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HOUSE COMMITTEE ON ARMED SERVICES

U.S. House of Representatives

Washington, DC 20515-6035

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PAUL ARCANGELI, STAFF DIRECTOR

August 31, 2010

The Honorable Robert M. Gates
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301

Dear Mr. Secretary:

Earlier this year, you announced a broad plan to reduce overhead costs in the Department of Defense and reapportion the savings to force structure and modernization accounts. This initiative included a goal of \$100 billion in savings to be generated within the services and components, soliciting ideas from outside organizations, and a Department-wide review in advance of the fiscal year 2012 (FY2012) President's budget request. On August 9th, you outlined a fourth track intended to instill a culture of savings within the Department immediately, in advance of FY2012 budgetary decisions.

The House Armed Services Committee supports your efforts to achieve budgetary growth in force structure and modernization accounts, but have growing concerns about the complex process being used to achieve the reductions and eliminations necessary to achieve that growth. While all of us desire efficient government, the Department's aggressive, four track approach to finding efficiencies throughout the Department could lead to critical capability gaps without deliberate oversight review. To that end, as part of the Committee's oversight of these actions, we request certain documents, analyses, and opinions referenced in a briefing to the Committee provided by your staff on August 10th. We request that you please provide the Committee with the following, which were verbally requested at the briefing on August 10, 2010:

- (1) A copy of Office of Secretary of Defense General Counsel's legal opinion, along with supporting rationale, that concluded that the closing of U.S. Joint Forces Command does not trigger a Base Realignment and Closure (BRAC) action in accordance with section 2687 of title 10, United States Code.
- (2) A copy of the report/written recommendation provided to you by the Director of Cost Assessment and Performance Evaluation and other senior staff, following the release of

the recommendations of the Defense Business Board, that included a further analysis of each of the eight elements of the fourth track of your initiative.

- (3) Any business case analysis prepared by the Department of Defense that documents the extent to which the elements of this fourth track, when fully implemented, will produce savings, reduce duplication and overhead in the defense enterprise, and instill a culture of savings and restraint across the Department. Please include the dates when the analysis for each of the eight elements began and when the analysis was completed.
- (4) The terms of reference/ implementation memo provided to the task force led by your Chief of Staff and to the Commander of U.S. Joint Forces Command, detailing your guidance and expectations for implementation of these decisions. If there is nothing in writing providing this information, please state this in your response.

We request that you provide this information as soon as possible, but in no case later than September 10, 2010.

Thank you for your assistance in this matter.

Sincerely,


HOWARD P. "BUCK" McKEON
Ranking Member


J. RANDY FORBES
Ranking Member, Readiness Subcommittee


ROBERT J. WITTMAN
Ranking Member, Oversight & Investigations Subcommittee