



## SUMMARY MEETING NOTES January 16, 2008

The Defense Business Board (DBB) held a quarterly meeting from 12:00 PM to 5:00 PM on January 16, 2008 in the Pentagon. A public session was held during this meeting from 2:00 PM to 2:30 PM.

### **DBB Members present:**

Michael Bayer (Chairman)  
Fred Cook (Vice Chairman)  
Neil Albert  
Barbara Barrett  
Denis Bovin  
Henry Dreifus  
Carly Fiorina  
Robert Hale  
Mel Immergut  
Madelyn Jennings  
Arnold Punaro  
Bill Phillips  
Mark Ronald  
Atul Vashistha  
Joe Wright  
Dov Zakheim

### **Others present for all or portions of the meeting:**

Robert Gates, Secretary of Defense  
Gordon England, Deputy Secretary of Defense  
Tina Jonas, Under Secretary of Defense, Comptroller  
Robert Rangel, Special Assistant to the Secretary of Defense  
Robert Earl, Special Assistant to the Deputy Secretary of Defense  
David Walker, Comptroller General of the United States (DBB Observer)  
Chris Williams (Defense Policy Board)

### **DBB Staff in attendance:**

Ryan Bates, DBB Staff Assistant  
CAPT Dave Knapp, DBB Military Assistant  
Col Glenn Rousseau, DBB Military Assistant  
Stephan Smith, DBB Consultant  
Kelly Van Niman, Executive Director

### **ADMINISTRATIVE WORKING SESSION (PART 1)**

The Defense Business Board's (DBB) quarterly meeting began at 12:00 PM in the Pentagon. Michael Bayer, the DBB's Chairman, began the meeting by thanking Mr. Ryan Bates for his

service to the DBB as Staff Assistant and presented him with the OSD Award for Excellence for his contributions to the DBB's work. Mr. Bayer also announced that Mr. Bob Hale and Mr. Neil Albert were retiring from the DBB after nearly seven years of distinguished service, to enable two new members to be brought onto the DBB. Mrs. Kelly Van Niman, the DBB's Designated Federal Officer, then asked for the DBB members to submit their travel voucher authorization forms. Mr. Bayer also provided a brief review of the day's agenda, which was followed by updates on the DBB's Task Group on Tooth-to-Tail and the Task Group on Capability Requirements Review.

At 1:00 PM Mrs. Tina Jonas, Under Secretary of Defense for Comptroller, presented a briefing on the DoD Performance Budget's status and challenges.

At 1:30 PM, the Secretary of Defense met with the DBB to receive high-level updates on the DBB's current Task Groups – two of which are being conducted in collaboration with the Defense Science Board and the Defense Policy Board. Secretary Gates stated his appreciation for all of the DBB's work, and was glad to hear of the collaboration between the DBB, the Defense Science Board, and the Defense Policy Board. The Secretary also warmly thanked Mr. Hale and Mr. Albert for their service as DBB members.

## **PUBLIC SESSION**

Kelly Van Niman, the Designated Federal Officer for the DBB, convened the Public Session at 2:00 PM. During this session, Ms. Carly Fiorina presented the DBB's draft report from the *Task Group on Engaging the United States Business Community in Support of National Security Objectives*. This Task Group sought to provide recommendations that:

- Enable the creation of a productive partnership between the U.S. business community and the U.S. Government in any region of the world where U.S. foreign policy interests require the business community to be engaged;
- Improve the partnership between U.S. business and the U.S. Government in regions of the world where our national interests are engaged; and
- Describe how Combatant Commanders can engage the business community as a strategic partner in current operations and in contingency planning.

The group approached this task with the premise that the engagement of American business in a country or region creates jobs, enables economic development and reduces cultural isolation, all of which further U.S. economic and foreign policy interests. The group also noted there is no systematic or focused dialogue between the U.S.'s business leaders and the regional Combatant Commanders, and this poor dialogue was also present with Department of State diplomatic personnel concerning foreign policy initiatives, objectives, and/or concerns.

