRC meets to review the PDP pricing and rankings produced by the mission area panels, and to combine those rankings into an integrated priority list. This integrated PDP ranking, also called the "smash list," is produced after closed PRC meetings. During these closed sessions, individual panel chairmen are called in as needed to explain the panel pricing and ranking rationale (11).

Over the course of the POM formulation, Vanguard mission area briefings (see page 2) are presented to the corresponding panels and to the PRC. The conclusion of each Vanguard briefing includes a recommended priority of all program elements relating to that mission area. Since the PDPs tend to describe program activities funded by one or more program elements, the Vanguard mission area priorities can be used to derive a mission area PDP priority list. The Vanguard briefings also propose approximate funding levels for the relevent program elements.

The first integrated list is presented for comment to the AFSC directors, who may advocate changes based on their perceptions of the relative importances of missions and individual programs. When modified in response to the directors' inputs, the PRC chairman briefs the proposed POM to the AFSC Executive Council, which is made up of the Deputy Chiefs of Staff (DCSs), and is chaired by the AFSC Vice Commander (AFSC/CV). This presentation can extend over several days. The DCSs debate the relative merits of programs and their pricing, and actual changes to the POM

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are made by the Council chairman. Most of the discussions during the Council sessions center on those programs close to the "margin," the funding cutoff defined by the AFSC TOA. Several iterative versions of the ranking may result from the Executive Council review (11).

The final phase of the POM development cycle occurs when the proposed POM, now approved by the Executive Council, is briefed to the AFSC Commander (AFSC/CC). During this briefing, the field organization commanders may attend as well. After final adjustments by the Commander, the AFSC POM is released to HQ USAF (11). Table II shows the approximate schedule of major events of the FY 86 POM development during August -- December 1983.

TABLE II

AFSC FY 86 POM Schedule (11)

AFSC POM Call to Field	3 Aug 83
Field Submission to AFSC	26 Sep
Vanguard Briefings to Council	27-28 Sep
SES P3Ps to Field	28 Sep
Vanguard Briefings to MAJCOMs	5-28 Oct
Initial Panels to PRC	17-21 Oct
Panels to PRC	31 Oct- 4 Nov
PRC/Panels to CV/Council	21-22 Nov
Feedback to Product Divisions	23 Nov
Panels to PRC on MAJCOM Views	25 & 28 Nov
PRC/Panels to CV/Council	30 Nov
CC/CV/Council/Division Commanders	16 Dec
AFSC POM to USAF	23 Dec

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III. Methodology

This chapter describes the methodology that was used to collect the data necessary to address the research questions posed earlier. The discussion of the research methodology focuses on three areas. First, the selection of a structured interview technique is examined in comparison to other potential data collection methods. Second, the make-up of the survey instrument (structured interview outline) is described in terms of the topics addressed and their sequencing. The third area discussed is the survey population, including how the sample was selected, and the validity of conclusions that can be drawn about the population based on the survey results.

Selection of Data Collection Technique

The most basic choice of a method for collecting data to answer a research question is between experimentation, direct observation, and a form of survey. The characteristics of the research problem and its context can often determine the best or most feasible approach.

In this case, the objective of the research is to determine the multiple factors that influence the people who, in turn, influence the development of the AFSC POM. An experiment is not a feasible approach for two reasons. First, the nature of the research questions do not allow for

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the formulation of a hypothesis that relates an
independent variable to a dependent variable. The
phenomenon of the POM development represents the combined
effects of at least several influencing pressures and
requirements. Second, experimentation requires the ability
to control the independent variable to observe its effects
on the dependent variable(s). The importance of the POM and
the schedules of the people that produce it did not allow
for the creation of experimental situations where
controlling variables can be manipulated.

The second basic technique of data collection, direct
observation, is feasible from a technical standpoint, in
that observation of the decision making process during the
POM development could, over time, present an accurate
picture of what influences the decision makers.
Nevertheless, direct observation was not feasible in
practice. The time limitation for the completion of this
project did not allow for observation of the next POM
development cycle at HQ AFSC during the fall of this year.
Further, observing some of the most important executive
sessions of the senior officers at HQ AFSC might have
represented an intrusion that would not be tolerated.

The last basic means of data collection, a form of
survey, was the choice by elimination. Within this
category, the choice was between a questionnaire or personal
interview technique. Since this project represented an
exploratory research effort into an area not formally

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addressed before, the structured interview technique was
selected as offering the greatest flexibility in identifying
and exploring the POM development factors.

Description of the Survey Instrument

The survey instrument, which is included as Appendix C,
is an outline for a structured interview. By structuring
the survey questions, each question is posed in the same way
to each respondent, thus promoting the reliability of the
measure (9:215). The interview questions were divided into
two basic parts. Part I dealt with the demographic
characteristics of the respondents, and part II was
concerned with information relating to the AFSC POM process.
Within the second part, the questions were subdivided into
three areas: A) the goals and objectives of the respondents
with respect to the POM development, B) the direction,
guidance, and source information the respondents used in
past POM exercises, and C) the perceptions of the
respondents as to the factors that have influenced them and
others in reaching their POM decisions.

The interview questions were structured to move from
the general areas of the respondent's background, to the
more specific areas dealing with the POM influencing
factors. Using this approach, the respondent's frame of
reference could be learned, and the distortion effect of
earlier questions on the later ones was minimized (9:238).

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Survey Population and Measurement Validity

The most important criterion for determining the population that was surveyed was their participation in the AFSC POM process in some form of decision making capacity. The population selected for this survey consisted of the chairmen of the mission area panels, and the members of the PRC and its secretariat. The second key criterion was participation in or at least presence during the Executive Council or Commander's POM reviews. This approach provided a "next best" insight into the decision making of these general officers, since a personal interview with them was not possible.

The size of the population that meets both criteria for recent POM cycles is relatively small. The 11 panel chairmen, 8 or 9 members of the PRC, and several officers of the PRC Secretariat make up a survey population of less than 25 officers. At HQ AFSC, there are many people who participate in the POM process, but relatively few who are privy to the senior level decision making by the AFSC Executive Council and Commander. The data collection plan called for interviews with approximately ten appropriate decision makers at HQ AFSC.

