



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

MAY 16 2024

MEMORANDUM FOR DEFENSE BUSINESS BOARD

SUBJECT: Terms of Reference – Industry Partnerships for Crises

Ensuring our military's ability to respond rapidly during a crisis enhances our ability to deter, and if necessary, defeat aggression. Given this national security imperative, the Department of Defense ("DoD" or "the Department") is focused on strengthening our defense industrial base and partnerships with industry. This study will examine the policy, infrastructure, contracting, and workforce elements that might be improved to boost and expand the Department's ability to partner with industry to surge capability.

Therefore, I direct the Defense Business Board ("the Board"), through its Business Operations Advisory Subcommittee ("the Subcommittee"), to examine the current state of contingency readiness in the Department specifically related to private sector dependencies. Based on its findings, the Board should make recommendations on ways the Department can build better partnerships with the private sector for a reliable and rapid "expand-on-demand" capacity in a series of crises or unexpected events. The Subcommittee should consider the following elements as part of its study:

1. How the Department defines, identifies the need for, categorizes, and prioritizes its public/private partnerships in the context of surge capacity needs.
2. Opportunities, programs, processes, and incentives available to help facilitate partnerships and enable rapid expansion of production capacity.
3. Industry best practices in production innovation and efficiency, to include corporate incentives and investment.
4. What authorities and financing are available within the Department to reinforce and assist corporate best-practices and foster similar industry-wide efforts.
5. Any other related matters the Subcommittee determines relevant to this task.

I direct the Subcommittee to submit its findings to the full Board for its thorough consideration and deliberation at a properly noticed and open meeting, unless the meeting must be closed pursuant to one or more of the exceptions found in title 5, U.S. Code, section 552b(c). The Board will submit its independent recommendations to the Secretary of Defense or the Deputy Secretary of Defense no later than November 29, 2024.

In conducting its work, the Subcommittee and the Board have my full support to meet with Department leaders. The Board staff, on behalf of the Board and the Subcommittee, may request the Office of the Secretary of Defense and DoD Component Heads to timely furnish any required information, assistance, or access to personnel to the Board and the Subcommittee. All



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requests shall be consistent with applicable laws; applicable security classifications; DoD Instruction 5105.04, "Department of Defense Federal Advisory Committee Management Program;" and this Terms of Reference.

Material provided to the Board becomes a permanent part of the Board's record. Components are reminded that all data/information provided is subject to public inspection unless the originating Component office properly marks the data/information with the appropriate security classification markings and Freedom of Information Act exemption categories before the data/information is released to the Board. The Board has physical storage capability and electronic storage and communications capability on both unclassified and classified networks to support receipt of material up to the Secret level. Each Component should remember that Board and Subcommittee members, as special government employee members of a DoD federal advisory committee, will not be given any access to DoD networks, to include DoD email systems.

The Board and the Subcommittee will operate in conformity with and pursuant to the Board's charter, title 5, U.S. Code, chapter 10 (commonly known as "the Federal Advisory Committee Act"); title 5, U.S. Code, section 552b; and other applicable federal statutes, regulations, and policy. The Subcommittee and individual Board members do not have the authority to make decisions or provide recommendations on behalf of the Board nor report directly to any federal representative. The members of the Subcommittee and the Board are subject to specific Federal ethics laws, including title 18, U.S. Code, section 208, governing conflicts of interest, and the Standards of Ethical Conduct regulations in 5 C.F.R., Part 2635.

Thank you in advance for your cooperation in this critical undertaking and your contributions in support of the nation's defense.

A handwritten signature in black ink, appearing to read "Kathleen H. Hirsch". The signature is written in a cursive, flowing style.

cc:
Senior Pentagon Leadership
Defense Agency and DoD Field Activities Directors
Advisory Committee Management Officer, DA&M