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COMMAND, CONTROL,
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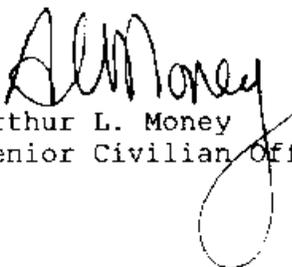
MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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UNDER SECRETARIES OF DEFENSE
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DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: DoD Chief Information Officer (CIO) Guidance and
Policy Memorandum No. 2-8190- 031199 - Defense-wide
Electronic Business/Electronic Commerce (EB/EC)

The attached Electronic Business/Electronic Commerce (EB/EC) guidance and policy is effective immediately. It directs that EB/EC principles, processes and technologies be employed in the conduct of Department of Defense (DoD) business and military affairs. Rapid technology change and improved business processes have expanded the EC thrust into all business endeavors; therefore, the term EC is not broad enough so the combined term EB/EC has been adopted to recognize the larger scope of this program supporting the Department's "Revolution in Business Affairs."

It is the policy of the DoD to achieve efficiency and economy wherever possible through the widespread application of EB/EC. Department of Defense Reform Initiative Directive (DRID) #43 established the Joint Electronic Commerce Program (JECF) to institutionalize EC as DoD's preferred means of transacting business. The Department of Defense Chief Information Officer (DoD CIO) has overall policy direction and oversight of the JECF.

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Arthur L. Money
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Attachment



Guidance and Policy for the Defense-wide
Electronic Business/Electronic Commerce (EB/EC) Program

1. PURPOSE

This policy guidance:

1.1. Provides implementation direction for the Joint Department of Defense (DoD) EB/EC Program, as established by the Defense Reform Initiative Directive #43. This direction identifies the actions to support, facilitate, and accelerate the application of electronic business practices. EB/EC and associated information technologies will improve DoD business processes across all functional areas to include those processes that support weapons and combat support systems throughout their life cycles.

1.2. Establishes policy and assigns responsibilities for the direction, management, coordination, and control of EB/EC activities within the DoD.

1.3. Authorizes the publication of a DoD-wide strategic plan and subsequent implementation plan designed to coordinate a DoD-wide EB/EC capability.

2. APPLICABILITY

This policy guidance applies to the Office of the Secretary of Defense (OSD), Department of Defense Inspector General, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components").

3. DEFINITIONS

3.1. Electronic Commerce (EC): The interchange and processing of information using electronic techniques for accomplishing transactions based upon the application of commercial standards and practices. Further, an integral part of implementing Electronic Commerce is the application of process improvements to enhance business processes, normally but not necessarily, prior to the incorporation of technologies facilitating the electronic exchange of business information.

3.2. Electronic Business (EB): The application of Electronic Commerce techniques and solutions to the business processes of the DoD to include the entire range of the DoD functional areas. For the purpose of this document, functions are those defined in Joint Pub 1-02, i.e., appropriate or

assigned duties, responsibilities, missions, tasks, functions, powers or duties of an individual, office or organization. A functional area is comprised of one or more functional activities, each which consists of one or more functional processes.

3.3. Executive Agent (EA): The individual or component designated by position to have and to exercise the assigned responsibility.

3.4. Interoperability: The ability of the systems, units, or forces to provide and receive services from other systems, units, or forces, and to use the services so interchanged to enable them to operate effectively together. The conditions achieved among communications-electronics systems or items of communications-electronic equipment when information or services can be exchanged directly and satisfactorily between them and/or their users (Joint Pub 1-02, DoD/NATO).

3.5. Trading Partner: A trading partner is an organization or individual with whom information or data is accessed or exchanged. The term trading partner includes private industry, academia, and government entities.

3.6. OSD Principal Staff Assistants (PSAs): Under Secretaries of Defense; Director of Defense Research and Engineering; Assistant Secretaries of Defense; Director Operational Test and Evaluation; General Counsel of the Department of Defense; Inspector General, DoD; Assistants to the Secretary of Defense; and other OSD Directors or equivalents who report directly to the Secretary or Deputy Secretary of Defense.