The survey encompassed over 40% of the subject population, as defined above. Therefore, the correlation between the survey findings and the actual opinions of the population at large should be high. The keys to the validity of the study were the identification and selection

of interviewees, and the conduct of the interviews themselves. Successful personal interviews, in terms of measurement validity, meet three conditions: 1) the respondents have access to the information required, 2) they understand their roles in the investigation, and 3) they are motivated to accept those roles and respond to the interview questions accordingly (9:294). Careful selection of the respondents for this study, and appropriate conduct of the interviews improved the chances of meeting these criteria.

IV. Findings and Analysis

This chapter reports the results of the survey taken at
HQ AFSC, and describes these results with respect to the
individual survey questions listed in Appendix C. The
discussion covers four areas. First, the respondents
comprising the survey sample are described in terms of their
reported demographic data. Second, the goals and objectives
of the sample group that relate to the AFSC POM process are
discussed. The third area is the direction, guidance, and
source information that these officers have responded to in
past POM exercises. Lastly, the fourth area deals with the
POM influencing factors, as they affected the decision
making of the survey respondents.

Sample Demographic Data

The survey for this project included interviews with
ten officers at HQ AFSC, on 17 and 18 May 1984. The first
four questions of the interviews dealt with the respondents'
descriptive data. Table III shows the name, rank, office
symbol, and position title of each of the survey
respondents. The titles listed are those of the AFSC
positions held by the respondents. These titles do not
indicate the respondents' functions in the POM process,
which are discussed below under question #8.

TABLE III

Survey Respondents

Name	Rank	Office	Position Title
		AFSC/	
Dietrich, F.	Col	TEU	Dir, Test Resources
Franklin, R.	Lt Col	SDZS	Ch, Strike Systems Division
Hollabaugh, G.	Lt Col	ACJ	Dir, Programming Integration
Ludwig, R.	Lt Col	SDGL	Ch, Launch & Orbital Div
Marshall, R.	Lt Col	XRX	Dir, Policy & Programs
Martin, C.	Maj	SDN	Mgr, Airlift Systems
Pearce, J.	Lt Col	DLXB	Asst, R & D Operations
Rapalee, E.	Col	DLX	Dir, Plans & Programs
Thurston, M.	Maj	SDWI	Ch, Intelligence Division
Wolcott, J.	Col	SGB	Dir, Biotech & Human Factors

Question 5: Education or Training Related to Research and Development. Seven of the ten respondents had completed either advanced degree or training programs that were specifically oriented toward management of research and development activities. Of those, four had completed courses offered by the Defense Systems Management College. Other programs included various professional continuing education courses, primarily relating to systems acquisition and logistics.

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Question 6: Specific Prior POM or Budget-Related
Experience. Prior to their present assignments, six of
the respondents had POM or budget-related experience. These
experiences ranged from the preparation of POM inputs while
working at a system program office, to participation in a
POM mission area panel at HQ USAF.

Goals and Objectives

Question 7: Overall Objectives of the AFSC POM Process.
The repondents agreed widely in their perceptions of the
objectives of AFSC's POM exercise. Seven of the respondents
thought the most fundamental goal of this process is to
provide to the Air Staff a balanced, well-priced budget
proposal that recognizes both mission requirements and the
fiscal realities of limited TOA. Minority opinions included
beliefs that the goals are to secure the biggest share of
the Air Force TOA for AFSC, or to produce a POM that is
priced in response to program management direction.

Question 8: The Respondents' Official Functions in
Support of the POM Process. Five respondents serve as
chairmen of mission area panels. These include the Space,
Mobility, War Reserve Material, Reconnaissance and
Intelligence (Recce/Intell), and Research, Development,
Test, and Evaluation (RDT&E) panels. Three respondents
represent their deputy chiefs of staff as members of the
PRC. The remaining two have POM functions of chairing a
mission area sub-panel, and directing the PRC Secretariat.

Question 9: The Respondents' Objectives in the AFSC POM Process. In comparison to question #7 (overall AFSC POM objectives), there was more diversity in the respondents' answers to this question. Nevertheless, the predominant response (by six of the interviewees) indicated a close correlation between their objectives and their perceptions of AFSC's objectives in the POM. These respondents felt that their goals are to provide an "executable" POM; that is, one where the PDP descriptions agree with the program direction, and where the funding proposed for those programs will allow the proper quantities of systems to be delivered on time. The fundamental POM objectives of the four other respondents, respectively, are to 1) get the most, in terms of systems produced, for the money spent, 2) increase the percentage of Air Force TOA spent on science and technology, 3) ensure that the requirements of the test & evaluation activities are made known to the other POM decision makers, and 4) "clean up" the POM process and get mission area panel chairmen involved in the programs' current year budget problems.

Question 10: The Respondents' Areas of Success. This question was posed to determine the respondents' successes in meeting the objectives they described in question #9. Although the responses varied widely, three interviewees agreed that they had helped improve the executability of the AFSC POM. Four respondents expressed satisfaction with the

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increases in funding they had secured for their respective areas of interest. One respondent, for example, had succeeded in achieving a seven percent annual increase in science and technology funding for fiscal years 1985 and 1986.

Question 11: The Respondents' Areas of Difficulty. The intent of this question was to identify which personal goals, of those defined earlier, gave the respondents the most difficulty. The answers tended to fall into two groups. Six respondents expressed frustration with some portion of the POM process itself. Most of the other respondents felt that they were not able to achieve satisfactory funding for the programs in their areas of interest.

Within the first group, the six interviewees felt hampered by a lack of time to prepare an adequately researched POM, guidance from the Air Staff that changes frequently, superficial depth of review in the PRC meetings, lack of information support from the field organizations, and what appeared to be arbitrary funding (ranking) decisions by officials at higher levels.

Direction, Guidance, and Source Information

Question 12: Specific POM Instructions from Higher Levels in AFSC or from HQ USAF. Three respondents felt that the Defense Guidance (DG), published annually by OSD, is the most important form of POM guidance used at HQ AFSC,

because it reflects OSD policy. Nevertheless, these
respondents recognized at least two problems with using the
DG for this purpose. First, when the DG is published each
January, it is intended, among other things, to provide
guidance for the services in preparing their respective POMs
during that winter and spring. Thus, when the DG is used at
HQ AFSC during the following autumn in preparing the AFSC
POM for the next fiscal year, it is not sufficiently
indicative of current OSD priorities. The second problem
with the DG is that of generality. These respondents felt
that a document which provides DoD-wide guidance is too
broad to be of practical use to AFSC panel members and PRC
decision makers.

The remaining seven respondents noted that there is no
effective guidance for them from HQ USAF. This is because
no USAF regulations specify how a MAJCOM POM is to be
prepared, and because the USAF POM Call is not received at
AFSC until October. At that time, much of AFSC's
programming work, which begins in September, is already
done.

