(U) PROGRAM MANAGER'S STATEMENT

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(U) Finally, overhead is playing an ever increasing role in support of homeland security, law enforcement and other civil support missions, such as border monitoring, drug interdiction and natural and manmade disaster recovery efforts.

(S//TK)

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(U) NRO Strategic Framework

(U) As targets and threats evolve at a rapid pace, so do user expectations. Ten years ago, a user might be satisfied with an image or a signal intercept; now users demand fused, multidiscipline, multi–phenomenology information tailored to a specific location or area of interest. In response to these challenges, and in support of the *National Intelligence Strategy*, I issued the new *NRO Strategic Framework*. This *Framework* represents a fundamental change in the way the NRO views itself, and in the way we support our partners, stakeholders, and users. Specifically, the NRO will:

• (S)

• (U) Ensure that our efforts on the ground have the same priority as space development, as the ground efforts offer the best opportunities for creating new products and for optimizing support to our users. Realizing this goal requires a holistic look at the ground architecture, which is the responsibility of the new NRO Ground Mission Manager. It also requires fully integrated ground planning, within the NRO and with the larger Community, to ensure delivery of end–to–end capability.

• (U) Emphasize quick–reaction operational support and real–time engagement as key mission areas. Realizing these goals is the job of the new Deputy Director for Mission Support. It requires thoroughly understanding user needs; reducing latency in the chain from data collection to information delivery; and ensuring users have the training required to make the best use of information available.

(U) The FY 2008 budget request represents the first step to achieving the goals articulated in the *Strategic Framework* and in supporting the *National Intelligence Strategy* and the latest *Defense Intelligence Guidance*. Achieving these goals is absolutely critical to optimizing the intelligence value of every dollar invested in, and entrusted to, the NRO.

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(U) The FY 2008 Request

(U) The FY 2008 request also takes specific action against the highest program priorities, as described below.

- (S//REL TO USA, GBR, CAN, AUS)

- (S//TK)

- (S//TK//NF)

- (U) Deliver on our strong commitment for a fully integrated ground architecture. The Ground Mission Manager has an initial, Unified Ground Architecture concept and program plan in place, and is actively working with our mission partners in DIA, NGA, CIA, and NSA to realize the larger, Community–level Integrated Ground Architecture.
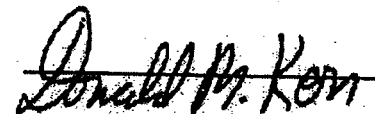
- (TS//TK//NF)

(U) Program Evaluations

(U//FOUO) The FY 2008 request includes the results of our most recent OMB–directed Program Assessment and Rating Tool (PART) evaluation. The NRO has now undergone three PART evaluations covering all our primary mission acquisition and operations directorates—SIGINT, IMINT, and Communications. All three have been assessed as successful, using the same evaluation process OMB uses across the federal government. The 2004 IMINT review, conducted prior to the restructure of the IMINT program, resulted in an overall weighted score of 61 percent ("Adequate"); and the 2005 SIGINT score was 72 percent ("Moderately Effective"). More recently, the 2006 Communications Directorate (COMM) score was 81 percent ("Moderately Effective")—a very high score for government. Although the PART scores are a solid indicator of the fundamental strength of NRO acquisition and management processes, we continue to improve those processes to ensure the NRO delivers promised capability on schedule and within budget.

(U) Summary

(U) The FY 2008 request strives to balance the need to maintain current capabilities with the need to adapt those capabilities to new targets and new expectations. The recently demonstrated need to effectively protect those capabilities against a broad range of threats will be an additional challenge that must be faced. It will not be an easy balance to strike or to maintain. The *Strategic Framework* outlines the goals I believe are absolutely integral to optimizing every dollar invested. Working toward those goals will be fundamental to preserving and protecting the overhead collection capabilities so fundamental to US national security.

