



DEFENSE
BUSINESS
BOARD

DEFENSE BUSINESS BOARD
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155

May 14, 2010

MEMORANDUM FOR PIERRE CHAO

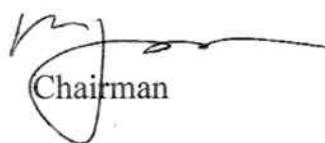
SUBJECT: Terms of Reference – “Global Logistics Management”

The Secretary of Defense is committed to reshaping the Department of Defense by reforming its priorities, procedures, and institutional culture to align defense dollars with real-world military needs. As the Secretary continues to make tough decisions in this constrained budget environment, the Department’s management procedures, particularly in supply chain – a \$170 billion per year enterprise – should be reviewed for similar reforms and overhead reduction.

Request you lead a DBB Task Group to develop recommendations that would help optimize the Department’s global logistics management. Consider best business practices for enterprise-wide logistics management, including leadership and organizational constructs that could streamline the end-to-end logistics system, as well as reduce overhead for the Department.

Barbara Barrett, Bill Phillips, Richard Spencer, and Leigh Warner will assist you. Please provide me with your findings and any recommendations to improve our processes by October 2010. Kelly Van Niman will serve as the DBB Secretariat Representative.

As a subcommittee of the Board, and pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal regulations, this Task Group shall not work independently of the Board’s charter and shall report its recommendations to the full Board’s public deliberation. The Task Group does not have the authority to make decisions on behalf of the Board, nor can it report directly to any federal officer who is not also a Board member. The Task Group will avoid discussing “particular matters” according to Section 208 of Title 18, U.S. Code.


Chairman