Four respondents said that the majority of the useful
guidance comes from AFSC's PRC Secretariat. This includes a
letter of instruction for panel chairmen, and an instruction
booklet for PRC members.

Question 13: Regulations or Letters of Instruction.
As noted above, there are no Air Force regulations governing
the preparation of MAJCOM POMs. The official Air Force POM

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instructions are those included in the annual Air Force
POM Call, which is issued in October, too late to
effectively influence the AFSC POM. Nevertheless, through
early coordination with the appropriate Air Force offices,
the PRC Secretariat receives advance notice of significant
changes in direction.

Within AFSC, the instructions published by the PRC
Secretariat provide most of the POM guidance to the 11
mission area panels. Only one respondent mentioned the AFSC
regulation that deals with the POM development (AFSCR
23-12). He noted that this regulation has not provided
useful guidance in past POM exercises, and is currently
under revision.

Questions 14 and 15: Informal Guidance in the Form
of Instructions or Advice from Peers or Superiors. Six
of the ten respondents said they have made use of guidance
they received from their counterparts and PEMs at HQ USAF.
Most of this advice was solicited by the respondents, and
took the form of recommendations for funding amounts or
program priorities. All six of these respondents seemed to
place heavy emphasis on the advice they received from the
staff officers at HQ USAF.

Three respondents mentioned other sources of guidance
and advice, including the AFSC SYSTOs and the DCSs to which
the respondents report. As might be expected, they
considered the inputs received from the SYSTOs to be advice,
and that received from their DCSs to be guidance.

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Nine repondents agreed that most of the informal
(unoffical) information they have received over the course
of POM exercises has been advisory in nature. Unoffical
guidance or instructions, i.e., firm directions about how to
proceed, are the exceptions to the rule.

Question 14: Information Available for POM Decision
Making. This question was included in the interviews to
establish which information sources the respondents had
available to them during their POM deliberations. Although
many of these types of information sources are available to
all mission area panels and the PRC, all of these sources
were not mentioned by every respondent. Even when prompted
by the interviewer, most of the respondents did not
acknowledge the importance of other sources. This may
indicate the respondents' reliance on some information
sources over others.

The most frequently cited POM information sources,
mentioned by seven respondents, were the Vanguard briefings,
including the program element priorities given for each
mission area. None of the respondents, however, mentioned
the Vanguard funding proposals as sources of information for
their POM deliberations.

The second most frequently cited source, by five
respondents, was the POM inputs from the AFSC field units.
These inputs include the field proposals for program
funding, in the form of updated PDPs, as well as the field
commanders' PDP priorities. Each panel considers those PDPs

that relate to its mission area, and the relative priority of those PDPs, as specified by the field commanders.

Two additional information sources were each mentioned by three respondents. The first of these was the most current version of the USAF PDP priorities. These are indicated by either the prior budget year's USAF POM, or the USAF/DoD BES, depending on whether the BES has been completed (normally by September 15). According to the PRC Secretariat, the USAF PDP priorities are to be the starting point for the panels as they develop their new PDP priorities. The second information source cited by three respondents was the program priorities of the MAJCOMs that will use the system being developed by the programs under consideration. In most cases, this is only one MAJCOM. The members of the Tactical Air Warfare panel, for example, would have available the draft POM priorities of the Tactical Air Command.

Other sources of information that were listed by one or two respondents included specific mission area studies and plans, briefings from the SYSTOs, coordination with the PEMs, cost analyses and estimates produced within AFSC, notes from prior POM exercises, and the respondents' perceptions of the priorities of the AFSC Commander and Vice Commander. Table IV summarizes these findings with respect to the available information sources, and the number of respondents who cited each source.

TABLE IV

Available POM Information Sources

Information Source	Number of Respondents
Vanguard Mission Area Briefings	7
Field POM Inputs	5
USAF PBP Priorities	3
MAJCOM Program Priorities	3
Mission Area Studies or Plans	2
SYSTO Briefings	2
PEM Coordination	2
AFSC Cost Analyses/Estimates	1
Prior POM Notes	1
Perceived Priorities of AFSC/CC/CV	1

Questions 17 and 18: The Adequacy of the Information
and Alternative Sources. All ten repondents agreed that
although the information available to them is adequate to
accomplish their basic objectives, it is not ideal. The
nature and degree of dissatisfaction with the available
information varied among the respondents.

Four respondents felt that the details provided in the
PDPs were often insufficient to fully evaluate and price a
given program. In those cases, these respondents said they
asked for additional information from the SYSTOs or PEMs.

Three repondents expressed dissatisfaction with the
manpower information included in some PDPs. These
repondents called the SYSTOs or field program offices to
secure the required additional information.

Opinions given by other respondents included the
problem of the AFSC POM being based on the the prior budget
year's BES, while the field POM inputs are based on the USAF
POM. This creates the need to correct the field POM PDPs to
account for the changes from the POM to the BES. One of the
respondent members of the PRC said that there are not enough
program details provided to the PRC during the briefings by
the panel chairmen, but that time limitations would not
allow for fully detailed explanations of all programs.
Therefore, this respondent felt compelled to rely on the
ability of the panel chairmen to produce adequate pricing
and ranking within their respective mission areas.

POM Influencing Factors

Questions 19 and 20: External POM Influencing Factors.
These questions were included to identify those factors
arising from events ouside of HQ AFSC that nonetheless
affected the development of the AFSC POM. In this case, the
respondents were in close agreement about the external
factors that influenced their POM deliberations.

Nine respondents said that the program priorities of
the using MAJCOMs had an effect on their final POM products
(either mission area panel or PRC recommendations).

Similarly, eight respondents mentioned the importance of the USAF program priorities, as manifested in the most recent USAF POM or BES.

Five respondents cited the funding actions on specific programs at OSD or in Congress. These respondents felt that if the support (or lack of support) signals from OSD or Congress were strong, they would take this into consideration in their deliberations. Table V lists these external POM factors.

TABLE V

POM Influencing Factors External to AFSC

Influencing Factor	Number of Respondents
MAJCOM Program Priorities	9
USAF POP Priorities	6
OSD/Congress Funding Actions	5

Questions 21 through 24: The Nature and Degree of Influence of the POM Factors. These four questions were designed to determine how the internal and external influencing factors affected the development of the AFSC POM, and what their relative importances are, in terms of how much they affected the outcome. The internal POM influencing factors were identified by questions 7, 9, 12,

14, and 16. The external factors were identified by
questions 12, 14, 16, 19, and 20.

