



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO
PR 07-01
Ser DNS/4U661925
OCT 04 2004

MEMORANDUM FOR DISTRIBUTION

Subj: PROGRAMMING GUIDANCE FOR PR-07

Encl: (1) PR-07 Process Timeline
(2) PR-07 General Schedule of Events

1. Purpose. To provide overarching programming guidance, process flow, and schedule of events for the Fiscal Years 2007-2011 Program Review (PR-07).
2. Executive Summary. The following summarizes the overarching programming guidance for PR-07.

a. This is a Program Review (PR) year, vice a full Program Objective Memorandum (POM) build. Therefore, based on the guidance previously issued by Office of the Secretary of Defense (OSD), the process will be governed by the submission of materials that support the development of program/budget changes to the current program baseline. The program/budget baseline to be used for PR-07 is the POM-06 Program of Record submitted to OSD in August 2004, as adjusted by Program Decision Memorandums and Program Budget Decisions incorporated as part of the FY06 President's budget and accompanying FYDP to be submitted to Congress in February 2005. While OSD has yet to establish specific deadlines for PR-07, this serial anticipates that OSD will require submissions from the services on or about 1 August 2005. Accordingly, Sponsor Program Proposals must occur in the March to mid-April 2005 timeframe, and OPNAV's Program Review must complete by 3 June to allow requisite time for budget development and review.

b. Following from the above, the POM06 baseline represents the program approved by CNO and the Secretary of the Navy as satisfying Naval requirements with appropriate risk. Therefore, it is not expected that Resource Sponsors will do a complete rebuild of their programs. Rather Resource Sponsors will focus on major changes driven by significant programmatic and policy implications or required to incorporate the results of studies explicitly directed by the Defense Planning Guidance.

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c. Each Resource Sponsor will submit a balanced program meeting all programmatic and fiscal constraints. Enclosure (1) outlines significant components to the PR-07 process and reflects a collaborative effort of the entire OPNAV Staff. In order to provide Navy Leadership the best possible information during the PR build, this collaboration must continue across the Staff. An open process is absolutely essential to success and each N Code will liaison regularly at both the working and executive level with N8 on PR content and process issues throughout this cycle. In this same vein, N8 will provide their analytic assessments to each N code in a timely fashion so that they may appropriately inform the PR product.

d. The primary N6/7 and N8 analytical thrust for PR07 will be concentrated on addressing warfighting gaps identified during POM-06 campaign analysis. While PR-07 program adjustments may be limited in scope, they will reflect the definitive conclusions on Naval Force Structure size and composition refinement of our Sea Basing strategy, development of a definitive FORCENET concept, and amplification of other critical warfighting gaps.

e. N1 and the Resource Sponsors will focus on creating the detailed manpower program that will ensure success in achieving the directed POM06 drawdown and development of the Navy's Human Capital Strategy. Additionally, N1 will explore methods to reduce the a shore footprint beyond the POM06 "glide slope" as appropriate.

f. CNO approved Fleet and Shore Readiness outputs in POM06 that Navy fully funded, with the exception of the facilities recapitalization rate. Program of Record funding for both Fleet and Shore Readiness accounts assume acceptable risk based on cost mitigation strategies incorporated in the Program. Accordingly, N4, working with Fleet and Shore Readiness domains will: 1) assess the ability of the Program of Record contained in the FY06 President's Budget to achieve CNO approved Fleet and Shore Readiness outputs, 2) assess the progress and achievability of currently programmed mitigations, 3) identify new cost mitigation strategies for incorporation in PR-07. The overall effort will focus on achieving the POM-06 CNO approved readiness outputs within the Program of Record. N4 will measure any PR07 changes from the POM06 POR.

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g. Throughout the upcoming ISCP and SPP discussions, Resource Sponsors will clearly highlight and explain the programmatic and fiscal differences between their POM06 POR and their PR07 plans. The ability to track, and explain, programmatic changes, and their subsequent budget impact are of paramount importance during PR07 and into POM08. To further improve fiscal visibility throughout the process, N8 will specify an improved process and timing for Resource Sponsor data input into PBIS via separate PR-07 guidance serials.