4. POLICY

It is the policy of the DoD to:

4.1. Employ EB/EC concepts and technologies in the conduct of all business process improvements and reengineering efforts. This will permit incorporation of proven commercial market approaches to disseminate information in an electronic form to the right person/activity, at the right time, with the objective of reducing process cycle times. The DoD will:

- Implement EB/EC initiatives that incorporate "best business practices" to garner efficiencies, and to promote operational effectiveness through significant response cycle time reduction.

- Facilitate global data sharing and integration of cross-functional business processes between the Department and its business partners.
- Implement flexible, interoperable open solutions that do not prohibit or impede the use of new or competing technology solutions to the maximum extent practical.
- Use industry EB/EC standards and commercial-off-the-shelf (COTS) solutions to the maximum extent practical.
- Implement EB/EC security solutions that will afford data security based upon user and statutory requirements, without degradation of the current processes that they replace.

4.2. Establish and use electronic business operations that employ EB/EC principles, concepts and technologies in the conduct and administration of its military and business processes.

4.3. Plan, develop, and implement EB/EC from a DoD-wide perspective to provide consistent program direction and planning.

4.4. Facilitate and support DoD Components' efforts to implement EB/EC consistent with the Department's strategic goals and objectives.

4.5. Apply EB/EC processes to interoperate with DoD's trading partners to achieve integration within and among the DoD Components and the private sector.

4.6. Ensure all EB/EC operations employ continuous process improvement including employment of the best applicable business practices using national, international or commercial standards, a common information infrastructure, and best "fit" security solutions. EB/EC will use the DoD common information infrastructure, security solutions and a common set of best business practices for interactions across DoD's functional areas.

4.7. Protect intellectual property rights; guarantee data integrity and privacy rights, and foster interoperability.

4.8. Cooperate with other Federal Government departments and agencies to develop and implement an EB/EC operational architecture in support of a Government-wide EB/EC program.

4.9. Utilize end-to-end standards-based solutions for EB/EC security that are compatible and interoperable with publicly available security solutions. Ensure transaction confidentiality

is maintained, audit trails are established commensurate with business needs and current practices, and system resources are protected from disruption or exploitation. EB/EC information must be exchanged, processed, stored, manipulated, and disseminated with the assurance that it is not being exploited, modified, or disrupted by adversaries, interlopers or competitors. Comply with established National and DoD policies and directives for the protection of classified information (DoDD 5200.28, DoDD 5300.1-R).

4.10. Describe and adhere to an EB/EC architecture (including operational, systems and technical views) developed in accordance with DoD's Communications, Command, Control, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) Architecture and Framework.

4.11. Comply with the standard DoD Acquisition Policies as stated in DoD Directives 5000.1 and 5000.2 in all EB/EC acquisitions required by this memorandum.

5. RESPONSIBILITIES

Responsibilities herein are intended to complement approved individual, office and organizational responsibilities and relationships.

5.1. The DoD Chief Information Officer (CIO) shall:

5.1.1. Serve as the Department's Principal Staff Assistant (PSA) responsible for Joint EC Program development, technical integration, uniform implementation of approved DoD-wide EB/EC initiatives across all organizational and functional boundaries, and oversight.

5.1.2. Provide policy direction and oversight to the Joint Electronic Commerce Program (JECF) and to the Joint Electronic Commerce Program Office (JECPO) which supports the JECF and common EB/EC elements employed by the DoD Components.

5.1.3. Approve the charter of the DoD JECPO.

5.1.4. Prepare a DoD EB/EC Strategic Plan, with DoD Component input, that sets forth the DoD EB/EC vision, goals, objectives, and strategies.

5.1.5. Oversee the development and updates of the DoD EB/EC Implementation Plan.

5.1.6. Review and approve the JECPO developed overarching architectures for EB/EC and ensure that EB/EC

architectures adhere to and are integrated with the overall DoD information technology architecture (e.g., Joint Technical Architecture (JTA)).

5.1.7. Oversee the development and maintenance of a cost effective, efficient, and integrated information infrastructure (e.g., DII) that will ensure security and interoperability of DoD EB/EC.

5.1.8. In coordination with other PSAs, deconflict, integrate, and coordinate information technology requirements to optimize investments in infrastructure, functional EB/EC applications, and improved business processes.