Seven of the respondents agreed that the Air Force
program priorities, as given in the USAF POM or BES, are the
single most important factor used in determining the PDP
priorities that are recommended by the panels and by the
PRC. This may be due in part to the POM instructions
published by the PRC Secretariat, which specify that the
USAF POM or BES priorities are to be used as a "point of
departure" in developing the new AFSC priorities. Two of
these seven respondents were willing to quantitatively
estimate the degree of influence of the USAF program
priorities on the AFSC POM. On the average, they felt that
90% of the AFSC rankings are due to the influence of the
USAF POM or BES.°

The second most important influencing factor, as also
described by seven respondents, was the program priorities
of the using MAJCOMs, as given in their draft POMs or other
programming documents. Four of these seven respondents felt
that the MAJCOM priorities are as important, or nearly so,
as the USAF program priorities. The other three members of
this group expressed opinions that the MAJCOM priorities
were a distant second to the USAF priorities, in terms of
how much they influenced the AFSC POM. An important
exception to this consensus of the influence of the MAJCOM
priorities was the opinion of one of the respondent members
of the PRC, who felt that the MAJCOM priorities play no

significant role at all in his decision making, at least in comparison to the influence of the USAF priorities and those of his DCS.

In general, the influence of the MAJCOM priorities was strongest among the respondent mission area panel chairmen, and much weaker among the respondent PRC members. Nevertheless, two of the three PRC members interviewed said they were significantly influenced by the opinions of the panel chairmen. Thus, the MAJCOM priorities may have had an indirect effect on the PRC.

The third and fourth most important influencing factors, each mentioned by three respondents, were the field POM inputs and the Vanguard mission area priorities. Even among these groups, however, the degree of influence of these factors was far less than that of either the USAF or MAJCOM program priorities.

Among the ten respondents, there was no consensus as to the relative importances of the remaining influencing factors. Table VI summarizes these findings regarding the relative importance of the POM influencing factors.

Questions 25 and 26: Factors Influencing Other Senior Decision Makers. These questions asked the respondents which factors seemed to influence the POM decision making of the senior officers they had observed at HQ AFSC. The officers mentioned by the respondents included the DCS members of the AFSC Executive Council, the AFSC Vice Commander, and the AFSC Commander.

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TABLE VI

Relative Importance of Internal and External
POM Influencing Factors

Factor Priority	POM Influencing Factor
1	USAF PDP Priorities
2	MAJCOM Program Priorities
3	Field POM Inputs
4	Vanguard Mission Area Priorities
5	Other Factors:

-- Mission Area Studies/Plans

-- SYSTO Briefings

-- PEM Coordination

-- AFSC Cost Analyses/Estimates

-- Prior POM Notes

-- Perceived Priorities of /CC/CV

-- OSD/Congress Funding Actions

The strong consensus (eight of ten) of the respondents
was that these senior officers are influenced by the same
set of factors, with two possible exceptions. First, the
Air Force program priorities in the USAF POM or BES do not
seem to play as big a role here as they do during the panel
deliberations. Second, the opinions of the field unit
commanders are given more consideration here than during

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earlier phases of the AFSC POM cycle. These respondents
also agreed that 80% or more of the PRC's proposals are not
contested by the Executive Council or by the Commander.
Rather, most of the discussion here centers about those
programs at the "margin," the funding cutoff defined by the
AFSC TOA for the budget year.

Thus, the three key influencing factors among these
senior AFSC decision makers appear to be 1) the proposals of
the PRC, 2) the program priorities of the using MAJCOMs, and
3) the opinions of the field unit commanders.

Three respondents felt that these officers are also
influenced by Presidential priorities or funding actions at
OSD or in Congress, although to a lesser extent than the
other three factors discussed above.

V. Conclusions and Implications

Research Questions

As discussed in Chapter I, the research objective of this project was to answer two key questions. First, what are the formal and informal factors that influence the POM development process at HQ AFSC? More specifically,

-- What direction and guidance do AFSC programmers respond to?

-- What management tools are employed by AFSC programmers and decision makers to sort out the multiple elements that go into a POM formulation?

-- What are the external factors that bear on the POM formulation, such as a decision maker's perception of the program priorities at other MAJCOMs, HQ USAF, OSD, Congress, or even the White House?

Second, what are the relative importances of these factors with respect to their influence on the most important product of the AFSC programming process, the AFSC POM? Considering these relative importances, how might the efficiency or effectiveness of this process be improved? Each of these questions is discussed below, in terms of the survey findings.

Direction and Guidance. There is no USAF or AFSC regulation that specifies how AFSC is to prepare its POM. The external direction and guidance that motivates the AFSC

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programming process is the USAF POM Call, issued annually in October. Most of the survey respondents felt this guidance was inadequate, because it comes too late to effectively influence the developing POM at AFSC. Additionally, there are informal documentation and information requests that come from the Air Staff, that serve to increase the administrative workload during the POM development. As a whole, the respondents agreed that the most useful guidance they receive comes from the PRC Secretariat in AFSC.

Management Tools. Some of the information sources available to the AFSC programmers can be considered "management tools." These sources are listed in Table IV (see page 37). For example, the Vanguard briefings are designed to present a mission area analysis of threats, requirements, and capabilities, and a synthesis of the related program elements and proposed new program starts. This can provide a POM decision maker with an overview of a mission area, in order better to weigh the competing PDPs. The usefulness of these tools is probably indicated by the frequency of citation and the relative importance of the POM influencing factors, as indicated in Tables IV and VI (see pages 37 and 42).

External Factors. The respondents largely agreed about which external factors have an effect on the AFSC POM. Most of the respondents mentioned the MAJCOM and USAF PDP priorities as being significant external factors, and half of the respondents also cited the trend of funding actions

at OSD or in Congress. Apparently, the most senior officers at AFSC are also influenced by these factors, although the USAF PDP priorities may be less important during the final stages of the POM development.