Elaborating on the Task Group's recommendations, Ms. Fiorina noted that as part of any U.S. Government engagement in a region/country, we must first establish an understanding of the markets in which that country participates. The Departments of State and Defense must create an economic model of the country and region to better inform their choices for regional

initiatives and formulate a better understanding of the possible private sector initiatives that would have the most impact on job creation, economic growth and stability. One approach to accomplishing this is to leverage the Department of State's Commercial Counselors by tasking them to create U.S. investment in targeted countries rather than just pave the way for improved U.S. sales. The U.S. Government should also require that deployed State Department diplomatic personnel, Department of Commerce Commercial Attaches, and Combatant Commanders meet regularly with the U.S. business leaders in their area/theater of operation. This approach allows for a holistic view of the situation in that region/area.

The newly formed Africa Command serves as an excellent opportunity to pilot the approach outlined by the Task Group. Specifically, a business board should be created in the region to meet regularly to refine the plan and engage private sector expertise and investment. These efforts should also be coupled with performance metrics for the responsible State and Defense personnel. The Task Group emphasized the importance of communicating USG objectives to the hosting nations. Furthermore, Combatant Commanders' should add this plan for economic development in their Joint Strategic Capabilities Plan as well as an annex in all relevant theater contingency plans. This coordinated U.S. Government plan for economic development should utilize existing funds if relevant (Overseas Private Investment Corporation, for example) or new ones should be created as necessary (such as in Poland with the US-Polish Enterprise fund by example). Each of our Ambassadors should have a top-5 "plan of investment" for their country of assignment, and U.S. and allied nations' companies (as appropriate) need to be encouraged to invest in a way that is consistent with a country's sustainable growth and development.

For next steps for DoD, the Task Group recommend that the Deputy Secretary of Defense meet with the Chairman of the Joint Chiefs of Staff (CJCS) and the Combatant Commanders to discuss these recommendations. Once the CJCS and COCOM Commanders understand the program, DoD leaders should meet with the Secretaries of State, Commerce, Treasury and the U.S. Trade Representative to discuss the specific recommendations detailed above. Other recommendations may need to be considered at the appropriate time, such as:

- The Departments of State and Defense should "piggy back" on the Department of Commerce Trade Missions, in concert with the U.S. Trade Representative, to help achieve a coherent approach to trade, aid and economic development, which is consistent with our diplomatic and military objectives in a nation;
- Consider a "loaned executive" program between business and government, to further understanding, build relationships and cement partnerships.

The DBB discussed the presentation and made the following changes:

- "Countries" was clarified as "targeted countries" which would benefit from US business presence, that need intensive diplomatic effort, and that have potential for US military support.
- In addition to State and Defense, Commerce and Treasury must contribute to the USG coordinated economic development model for a targeted country.
- In addition to State and Defense, Commerce must participate in the forum with the Combatant Commanders.

- In addition to AFRICOM, the Secretary of Defense should consider using SOUTHCOM as a pilot for this new approach.
- In addition to meeting with the Secretaries of State, Commerce, Treasury and the USTR, the Secretary of Defense should meet with the White House to discuss these specific recommendations.
- A clarification was made that the “loaned executive program” recommended would occur overseas, not in the US.

With those modifications, the DBB members concurred with the recommendations and noted that such a program would well serve the Nation’s interest. Kelly Van Niman, the Designated Federal Officer of the DBB closed the Public Session at 2:30 PM.

### **ADMINISTRATIVE WORKING SESSION (PART 2)**

At 2:45 PM, the DBB continued its Administrative Working Session – hearing updates of on-going work from the Task Group on DoD and Industrial Base Strategic Relationship and the Task Group on Strengthening DoD Enterprise Governance, which will report their recommendations in April 2008.

Following the Task Group updates, the DBB met with the Deputy Secretary of Defense, Gordon England, at 4:00PM. During this session, the DBB provided the Deputy Secretary with updates on current Task Groups in progress. Following these brief updates, Ms. Fiorina presented the final report from the *Task Group on Engaging the United States Business Community in Support of National Security Objectives*. She highlighted all of the previously mentioned findings and recommendations from the Task Group.

At the conclusion of the *Task Group on Engaging the United States Business Community in Support of National Security Objectives* brief and discussion with the Deputy Secretary, Mr England presented Mr. Hale and Mr. Albert with the OSD Exceptional Public Service Awards for their service on the DBB

### **ADJOURNMENT**

Mr. Bayer formally concluded the DBB’s January 16, 2008 quarterly meeting at approximately 5:00 PM.

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



Michael J. Bayer  
Chairman  
Defense Business Board