3. PR-07 Schedule. Enclosure (2) captures the major events in PR-07 which will be coordinated by the DNS Executive Decision Management Office. Staff elements can expect these to be the minimum number of events, and focus information content pertinent for these briefings to strategic discussion and decision-making. N8 will provide separate guidance on the content and format for all materials required to support the PR-07 build.


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N091M, N911, N931, N958, N960)

**Navy Program Review FY07
General Schedule of Major Events**

Phase I: Oct – Dec 2004

Phase II: Jan – June 2005

Time	Event	Time	Event
05 Oct	3 Star BoD: ForceNet Functional Concept	04 Jan	N1: 3-star BoD: First look at Sponsor programs (ISCPs).
14 Oct	N1: 3 Star BoD: Exec Glide Slope/ PR07 Manpower Req	06 Jan	N00T: 3-star BoD: First look at Sponsor programs (ISCPs).
19 Oct	N1: 3 Star BoD: MILPERS/ True Cost/ HCS	13 Jan	N091: 3-star BoD: First look at Sponsor programs (ISCPs).
21 Oct	N00T: 3 Star BoD: HCS Flight Tr/PME Strat/Dis Learning/MP Savings	18 Jan	N6/7: 3-star BoD: Pillars Sea Shield
26 Oct	N1/N8: 3 Star BoD: Manpower Review	20 Jan	N6/7: 3-star BoD: Pillars Sea Strike
28 Oct	N81: 3 Star BoD: Navy Studies Group – Space Way Ahead	25 Jan	N6/7: 3-star BoD: Pillars Sea Basing
2 Nov	N091: 3 Star BoD: PR07 Brief	27 Jan	N6/7: 3-star BoD: Pillars FORCENet
4 Nov	N4: 3 Star BoD: Readiness Update/Outlook for PR07	08 Feb	N6/7, CFFC: 3-star BoD: Fleet HQ/EA Issues (if required).
9 Nov	N6/7: 3 Star BoD: Sea Shield	17 Feb	N4: CNO Forum: Readiness IRCA
10 Nov	N6/7: 3 Star BoD: Sea Strike	10 Mar	N6/7: 3-star BoD: First look at Sponsor program (ISCP).
16 Nov	N6/7: 3 Star BoD: Sea Basing	15 Mar	N8: 3-star BoD: PR07 Net Assessment
18 Nov	N6/7: 3 Star BoD: ForceNet	29 Mar	N1: 3-star BoD: Final Sponsor Proposal (SPP)
23 Nov	Investment Strategy & N6/7 Spillover	31 Mar	N4: 3-star BoD: Final Sponsor Proposal (SPP)
30 Nov	N8: 3 Star BoD: Initial Program Guidance	05 Apr	N00T: 3-star BoD: Final Sponsor Proposal (SPP)
02 Dec	N3/5: 3 Star BoD: Global CONOPs Update (POM08 impact, PR07 implications)	07 Apr	N091: 3-star BoD: Final Sponsor Proposal (SPP)
07 Dec	N3/5: 3 Star BoD: AT/FP NCIS	21 Apr	N6/7: 3-star BoD: Final Sponsor Proposal (SPP)
09 Dec	N6/7: 3 Star BoD: Major Ship Construct	26 Apr	N8: 3-star BoD: PR07 Snapshot
14 Dec	N2: 3 Star BoD: Informed Threat Base	03 May	Database to N8
		10 May	N8: 3-star BoD: Integrated SPP and Assessment
		03 Jun	N8: Submit due to FMB

Notes:

1. Phase I is intended to develop a strong foundation on manpower, readiness and shipbuilding issues before the formal start of PR07. Throughout Phase I, N8 will develop/publish guidance as required/warranted and will provide updates to the initial top-line allocations. The 15 December deadline ensures that N8 captures and formally summarizes all initial guidance to the Resource Sponsors from Phase I.
2. Each 3-Star BoD in Phase I will determine the need for follow-on Forum or other update.