Factor Importance. The relative importance of the POM influencing factors became apparent over the course of the interviews. The large majority of the survey respondents cited the overriding importance of the USAF and MAJCOM program priorities. The relative priority, in terms of influence on the AFSC POM, of these and the other identified factors are listed in Table VI

Implications

The most fundamental conclusion that can be drawn from this research is the degree to which the program priorities of HQ USAF and the using MAJCOMs determine the PDP priorities reflected in the final AFSC POM. AFSC programmers expend considerable effort in preparing a POM that is consistent with, among other things, these external priorities. The reasons for this are apparently twofold. First, AFSC is conducting the research, development, and production of the weapon systems that these MAJCOMs will use. By recognizing the MAJCOM program priorities, AFSC programmers are, in effect, seeking to accommodate their "customers." Second, decision makers at HQ AFSC are aware, as are their counterparts at other MAJCOMs, that their POMs are only inputs to the USAF programming process. When AFSC

programmers coordinate with their Air Staff counterparts,
they are seeking to avoid the surprises and disappointments
that might otherwise result when the USAF POM is completed.

Although the reasons for placing so much emphasis on
these external priorities during the development of the AFSC
POM are valid, undertaking the effort to produce a
prioritized PDP list may not be necessary. During the
course of the USAF POM development, the Air Staff
programmers will know what the program priorities of the
using MAJCOMs are, because all MAJCOM POM inputs will have
been submitted. Of course, they will also know what their
own (USAF) priorities are. Since this information is
available to Air Staff POM participants, prioritization of
PDPs at AFSC based on the same information, with the same
objectives, appears to be an inefficient application of
effort.

This is not to suggest that all PDP prioritization
associated with the AFSC POM should be discontinued.
Prioritization of PDPs corresponding to pure research and
exploratory development programs is appropriate, because
AFSC is also responsible for the development of the new
technology base. These programs will establish the new
technologies necessary to support the development of future
weapon systems. AFSC decision makers are those best
qualified to decide the relative merits of these science and
technology programs.

On the other hand, AFSC should reassess the practice of

prioritizing those PDPs associated with programs which are
in advanced development or later phases of the development
process. If the time spent on PDP prioritization could be
applied to other portions of the POM process, then progress
would be made toward achieving the truly "executable" POM.

Directions for Future Research

New research related to the AFSC POM development should
seek to quantitatively establish the necessity, if any, for
prioritizing PDPs for advanced development and higher
programs. This might be done through a comparison of MAJCOM
POM inputs, including that of AFSC, to the resulting Air
Force POM. By comparing PDP pricing and priority lists, the
researcher could establish the degree to which the AFSC POM
input influences the USAF POM, and if that influence is
comparable in magnitude or direction to that of the using
MAJCOMs.

Appendix A: Sample Program Decision Packages

PACKAGE NUMBER: ESD -C500

PROGRAM LONG HAUL COMM
(DOLLARS IN THOUSANDS)
(UNCLASSIFIED)

DESCRIPTION:
(U) SUSTAINS AF LONG HAUL COMM SYSTEMS TO PROVIDE WORLDWIDE COMM CONNECTIVITY FOR ALL AF ACTIVITIES AND THE NCA. CONTINUES DIGITAL EUROPEAN BACKBONE (DEB) PROGRAM, MANUAL TECH CONTROL IMPROVEMENT PROGRAM (MTCIP), SPECIAL COMM (PROJECT 698 AJ), USAF AERO STATIONS, PRESIDENTIAL/SPECIAL AIR MISSION NET (MYSTIC STAR), EUROPEAN NUCLEAR WEAPONS STORAGE SITE COMM, AUTODIN, AUTOVON, AND AUTOVOSECOM. INITIATES INTERCONNECTION WITH ALLIED COMM SYSTEMS UNDER THE NATO LONG TERM DEFENSE PROG; UPGRADES DEFENSE COMM SYSTEMS IN TURKEY, GREECE, PHILLIPINES, AND JAPAN. PROCURES EQUIPMENT FOR HF AND VHF RADIO REPLACEMENT, TELETYPEWRITER REPLACEMENT, TELEPHONE EXCHANGE REPLACEMENT PROGRAMS AND SECURE TELEPHONE IMPROVEMENTS. PROCURES NEW COMM CTR EQUIP AND BACK-UP POWER SYSTEMS FOR YOKOTA AND CROUGHTON AUS, AND DEFENSE DATA NETWORK.

MAJOR PROCUREMENTS (QUANTITIES)	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
NONE						
PBP OBL AUTHORITY	19,034	30,125	23,806	12,002	12,568	0
PROGRAM ELEMENT 33112F						
3080 1683000 ELECTRONIC + TELECOM	3,000	0	0	0	0	0
PROGRAM ELEMENT 33126F						
3080 1683000 ELECTRONIC + TELECOM	3,495	10,371	11,522	2	2	0
3300 2430100 OPERATION & TRAINING FAC	3,000	0	0	0	0	0
3400 2800005 INTEL + COMM	9,539	11,754	12,284	12,000	12,566	0
MANPOWER (AUTHORIZATIONS)						
OFF	0	0	0	0	0	0
ENL	0	0	0	0	0	0
CIV	0	0	0	0	0	0
TOT	0	0	0	0	0	0

PACKAGE NUMBER: ESD -C500 AFOC 23 OF 205 PACKAGE MONITOR: MAJ KOONIDER DBES, 4224

PACKAGE NUMBER: A60 -J105

DESCRIPTION:
(U) PROVIDES FOR DEVELOPMENT OF GENERAL AIRCRAFT SYSTEMS: (1) DEVELOP ADVANCED GUIDANCE TO MEDE AND CORDS LANDED (2) CORRECTS DESIGN TEMPORARY DEFICIENCIES IDENTIFIED IN LANDING GEAR, AIRDROP, AN OVERHEAD/DISPLAY EQUIPMENT) (3) DEVELOP A CAMERA THESE ENTIRE MATERIALS SYSTEM AN (4) ACCOMPLISHES PRIORITY DEVELOPMENT WORK CREATING IN FY 043 AS THE IMPROVEMENTS, DISPLAY CONTROLS, AIRDROP EQUIPMENT, AN OVERHEAD/CRO CAMERA.