Donald M. Kerr

(U) BUDGET OVERVIEW

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(U) NRO funds and positions are distributed among the following Expenditure Centers (EC):

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(U) **Budget Request Highlights**

(U) The major changes within the NRP for FY 2008 are:

- (U) Increased funding in the:
  - (S//TK//NF) ███████████████

  - (S//REL TO USA, GBR, AUS, CAN) ████████████████████████

  - (S//TK) ████████████████

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- (U) Decreased funding in the:
  - (S) ████████████████████████

— (S//TK) ████████████████████

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— (U) Facilities EC reflecting the near completion of the FY 2007 funded launch support construction activities.

— (S//TK) ████████████████████

— (U) Enterprise IT Systems EC reflecting the completion of the modernization and capacity upgrade of the Advanced Telecommunications Network, contract consolidation, and associated efficiency gains.

(U) Management Oversight

(U) Management oversight for the NRO is provided by:

• (U) Director of National Intelligence.

• (U) Secretary of Defense.

• (U) Office of Management and Budget.

(U) NSA and NRO jointly manage the Overhead Collection Management Center project.

(U) Appropriation Use

(S) ████████████████████████████

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(U) BUDGET CROSSWALK

(U) In FY 2006, ODNI revised the FY 2008 NIP budget structure to realign the NIP programs, including the NRP program, to a common set of budget categories used across the IC. The accompanying crosswalk table traces the new Expenditure Centers (EC) and projects to those used in FY 2007 and shows the FY 2008 funding by new EC/project along with the corresponding FY 2007 appropriated amounts in the FY 2007 EC/project structure.

Crosswalk Summary

(S//REL TO USA, CAN, AUS, GBR)

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(U) The new Space Communications EC and its six projects align with the old Communications Space EC and its six projects.

(U) The new Launch EC and its four projects align with the old Launch EC and its four projects. The construction portion of the old Launch EC aligns to the new Facilities and Logistics EC.

(U) The new SIGINT Stations EC and its three projects align with the old SIGINT Operations EC and its five projects. The minor construction portion of the old SIGINT Operations EC funding aligns to the new Facilities and Logistics EC.

(U) The new GEOINT Stations EC and its two projects align with the old IMINT Operations EC and its five projects. The minor construction portion of the old IMINT Operations EC funding aligns to the new Facilities and Logistics EC.

(S//REL TO USA, CAN, AUS, GBR)

(U) The new Enterprise IT Systems EC and its three projects align with the old Communications Terrestrial EC and its three projects, the old Communications Enterprise EC Enterprise Engineering and Enterprise Operations projects, and the old Corporate Systems Engineering & Ops EC CIO project.

(U) The new Research & Technology EC and its four projects align with the old Advanced Technology EC and its two projects, the old Applied Technology EC and its three projects, and the Tech Demos & Support EC and its three projects.

(U) The new Enterprise Management EC and its eleven projects aligns with the old Operations Support EC and its project; the old Communications Enabling EC and its five projects; the old Systems Engineering & Future Development EC its two projects; the old Corporate System Engineering & Ops EC Corporate System Engineering project; the old IMINT Engineering, Integration, Management EC IMINT Travel, Awards, Training; IMINT Program Analysis; and IMINT System Support projects; the old SIGINT Ground Development & Integration EC SIGINT Program Support project; the old Mission Support EC and all of its projects except the Transportation Management project and a portion of the Support Services project, which align with the new Facilities and Logistics EC; and the old Personnel EC and seven of its projects. As a result of the transition of all MilPers positions to their parent service budget request in FY 2008 along with the associated service Medicare–Retirement Health Care Fund Contribution, these old Personnel EC projects are not mapped to the new budget structure as it contains no comparable activity.

(U) The new Facilities & Logistics EC and its two projects align with the old Facilities EC and its two projects, the minor construction portions of the IMINT Operations EC IMINT Facilities & Infrastructure project and the SIGINT Operations EC SIGINT Ground Operations project, the construction portion of the Launch EC Launch Ops & Engineering project, and the Mission Support EC Transportation Management project and a portion of the Support Services project.

(U) The new Sensitive Technical Collection EC and its project align with the old Annex Programs EC and its project.