



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

AUG 03 2020

MEMORANDUM FOR THE DEFENSE BUSINESS BOARD

SUBJECT: Terms of Reference – Defense Logistics Agency – Defense Information Systems Agency Charter Review

Enterprise-wide business reforms are one of the Secretary of Defense's priorities for modernizing the Department. Specifically, the National Defense Strategy's (NDS) third line of effort, reform is fundamentally changing the way DoD, and in particular the Fourth Estate, does business. Consistent with the Secretary of Defense's January 6, 2020 memorandum ("Department of Defense Reform Focus in 2020") and my January 24, 2020 memorandum ("Defense-Wide Organizations Transition to Chief Management Officer Governance"), the Department is committed to achieving greater performance and affordability across the Fourth Estate.

The Department currently operates 28 separate support entities, categorized as Defense Agencies and DoD Field Activities (DAFA). Collectively, the DAFAs constitute a major part of the Fourth Estate, resourced predominantly through Defense-wide accounts. In order to confirm relevance and avoid mission overlap, a review of chartering documents is overdue. Potential for realizing significant savings exists across the DAFAs by adopting global shared services, combining entities, refining mission focus, and eliminating any missions that are no longer critical.

Therefore, as an initial step, I direct the Defense Business Board ((DBB) or "the Board") to examine the Defense Logistics Agency (DLA) and Defense Information Systems Agency (DISA) chartering documents (DoDD 5105.22 and DoDD 5105.19, respectively) to assist DoD by providing a private industry perspective of the organizational responsibilities and authorities. Specifically:

- Review previous studies/reports (internal, advisory boards, GAO/IG, think tanks, etc.) and assess which findings and recommendations should be considered for implementation;
- Share/explain best-in-class private sector examples of global shared services, identify which business practices the Department should consider adopting in the short and long term, and explain which approaches would not be appropriate for the Department;
- Provide specific recommendations and options for transforming and improving the performance of these organizations or functions; and
- Any other related matters the Board determines relevant to this task.

Unless deemed classified or otherwise not releasable, the findings, observations, and recommendations will be presented to the full Board for thorough open discussion and deliberation in a noticed public meeting. The Board will provide its final recommendations to me no later than November 13, 2020. I authorize the Board to establish a subcommittee to perform this study if deemed necessary by the Board's chair.

In conducting its work, the Board has my full support to meet with Department leaders and all requests for data or information shall be honored that may be relevant to its fact-finding and research under this terms of reference. Components should respond to requests for data/information from the Board within five business days. Once material is provided to the Board, it becomes a permanent part of the Board's record.

As such, I direct the Office of the Secretary of Defense Principal Staff Assistants and Component Heads to cooperate and promptly facilitate requests by Board staff regarding access to relevant personnel and information deemed necessary, as directed by paragraphs 5.1.8. and 5.3.4. of DoD Instruction 5105.04, "Department of Defense Federal Advisory Committee Management Program," and in conformance with applicable security classifications.

All data/information provided is subject to public inspection, unless the originating Component office properly marks it with the appropriate classification and Freedom of Information Act exemption categories before releasing to the Board. The Board has physical storage capability, and electronic storage and communications capability on both the non-classified and classified networks to support receipt of material at the Secret level. Each Component should remember that DBB members, as special government employees of a DoD Federal advisory committee, will not be given any access to the DoD Network, to include DoD email systems.

The Board will operate in conformity with and pursuant to the Federal Advisory Committee Act, the Government in the Sunshine Act, and other applicable federal statutes and regulations. Individual Board members do not have the authority to make decisions or recommendations on behalf of the Board, nor report directly to any federal representative. Members of the Board are subject to title 18, U.S.C., section 208, governing conflicts of interest.

Thank you in advance for your cooperation with this important undertaking that will inform decisions on how the Department addresses national security challenges in the coming decades. My points of contact for this effort are Jennifer Hill, Executive Director of the DBB, and CAPT Jeffrey Plaisance, USN, Military Representative (jeffrey.m.plaisance.mil@mail.mil).

A handwritten signature in blue ink, appearing to read "Stan L. Hill".