MAJOR PROCUREMENTS (COMMITTED)	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
RDT						
PEP DBL AUTHORITY	12,214	19,295	24,698	24,152	27,386	0
PROGRAM ELEMENT 64215F						
2400 Z00000 TACTICAL PROGRAMS	12,214	19,295	24,698	24,152	27,386	0
MANPOWER (AUTHORIZATIONS)						
OFF	•	•	•	•	•	•
ENL	•	•	•	•	•	•
CIV	•	•	•	•	•	•
TOT	•	•	•	•	•	•

AFSC 127 OF 282   PACKAGE MONITOR: MAJ MAYO SSTA, 3407

PACKAGE NUMBER: A60 -J105

REMARKS:

PACKAGE NUMBER: AC30 -P810

PROGRAM GUIDE PERSONNEL ACTIVITIES
(DOLLARS IN THOUSANDS)
(UNCLASSIFIED)

DESCRIPTION:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
MAJOR PROCUREMENTS (QUANTITIES)						
NONE						
PWP O&M AUTHORITY	319	323	304	330	331	0

PROGRAM ELEMENT 34714F

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
3400 3409000 CIV PAY/BENEFITS	449	450	445	449	449	0
3400 3404000 TVY ADV/ASN	43	44	47	47	48	0
3400 3407000 MISC-CONT-SERVICES	10	11	12	12	12	0
3400 3412000 OTH-SUP-MAT-OTHER	1	1	1	1	1	0
3400 3413000 SUP-EQP-DF	4	7	7	8	8	0
3400 3409000 GEN-DF & OTH BASE OPS SUP	10	10	9	12	13	0

MANPOWER (AUTHORIZATIONS)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OFF	0	0	0	0	0	0
ENL	0	0	0	0	0	0
CIV	0	0	0	0	0	0
TOT	0	0	0	0	0	0

PACKAGE NUMBER: AC30 -P810   AFSC 40 OF 203   PACKAGE MONITOR: MR KEZAR ACSR, 3961

REMARKS:

PROGRAM C-17 09,04,2,U FY 92 DEC
(DOLLARS IN THOUSANDS)
(UNCLASSIFIED)

DESCRIPTION:

100 DEVELOPS AND PROCURES C-17 AIRCRAFT WHICH WILL PROVIDE ADDITIONAL AIRLIFT CAPABILITY TO RAPID UNDERTAKEN DEPLOYMENT OF COMBAT FORCES TO SUPPORT NATIONAL OBJECTIVES AND FOR TIMELY DURABLE REINFORCEMENT TO MEET FUTURE USA MOBILITY REQUIREMENTS. PROVIDES AN OUTSIZE/OVERSIZE CARGO AIRLIFT CAPABILITY. THE C-17 IS A PRIMARY CANDIDATE FOR EVENTUAL REPLACEMENT OF C-130A AND C-141 AIRCRAFT IN THE 1990s. FUNDING PROFILE LEADS TO AN FY 92 DEC. COST DATA IS UNCLASSIFIED.

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
MAJOR PROCUREMENTS (QUANTITIES)						
PRODUCTION	0	0	0	2	4	0
TOA OBL AUTHORITY	132,104	371,300	683,300	2,664,031	2,664,000	0
PROGRAM ELEMENT 41132F						
3010 101001 AERONAUTICAL VEHICLE	0	0	250,300	1,491,900	1,739,300	0
PROGRAM ELEMENT 64231F						
3600 230004 TACTICAL PROGRAMS	131,072	370,158	397,683	1,171,096	904,700	0
PROGRAM ELEMENT 65804F						
3600 230006 PRODAUNTED DANT & SPT	948	998	2,094	2,097	2,172	0
PROGRAM ELEMENT 71113F						
3500 343000 CIV PAY/BENEFITS	84	113	111	130	130	0
MANPOWER (AUTHORIZATIONS)						
OFF	0	0	0	0	0	0
ENL	0	0	0	0	0	0
CIV	0	0	0	0	0	0
TOT	0	0	0	0	0	0

PACKAGE MONITOR: MAJ MARTIN SMAL, 4773

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DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE SYSTEMS COMMAND
ANDREWS AIR FORCE BASE, DC 20334

REPLY TO
ATTN OF: AC   3 Aug 83

SUBJECT: FY 86-90 Program Objective Memorandum (POM) Call

TO: ALAFSC, Laboratories, JCMPO, WASC/PWA-258B/PWA-262-2/PWA-262-3, 6597 STUS

(Comptroller/Director)

1. This letter transmits the AFSC FY 86-90 POM instructions.
Documentation requirements are attached. To minimize your work load and to
maintain continuity, we have made minimum changes to last year's
instructions. Those changes are highlighted below. As last year, we will
be submitting the initial AFSC POM to HQ USAF in December. To meet this
date, your POM submissions are due at HQ AFSC by 28 Sep 83.

2. The baseline for your submission will be the 11 May 83 Air Force POM,
previously provided to you. If we require updates as a result of OSD
Program Decision Memorandum (PDM) directions or HQ USAF SRB action, they
will be specifically requested on an as required basis.

3. Continuing our initiatives of last year, we are maintaining a
simplified system that is compatible with the HQ USAF and OSD PPBS
process. In addition, we will continue to stress fiscal credibility by
insuring that our PDPs document programs which are fully executable.

4. As before, you are requested to submit a PDP priority list with your
POM submission. The starting point for your rankings should be the HQ USAF
PDP priority list which was provided you with the 11 May 83 USAF POM.
Significant deviations from this priority should be justified. Considering
fiscal realities, proposed increases (above the line entries) to your
annual TOA should not exceed five percent. Existing manpower costs are not
included in your TOA but will be structured here. However, civilian
manpower delta PDPs you recommend in your funded area will be part of your
allotted TOA.

5. The setting of force structure (the quantities of aircraft, missiles,
etc., to be acquired) is a corporate USAF decision. As such, it is not
appropriate to propose quantity reductions in order to fund increases in
other programs. However, quantity adjustments that make good business
sense in their own right may be proposed on that basis. With the exception
of these possible good business sense adjustments, your PDP priority list
should not contain force structure quantity reductions.

6. Although the programming of initial spares is an AFLC responsibility,
we in AFSC are committed to delivering supported weapon systems to our
users. To ensure that initial spares requirements are accounted for, you

are required to get the correct numbers from AFLC and show them as non-add entries on your PDPs. They will not count against your TOA. Details are provided in the attached instructions.

7. We have scheduled a POM workshop at HQ AFSC on 17 Aug 83. If you wish to participate, please provide the names of your attendees to HQ AFSC/ACJ, AUTOVON 858-4083, by 12 Aug 83.

FOR THE COMMANDER

DANIEL B. GERAN
Brigadier General, USAF
DCS/Comptroller

1 Atch
FY 86-90 POM Instructions

FY 86-90 POM INSTRUCTIONS

A. **SUBMISSION PROCEDURES**

1. **Submission Date.** The FY 86-90 POM with its applicable exhibits will be submitted to arrive at HQ AFSC/ACP not later than 29 Sep 83.

