



MINUTES OF THE QUARTERLY BOARD MEETING
DEFENSE BUSINESS BOARD
April 21, 2011

The Defense Business Board (DBB) is a federal advisory committee within the Department of Defense (DoD) pursuant to the Federal Advisory Committee Act of 1972, the Government in Sunshine Act of 1976 and other appropriate federal regulations. The DBB meets quarterly and held its second public session for the fiscal year 2011 on April 21, 2011 from 12:45 PM to 2:45 PM.

DBB Members Present

Amandi, Fernando
Brown, Owsley
Chao, Pierre
Cohen, Bonnie
Goodman, John (Chairman)
Gross, Pat
Hamid, Wahid
Immergut, Mel
Langstaff, David
Levin, Lon
Punaro, Arnold
Ronald, Mark (Vice Chairman)
Spencer, Richard
Stein, Robert
Toll, Bob
Walker, Kevin
Wright, Joe
Zoeller, Jack

DBB Senior Fellows Present

Albert, Neil
Barrett, Barbara
Bovin, Denis
Cook, Fred
Jennings, Madelyn
Kimsey, James

Consultants Present

O'Connor, John
Warner, Leigh

Observers Present

Dodaro, Gene, Government Accountability Office (GAO)
St. Laurent, Janet, Government Accountability Office (GAO)



MINUTES OF THE QUARTERLY BOARD MEETING
DEFENSE BUSINESS BOARD
April 21, 2011

DBB Staff Present

Bohn, Michael (CAPT, USN), Acting Director
Carr, Ronald (CAPT, USN), Military Assistant
Curran, John (COL, USA), Military Assistant
Kelley, Jeffrey (COL, USA), Military Assistant
Duffy, Debora, Staff Assistant
Bisett, Christopher, Contractor
Whittington, Catherine, Intern

Public Session Attendees:

Anderson, Gretchen, OUSD (Comptroller)
Bush, Tom, QRMC
Delmar, Debra, Vanguard Advisors, LLC
Ferrell, Ryan, AF/A1PS
McGee, Gary, OSD/PR
Meredith, Thomas, OUSD (Comptroller)
Mishury, Jordana, Inside the Pentagon
Searce, Roger, Vanguard Advisors, LLC
Siani, Robert (Colonel, USAF), Chief, AF Continuum of Service, AF/A1PS
Slater, Faye, HQDA, MPSA
Spiro, Ken, AT&L
Tilghman, Andrew, Military Times
Vandagriff, Tim, AT&L
Wilson, Karen, Boeing
Yan, Sophia, Bloomberg News

PUBLIC SESSION

Copies of all reports will be available at the DBB website (<http://dbb.defense.gov>).

At 12:45 PM, Captain Michael B. Bohn, USN; the Designated Federal Officer, officially opened the public session.

Deliberation of Task Group Recommendations

Military Mail, Barbara Barrett

Chairman John Goodman stepped out of the meeting and recused himself from deliberation on this task force report and discussion. Mark Ronald, Vice Chairman, chaired the discussion.

AMB Barrett indicated that military mail is among the most important morale issues for troops. She indicated that especially in light of Departmental efforts to streamline processes and reduce overhead, DBB had been asked to study military mail to find efficiencies and costs savings.



MINUTES OF THE QUARTERLY BOARD MEETING
DEFENSE BUSINESS BOARD
April 21, 2011

Since DBB first evaluated military mail, service has improved. Barrett identified remaining weaknesses in the Military Mail system including undeliverable mail, unnecessary handling and excessive costs. She reported that due to format differences the Military's standardized addresses cannot be read by the current USPS automated readers – resulting in manual sorting, intermediate stops, multiple handoffs and volumes of Undeliverable As Addressed (UAA) mail.

The Task Group recommended that DoD implement a complete, end-to-end private sector solution, which could unify processes, apply technology, employ training, modernize procedures and anticipate funding for military mail. The Task Group emphasized that the Department should apply an end-to-end solution rather than piecemeal contracts or fractured responsibilities.

While preparing for the unified end-to-end solution the Task Group recommended that DoD work with USPS to rectify address format or software changes in order to enable effective scanning and sorting of military mail for successful delivery to troops at their current units. The military postal service should have access to USPS's Postal Automated Redirection Systems (PARS) to stop and redirect mail at the international gateway when a troop's address has changed rather than the current practice of delivering the mail to the troop's former OCONUS site.

The Board approved the recommendation with no opposing vote and only one abstention (Chairman John Goodman).

Skill-Sets for Program Managers, Fred Cook

John Goodman, Chairman, chaired the discussion.

Mr. Cook presented an overview of current practices in program management for acquisition in DoD. Over \$400B is spent annually on acquisitions with mixed results. Major new programs take too long to bring to the field and are too expensive. Program managers could be more effective if the requirements and acquisition processes were more closely aligned. The requirements process is under military control, while the acquisition process remains under civilian control. Civilian PMs are considered to have different career paths, longer tenure, more continuity, and even better business acumen than the uniformed PMs. All PMs in DoD should understand the business dynamics that drive defense suppliers and which affect performance. Ultimately, we want to foster a cooperative relationship with all PMs—"One Team, One Fight!"

Three recommendations were offered: 1. Professionalize the Uniformed Acquisition Corps; 2. Put civilians in leadership PM roles; 3. Align the requirements, resources, and acquisition processes. The goal is to create greater accountability to the user of program management.

Mr. Goodman asked for a motion to vote and received a motion and a second. Mr. Toll and Mr. Langstaff abstained and the remaining Board Members approved the recommendations.

Task Group Updates



MINUTES OF THE QUARTERLY BOARD MEETING
DEFENSE BUSINESS BOARD
April 21, 2011

Energy Acquisition, Denis Bovin and John O'Connor

Mr. Bovin and Mr. O'Connor informed the Board that there is a need for re-examining DoD exposure to the continuing volatility of fuel prices in the marketplace. The Task Group must examine current best practices in the private sector for managing large volume fuel purchasing.

Military Retirement – Alternative Plans, Richard Spencer

Mr. Spencer addressed the need to review and revise the current system of military pay and benefits so as to provide for a sustainable DoD fiscal system, as well as the need to provide for those no longer in uniform. A more robust pay system and equitable benefit system would ensure more effective recruiting, as well as retaining the highest quality of personnel serving our national defense.

END OF PUBLIC SESSION

ADJOURNMENT

Mr. Goodman adjourned the DBB's April 21, 2011 public session at 2:45PM.

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

A handwritten signature in cursive script that reads "John B. Goodman".

John Goodman
Chairman
Defense Business Board