5.1.9. Structure and prioritize EB/EC initiatives to promote efficiencies and interoperability in all functional areas throughout DoD.

5.1.10. Review and coordinate periodic EB/EC reports from the JECPO and Components to the Deputy Secretary of Defense.

5.1.11. In coordination with other PSAs, serve as the DoD's principal point of contact with the private sector, contractors and Federal Government Agencies for DoD-wide EB/EC policy matters.

5.1.12. Ensure that reengineered or improved business processes and EB/EC technologies are integrated across functional areas.

5.2. The DoD Components shall:

5.2.1. Promote and promulgate the application of EB/EC principles and practices, based on generally accepted commercial practices, in accordance with overarching DoD architectural guidance and the DoD EB/EC Strategic and Implementation Plans.

5.2.2. Apply EB/EC best practices to the maximum extent practical to improve both combat support capabilities and DoD business operations.

5.2.3. Establish single focal points for EB/EC activities. In the case of the Military Departments, this focal point shall be a single EB/EC office. This office or focal point shall be responsible for interfacing and coordinating EB/EC activities with other Components including the JECPO. This office shall insert DoD EB/EC policies into relevant component policies and plans; develop Component EB/EC policy, planning, and performance metrics; and oversee EB/EC implementation and execution within their organization.

5.2.4. In coordination with the DoD CIO Council, resolve EB/EC issues impeding cross-functional/cross-organizational integration of commonly used information and business processes.

5.2.5. Develop strategic and/or implementation plans, as appropriate and incorporate the application of EB/EC and business process improvement into these plans.

5.2.6. Ensure the insertion of EB/EC capabilities into the development, modernization, expansion or prototype of systems that interface with DoD trading partners or interface with other functional areas.

5.2.7. Support the DoD CIO in the development and updating of the DoD EB/EC Strategic and Implementation Plans.

5.2.8. Participate on DoD, national, international and interdepartmental boards, committees, and other organizations involving EB/EC as necessary.

5.2.9. Work as a team to develop EB/EC operational architectures for each functional area. The appropriate PSA or Joint staff will approve the preferred view for their area of responsibility. These operational architectures will be provided to the DoD CIO and the JECPO.

5.3. The Directors, Defense Information Systems Agency and Defense Logistics Agency will:

5.3.1. Under the direction of the CIO, organize, staff, and support a DoD Joint Electronic Commerce Program Office.

5.3.2. Provide the computer and communication infrastructure and related services to JECPO in support of PSA and Component common EB/EC requirements.

5.4. The Joint Electronic Commerce Program Office (JECPO) shall:

5.4.1. Serve as the DoD Executive Agent to promote and coordinate implementation planning, implementation execution, and integration of common EB/EC services throughout the Department.

5.4.2. Perform its mission under the oversight and guidance of the DoD CIO. Prepare periodic progress reports for DoD CIO and DepSecDef review.

5.4.3. Develop and maintain, with Component assistance, an overarching DoD EB/EC Implementation Plan. Submit these plans to the DoD CIO for approval.

5.4.4. Develop for DoD CIO approval an overarching EB/EC Architecture to include operational, system and technical views in accordance with the C4ISR Framework. The architecture views must reflect improved, reengineered and integrated business processes

5.4.5. Assist PSAs and other applicable components in the development of consistent and integrated EB/EC architectures (with operational, system and technical views) for their functional areas of responsibility to ensure business processes and transaction exchanges are universally understood, accepted and implemented.

5.4.6. Apply, develop, implement, and maintain common EB/EC capabilities as identified by functional users.

5.4.7. Support, facilitate, and accelerate the application of EB/EC common data and consistent information into interoperable systems that support the Defense Components' EB/EC processing requirements.

5.4.8. Assure consistent implementation in the JECIP based on open standards for interoperability. The JECPO shall be responsible for providing updates to the DoD Joint Technical Architecture for emerging Federal and commercial standards related to EB/EC.

5.4.9. Identify and promulgate DoD EB/EC requirements to industry and Standards developers.

6. EFFECTIVE DATE

This Policy and Guidance for the EB/EC Program is effective immediately.