2. **Documentation Requirements.** Submit the original documentation package arranged by Mission Area and PDP number sequence within Mission Area and three copies (in same sequence as original) of PDP documentation to AFSC/ACJ (PDP, one-page backup and AFSC Form 103). See section D for number of copies of functional peculiar documentation and AFSC office to receive specific documentation. Documentation is not required for 6.1 and 6.2 programs.

3. **FY 85-89 Baseline.** You will be provided your portion of the AFSC extract of the POM baseline for FY 85-89 by PDP, delineated to cost element detail.

4. **Inflation Indexes.** Attachment 1 contains a list of AF Programs with individual inflation Data Sheets. The listed program offices will compute the inflation contents of the submission using the Inflation Data Sheets provided by HQ AFSC/ACC and dated as of 27 April 1983. All other programs will use the appropriate OSD Inflation Indexes listed in attachment 2. (Point of Contact: Mr. Capes, ACCM, AV 858-4251)

5. **Corrections to Submission.** If corrections to the POM submission become necessary, make only complete page changes and submit the revised pages to AFSC/ACJ.

B. **SUBMISSION GUIDANCE/INSTRUCTIONS**

Compliance with the following instructions will give the degree of standardization needed to provide a basis for efficient and comprehensive staff analysis.

1. Baseline will be the Air Force FY 85-89 POM (11 May 83). The baseline will be updated at HQ AFSC as required to reflect changes resulting from the OSD Issue Cycle, and provided to the field in an updated PDP. The FY 85 resource levels are shown for reference only, reflecting the actual funds in the FYDP and cannot be changed. Delta PDPs or new program PDPs should not show funding for FY 85. Do not submit PDPs which are based on a proposed reprogramming of FY 85 or prior year funds.

2. Some product divisions share in PDP resources. Based on dollar or effort predominance, these PDPs are assigned to a prime division that has the responsibility to coordinate other organizational entities portions of the PDP. The prime organization will obtain input from all other organizational entities and combine into one PDP. SAMTO programs will be integrated into the overall Space Division ranking. Laboratory programs are an exception to this. Organizational portions will be consolidated at AFSC.

3. A change system to the USAF POM baseline (delta PDP) will be used. PDPs will be uniquely identified by adding suffixes to the POM PDP number as follows (T645 is used as an example):

a. __Baseline POM PDP (T645)__. If the cost (dollars and manpower) and content are executable (the programmed efforts as described in the PDP description are in gee with the programmed resources in the PDP) you therefore do not have an exception to executability. You do not have a program cost or content change to document. Mark "OK" on the PDP sent to you, insert the FY 90 estimate, and submit the PDP with your POM input.

b. __Cost/Content Changes to POM PDP__. The PDP, as written, directs a program that is not executable because of cost or content change. If the costs have changed (increased or decreased or the manpower requirements have increased) to do the content of the POM PDP, prepare two new PDPs with A and B suffixes to the basic PDP number as follows:

(1) __Content Change (T645A)__. This PDP will match funds year-by-year as contained in the FY 86-89 columns of the POM PDP. However, the description reflects only that program content which can be accomplished within the POM dollars and available manpower (on executable content to match programmed resources). Also include a statement which says what part of the POM PDP content cannot be accomplished (really a program impact statement or an impact on denial of the manpower increase requested in the cost change PDP). This documents a zero growth option and eliminates the lowest priority program content.

(2) __Cost Change (T645B)__. This PDP contains the same content as the baseline POM PDP, but shows the delta changes (increases or decreases) in funds or manpower required to do the program contained in the POM PDP description (i.e., the dollars and __increased__ manpower required to execute the program described in the basic PDP description).

c. __Reduced Level PDP (T645R)__. Submit a PDP which represents a significant and realistic reduction (10-15% minimum) in FY 86 to the funding and content of the baseline POM PDP. This PDP will have an R suffix, i.e., T645R. It will be a negative delta to the baseline POM PDP. Describe specific,discrete work efforts you are reducing. In accordance with paragraph 5 of the cover letter, do not rank force structure reductions.

d. __Optional PDPs__. Any other delta PDPs you wish to submit as changes to the baseline POM PDP should contain sequential numerical suffixes, i.e., T645-1, T645-2, etc., but maximum -5. For example, a dash package could be an optional production rate, a multiyear contracting proposal, or, a good idea.

e. __New Starts__. Proposed new starts require a PDP. These should be stand alone PDPs numbered as follows: Organization/Mission Area/Sequence Number. Example: ASD AXX1, ASD AXX2, ASD BXX3, ASD TXX4, ASD TXX5. In this example ASD had five new starts, two in the A mission area, one in the B mission area, and two in the T mission area. New start PDPs should be compatible with the new start feedback AFSC/XR is scheduled to send you in early August.

(1) Include only the manpower requirements of the new start that cannot be funded within current subcommand resources.

(2) For AFFTC and AEDC: See Management and Support Funds, section D.10.c.4 for specific instructions for your new starts.

f. The PDP suffix numbering system described above implies that all proposed PDPs would be a delta to the POM funding baseline. There will be exceptions to this. If a proposed PDP is based upon another PDP (other than

the POM baseline PDP) also being funded (i.e., T645-1 builds on T645B), so
state in the first sentence of the description section of each delta PDP. All
ranked PDPs are deltas to the previously ranked level.

4. **Required Documentation.**

a. PDPs per paragraph 3 above.

b. AFSC Form 103 for each basic or A level PDP with executable program
dollars indicated (FY 85 USAF POM program baseline). This does not apply to
Management and Support PDPs.

c. A one-page backup sheet for each PDP which gives additional detail
on PDP content or other pertinent information. As a minimum, this should
justify why the PDP should be funded (for new starts, reference MENS or SON)
and what the impact is of not funding. Where applicable, this sheet should
provide a project breakout showing funds by designated project and fiscal
year. (This requirement does not apply to the labs or Management and Support
program elements, but see sections on O&M and Test and Evaluation for specific
information on these programs.)

d. A PDP priority list which ranks your organization's PDPs, shows
your cumulative TOA for FY 86 and FY 87, and indicates your approved TOA
control total and proposed funding line. Limit programs above the proposed
funding line to not more than 5% above your control total.

e. Other documentation described in the Functional Peculiar
Requirements Section (paragraph D.).

