

Defense Business Board

SUMMARY OF MEETING

July 11th, 2007

The Defense Business Board (DBB) held its quarterly meeting on July 11th, 2007 in Mezzanine Room #4 of the Pentagon Conference Center.

No public session was held during the meeting of the Board.

DBB Members present:

Michael Bayer, Chairman
Fred Cook, Vice Chairman
Neil Albert
Barbara Barrett
Denis Bovin
Henry Dreifus
Carly Fiorina
Robert Hale
James Haveman
Mel Immergut
Madelyn Jennings
James Kimsey
John Madigan
Bill Phillips
Arnold Punaro
Atul Vashistha
Dov Zakheim

DBB Guests present (Pending DBB Membership)

Joe Wright

DBB Staff in attendance:

Kelly Van Niman, Executive Director
Joseph Reimer, Military Assistant
Ryan Bates, Staff Assistant
Stephan Smith, DBB Consultant

Others present for all or portions of the meetings on 07/11/07:

Gordon England, Deputy Secretary of Defense
David Walker, Comptroller General of the United States and Observer to the DBB
Robert Earl, Special Assistant to the Deputy Secretary of Defense
Tina Jonas, Under Secretary of Defense (Comptroller)
RADM Donna Crisp, USN, Director, J-1, Joint Staff

Mark V. Vlastic, White House Fellow, Special Assistant to the Secretary of Defense
Jeff Steinhoff, Managing Director, Financial Management and Assurance, Government
Accountability Office
Jeffrey (Jeb) Nadaner, Deputy Assistant Secretary of Defense for Partnership Strategy

BOARD SESSION

The DBB's quarterly meeting began at 7:50 AM in the Pentagon Conference Center. Michael Bayer, DBB Chairman, began the meeting with a brief overview of the day's agenda.

At 8:00 AM, the Honorable Donald Winter, Secretary of the Navy, had a discussion with the DBB regarding acquisition governance. During this discussion, he shared his thoughts from the Department of Navy's perspective, as well as, from his experience in the private sector.

After the discussion with Secretary Winter, the DBB members received their annual ethics briefing from Jeff Green from the Office of General Counsel (OGC). Mr. Green addressed conflict of interest rules most relevant to Federal Advisory Committees.

At approximately 9:00 AM Dr. Jacques Gansler provided the DBB with an overview of the Defense Science Board (DSB) task on the relationship between DoD and the industrial base. Dr. Gansler articulated the likely crisis that DoD will face and also discussed the need for innovation in the future to improve DoD's relationship with industry.

At 10:00 AM Jack Bell, the Deputy Under Secretary for Logistics and Material Readiness, spoke with the DBB members regarding acquisition and logistics governance. Mr. Bell articulated how logistics impacts strategy, force employment, force management, force development, and corporate support. Mr. Bell noted that 65-80% of the total life cycle cost of major systems and equipment is in the operations and support piece of the life cycle.

At approximately 11:00 AM, Pierre Chao with the Center for Strategic and International Studies (CSIS) provided a presentation on his thoughts on the DoD-industry relationship. Mr. Chao described market lifecycles and how the defense industry aligns to the lifecycles of Defense programs.

DBB MEETING WITH THE DEPUTY SECRETARY OF DEFENSE

At noon, the DBB members met with the Deputy Secretary of Defense, the Honorable Gordon England, in Pentagon Room 3E664. The session with the Deputy Secretary opened with brief introductions of new DBB members. Although no recommendations were presented to Deputy Secretary England, the Board discussed follow-up items from the DBB's April 2007 meeting and DBB's near-term work streams. Secretary England also provided an overview of some recent initiatives in DoD and outlined areas that he would like the DBB to assist.

BOARD SESSION

At 1:30 the DBB received a briefing from the Honorable Ryan Henry, Principal Deputy Under Secretary of Defense for Policy, and LTG Walter Sharp, Director J-8, on Enabling Strategic Choice – Institutional Reform and Governance overview.

DBB MEETING WITH THE SECRETARY OF DEFENSE

At approximately 2:45 PM, the Secretary of Defense, the Honorable Robert Gates, met with the DBB. This session included introductions of the DBB members and brief discussions about the nature of the DBB's work.

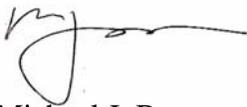
BOARD SESSION

At 3:00 PM Mike Donley, the Director of Administration and Management, had a discussion with the DBB members regarding streamlining DoD governance.

ADJOURNMENT

The meeting was adjourned by Michael Bayer, at 3:40 PM.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



Michael J. Bayer
Chairman
Defense Business Board