



THE SECRETARY OF THE NAVY
WASHINGTON, D.C. 20350-1000

February 15, 2005

The Honorable Duncan Hunter
Chairman, Committee on
Armed Services
House of Representatives
Washington, DC 20510-6035

Dear Mr. Chairman:

Section 129 of Title 10, United States Code, requires the Secretary of each Military Department to submit a report each year on the management of the civilian workforce. The report shall contain a certification that the civilian workforce is not subject to any constraint or limitation in terms of man-years, end strength, full-time equivalent positions, or maximum number of employees, and that, during the 12 months preceding the report the workforce has not been subject to any such constraint or limitation. The report shall also describe how the civilian workforce is managed and what analytical tools have been used to determine civilian workforce requirements during the 12-month period preceding the report.

The size of the civilian workforce is a function of the funded workload required to accomplish the Department of the Navy mission. Based on the various program requirements determined through the Planning, Programming, Budgeting and Execution process, the major commands estimate overall workload and funding levels required to accomplish assigned programs. The specific tools used for determining the required civilian workforce vary depending on the program, location, skill availability, etc. In general, an analysis of the workload required to accomplish the assigned program is conducted and a determination made as to the best mix of resources needed, i.e., directly funded civilian, reimbursable funded civilian, and/or contracted labor. This mix is then translated into budget levels for the various types of civilian labor required in the form of full-time equivalents (FTE's) and end strength (ES). The FTE's and ES required to execute the funded programs in each command are reviewed at the Department of the Navy headquarters and then combined to form the Department's civilian personnel budget. In the year of execution these budget estimates are used by the commands in the form of FTE's and ES targets. These targets are management tools and not a constraint or limitation. If during the course of the execution year a command determines that they will execute more or less FTE's and ES than originally planned to accomplish approved programs, this information is communicated and necessary adjustments are made to targets to reflect the revised estimate.

Segments of the civilian workforce of special interest to the Congress, such as Management Headquarters and overseas work years, are monitored more closely than the general workforce. This is necessary to assess the effectiveness of the department's progress in complying with legislated controls and reductions through re-engineering, restructuring and force structure reductions.

I certify that the department does not manage its civilian workforce by any constraint or limitation in terms of man-years, end strength, full-time equivalent positions, or maximum number of employees. The department has not during the normal course of business, subjected its civilian workforce to any such constraint or limitation in the period 12 months preceding the date of this report. However, as previously mentioned, certain segments of the Department of the Navy workforce are specifically constrained or targeted for reductions by legislation. To the extent that reductions in these areas are not a function of reduced workload, they may be interpreted to be "controlled" by FTE targets.

A similar letter has been sent to Chairman Warner. As always, if I can be of further assistance, please let me know.

A handwritten signature in black ink, appearing to read "Andrew England". The signature is written in a cursive, flowing style.

Copy to:
The Honorable Ike Skelton
Ranking Minority Member