C. **PDP FORMULATION INSTRUCTIONS FOR PROPOSED DELTAS OR NEW START PDPS**

1. Enter a short title which identifies the PDP (36 characters maximum
including spaces). This title should be unique to the particular PDP, for
example, "F-4 Squadrons." For delta PDPs which change baseline PDPs, apply a
suffix such as "II, III, etc." Example: PDP entitled "F-15 ASAT" funds ASAT
modification of a specific number of aircraft with an associated Initial
Operational Capability (IOC). A delta PDP which would expand this program to
provide additional aircraft should be entitled "F-15 ASAT (II)." For ease of
sorting titles, the operative issue should be addressed in the beginning of the
title (e.g., "BOS (TAC)" vs "TAC BOS"; "F-4 Upgrade" vs "Upgrade F-4"). If the
delta package addresses manpower only, title it, e.g., "Manpower for B-1B", not
"B-1B Manpower".

2. **Description.** Enter a succinct description of the proposed program
including pertinent facts and figures. Limit this entry to 1100 characters
including spaces. If the description would compromise security of a special
access program, enter the following: "This is a special access program.
Description will be granted strictly on a need to know basis." The description
would emphasize what the resources provide. If a significant Initial
Operational Capability (IOC)/Full Operational Capability (FOC) is involved, it
should be addressed. Do not include advocacy in the PDP description. The
first sentence of the PDP description should comprise an adequate "One-Liner"
of what the PDP addresses/funds.

3. **Classification.** Affix the one-word security classification and
downgrading on each sheet in accordance with AFR 205-1. Do not include
information in any PDP classified higher than SECRET.

4. **Major Procurement**. Enter the procurement profile, when applicable. (See section D.6 on initial spares and D.7 multiyear procurement.)

5. **Total Obligational Authority**. Enter the total of all AFSC funds ($M) shown in the PDP. This funding profile is the total of all appropriations within each program element by fiscal year required to fund the particular PDP. Segregate all funding profiles by fiscal year by specific program element and appropriation. Include dollars for pay of civilian manpower (by manpower PEC) being requested.

6. **Cost Element Detail**. This is the second page of the PDP. Enter the detail breakout of the funds required for the PDP under each program element. Every appropriation should be subdivided into applicable cost element detail. Cost element codes and titles should be entered. The resources shown on the Cost Element Detail page must agree with those shown on the PDP Summary page. The applicable cost elements by appropriation are listed in POM CALL attachment 3.

Appendix C: Survey Instrument (Interview Outline)

I. Respondent Information:

   1. Name

   2. Rank or rating

   3. Office symbol

   4. Title or position

   5. Education or training related to research and development

   6. Specific prior Program Objective Memorandum (POM) or budget-related experience

II. Air Force Systems Command (AFSC) POM process information:

   A. Goals and objectives

   7. What are the overall objectives of the AFSC POM process?

   8. What is your official function in support of this process?

   9. What are your objectives with respect to the POM process?

   10. With respect to these goals, what are the areas in which you consider yourself to be most successful?

   11. What goals do you have the most difficulty achieving, and why?

   B. Direction, guidance, and source information

   12. What were the specific instructions from higher levels in AFSC or from HQ USAF that provided the formal guidance for you in preparing your contribution to the POM?

   13. Were those instructions in the form of regulations, or were they letters of instruction from higher authorities?

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14. What was the informal guidance that you received, in the form of instructions from your peers or superiors?

15. What portions of that guidance was in the form of advice, as opposed to directions?

16. What information did you have at your disposal to reach your decisions regarding the POM?

17. What was the adequacy of this information?

18. If you found some information lacking, what were you able to do about it?

C.   Influencing factors

19. What were the external factors that related to your participation in the POM process, such as consideration of program priorities outside AFSC, or the status of a given program outside DoD?

20. Did these external factors include consideration of the trend of funding actions at HQ USAF, OSD, or Congress?

21. How did these external factors affect your POM decisions?

22. Considering all of the influencing factors that you have identified, what are their relative importances in terms of their influence on your decision making?

23. Are some of these factors significantly more important than others?

24. What would be appropriate values (weighting factors) describing the relative importances of some or all of these factors?

25. Who were the senior decision makers that you observed during your participation in the POM process?

26. From your point of view, what were the pressures that influenced their decision making, and to what extent?

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VITA

Captain Mark Welty was born on 23 September 1954, in Santa Monica CA. Following attendance in public schools in several states and in Tirol, Austria, he graduated from high school in Arvada CO. In 1977, he received a Bachelor of Arts degree in physics from the University of Colorado, and was commissioned through the Air Force Reserve Officers Training Corps program.

His initial active service was at the Air Force Weapons Laboratory, Kirtland AFB NM, where he managed studies assessing the physical security of USAF nuclear weapons. After being transfered to the Electronic Systems Division (ESD), Hanscom AFB MA, Captain Welty managed contractor efforts to improve the interoperability of tactical command, control, and communications (C3) systems. He wrote the 1982 Tactical C3 Vanguard Sub-Mission Area Plan, and drafted the ESD Vanguard Planners' Guide. In 1982, he was selected to prepare the initial integrated priority list for the ESD FY 86-89 Program Objective Memorandum.

Captain Welty entered the School of Systems and Logistics, Air Force Institute of Technology, in May 1983.

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PROGRAM OBJECTIVE MEMORANDUM

Thesis Advisor: Anthony P. D'Angelo, D.B.A.

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thesis

⟨ This investigation identifies the formal and informal factors that influence the annual development of the Program Objective Memorandum (POM) at the Air Force Systems Command (AFSC). The POM is a key element of the DoD Planning, Programming, and Budgeting System (PPBS), and is designed to bridge the gap between fiscally unconstrained military planning activities, and the fiscally constrained DoD budget submission. AFSC and other Air Force major commands (MAJCOMs) prepare POM submissions for Headquarters USAF, where they are used in the development of the USAF POM.⟩

The history of the DoD PPBS is reviewed, along with a discussion of the concept of the POM and its role in the PPBS, and a description of the AFSC POM development cycle.

A survey, in the form of structured interviews, was conducted at Headquarters AFSC among a sample of POM decision makers. The results indicate a number of factors that influence the POM development to varying degrees. Some of these factors arise as a result of program-related developments outside of AFSC. The predominant factors, in terms of their effects on the AFSC POM, are the program priorities of the using MAJCOMs and Headquarters USAF.

The report calls into question the practice of prioritizing certain programs in the AFSC POM submission, based on an apparent duplication of effort at AFSC and Headquarters USAF.

END

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