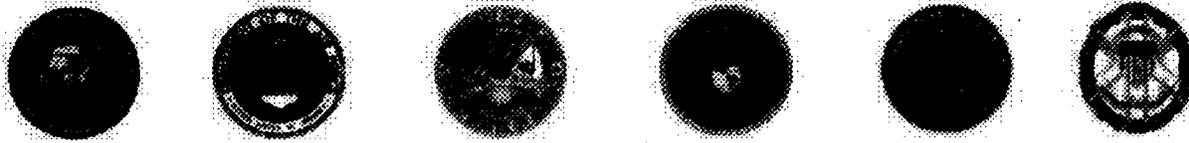


DEPARTMENT OF DEFENSE



BUSINESS INITIATIVE COUNCIL (BIC)

March 18, 2002

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
DEPARTMENT OF DEFENSE GENERAL COUNSEL
DEPARTMENT OF DEFENSE INSPECTOR GENERAL
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Business Initiative Council's (BIC) Approval of Initiatives

The BIC Executive Steering Committee (ESC) and Executive Directors (EDs) briefed the members of the BIC (the Secretaries of the Military Services, the Vice Chairman of the Joint Chiefs of Staff, USD (C), USD (P&R) and I) on March 18, 2002 and requested approval for the fourth round of initiatives. At the conclusion of the meeting, the BIC approved 4 new initiatives, all of which are summarized in the attachment to this memorandum. The BIC champions for these 4 initiatives are hereby authorized to develop and launch their implementation plans. While undertaking these efforts, they carry my authority, on behalf of the Senior Executive Council, which is chaired by the Secretary of Defense. I, therefore, expect the full support and cooperation of all staffs across the Department.

Approval of this fourth set of initiatives continues the phased effort by the BIC to identify and implement ideas to improve the way we conduct our business. The BIC will continue to work collaboratively and continuously to bring good ideas forward for consideration. Improving the Department's business operations ultimately takes the collaborative efforts of leadership and the participation and support of our total workforce. To this end, the BIC members are committed to support the DoD champions, during implementation, and the BIC boards as they continue their search for promising new ideas to sharpen DoD business processes.

I expect the respective ESC members for the champions for these and all previously approved initiatives, to monitor their champions' progress and get involved, when needed, to overcome any obstacles or barriers that may surface, during their implementation.

On behalf of the BIC Principals, I extend my personal gratitude and congratulations to the Air Force for their exemplary support of BIC during Phase II (October 1, 2001 - March 31, 2002). The outstanding leadership of Dr Jim Roche, Lt Gen Joe Wehrle, Mr Ron Orr, their

BUSINESS INITIATIVE COUNCIL

Chairman: Under Secretary of Defense for Acquisition, Technology & Logistics
The Honorable Edward C. Aldridge, Jr.

Secretary of the Army: The Honorable Thomas E. White

Secretary of the Navy: The Honorable Gordon B. England

Secretary of the Air Force: The Honorable Dr. James G. Roche

Vice Chairman of the Joint Chiefs of Staff: General Peter Pace

Under Secretary of Defense (Comptroller) and Chief Financial Officer: Dr. Dev S. Zakheim

Under Secretary of Defense (Personnel & Readiness): Dr. David S.C. Chu

support staff, and the seven board leads sets a precedence in performance, which will be tough to match. The Air Force team will turn over a superbly managed program to the Army on 1 April 2002.



E. C. ALDRIDGE, JR.
Chairman

Attachment:
As stated

SUMMARY OF APPROVED INITIATIVES
(RESULTS OF BIC MEETING, 18 MARCH 2002)

Corporate Operations Processes:

Title: Cell Phone Subsidy

Description of Initiative: Develop procedures (similar to the voucher system implemented by FAA) to select and reimburse employees a flat payment for official use of their personal cell phone.

Required Policy Changes / Approach: Determine if legislation will be required to support a small pilot effort. Identify a base/unit test group.

Approved Actions: BIC agrees to explore the possibility of providing funding for cell phones.

Responsible DoD Champion: Has not been determined.

Acquisition Management Processes:

Title: Streamline Technology Readiness Assessments (TRAs)

Description of Initiative: Currently within the DoD 5000 acquisition series; Program Managers identify Critical Technologies on the WBS. Component Science and Technologies (S&T) Executives are required to conduct independent TRA on all Critical Technologies.

Required Policy Changes / Approach: Modify TRA policy in DoDI 5000.2 and DoD 5000.2-R. Add consultation with Component S&T Executive to determine when Independent TRA is appropriate

Approved Actions: BIC agrees to the proposed recommendations to modify TRA policy.

Responsible DoD Champion: Air Force, SAF/AQRE

Title: Elimination of Value Engineering Reporting

Description of Initiative: Part of the OMB Circular A-131 requires annual reports from DoD on life cycle cost savings, top 20 fiscal year Value Engineering projects, and a detailed schedule of year-by-year cost savings, cost avoidances, and cost sharing with contractors.

Required Policy Changes / Approach: Direct discussions between DoD and OMB to modify the sections requiring the reporting and auditing requirement.

Approved Actions: The BIC has agreed to eliminate the annual reports.

Responsible DoD Champion: Air Force, SAF/AQRE

Logistics/Readiness Processes:

Title: Streamline IT Equipment Disposal Process

Description of Initiative: Duplicative disposal processes and information systems are in place to manage equipment: DISA's for IT and DLA's for DRMS for most other equipment items. There is duplication in directives, and related directives are outdated.

Required Policy Changes / Approach: Consolidate membership from two working groups to ensure cross-functional representation to reengineer DoD process. Clearly identify roles and responsibilities for DISA/DLA/Services and other Agencies.

Approved Actions: BIC agrees this process should be streamlined

Responsible DoD Champion: OUSD(AT&L) ARA Property, Plant and Equipment Policy