OFFICE OF THE SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1950

ADMINISTRATION AND
MANAGEMENT

DEC 21 2011

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT
GENERAL SERVICES ADMINISTRATION

SUBJECT: Committee Charter and Membership Balance Plan Consultation – *Defense Business Board*

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to renew the charter for the *Defense Business Board* (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act, and governing federal regulations.

Prior to filing the Board's charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectively requests that the Committee Management Secretariat review and approve the proposed charter and Membership Balance Plan (attached). The proposed charter and Membership Balance Plan has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter or the Membership Balance Plan please contact my point of contact, Len O'Reilly, at 703-692-5949.

James D. Freeman II
Acting Advisory Committee Management
Officer for the Department of Defense

2 Attachments
1. Proposed Charter
2. Proposed Membership Balance Plan

CHARTER
DEFENSE BUSINESS BOARD

1. Committee's Official Designation: The Committee shall be known as the Defense Business Board (hereafter referred to as "the Board").

2. Authority: The Secretary of Defense, under the provision of the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41CFR §102-3.50(d) (agency authority), established the Board.

3. Objectives and Scope of Activities: The Board shall provide independent advice and recommendations on critical matters concerning the Department of Defense (DoD) as set out in (4) below.

4. Description of Duties: The Board, at the direction of the Secretary of Defense or the Deputy Secretary of Defense, and according to DoD policy shall examine and advise on overall DoD management and governance.

5. Agency or Official to Whom the Committee Reports: The Board shall report to the Secretary of Defense or the Deputy Secretary of Defense, and the Deputy Secretary of Defense is authorized to act upon the Board's advice and recommendations.

6. Support: The Department of Defense, through the Office of the Secretary of Defense and the Washington Headquarters Services, shall provide support as deemed necessary for the Board's functions, and shall ensure compliance with the requirement of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. §552b), and governing federal regulations and DoD policies.

   Additional information and assistance, as required and with DoD approval, may be obtained from other DoD Components with contracting authority, support contractors, including DoD Federally Funded Research and Development Centers for studies and analysis support.

7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating costs, to include travel costs and meeting and contract support, are approximately $1,020,000.00. The estimated annual personnel cost to the Department of Defense is 6.0 full-time equivalents (FTEs).

8. Designated Federal Officer: The Board's Designated Federal Officer, pursuant to DoD policy, shall be a full-time or permanent part-time DoD employee, and shall be appointed in accordance with governing DoD policies and procedures.

   The Board's Designated Federal Officer is required to be in attendance at all Board and subcommittee meetings for the entire duration of each and every meeting. However, in the absence of the Board's Designated Federal Officer, an Alternate Designated Federal Officer, duly appointed to the Board according to DoD policies

and procedures, shall attend the entire duration of the Board or subcommittee meetings.

The Designated Federal Officer, or the Alternate Designated Federal Officer, shall call all of the Board's and subcommittee's meetings, prepare and approve all meeting agendas, and adjourn any meeting, when the Designated Federal Officer, or the Alternated Designated Federal Officer, determines adjournment to be in the public's interest or required by governing regulations or DoD policies/procedures.

9. Estimated Number and Frequency of Meetings: The Board shall meet at the call of the Board's Designated Federal Officer, in consultation with the Chairperson. The estimated number of Board meetings is four per year.

10. Duration: The need for this advisory function is on a continuing basis; however this charter is subject to renewal every two years.

11. Termination: The Board shall terminate upon completion of its mission or two years from the date this charter is filed, whichever is sooner, unless the Secretary of Defense or designee extends it.

12. Membership and Designation: The Board shall be composed of not more than twenty five members, who possess: (a) a proven track record of sound judgment in leading or governing large, complex private or public sector corporations or organizations; and (b) a wealth of top-level, global business experience in the areas of executive management, corporate governance, audit and finance, human resources, economics, technology and healthcare. Board members shall be appointed by the Secretary of Defense, with annual renewals.

    Board members appointed by the Secretary of Defense, who are not full-time or permanent part-time federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109, and to serve as special government employees. Board members, with the approval of the Secretary of Defense, may serve a term of service on the Board of one to four years; however, no member shall serve more than two consequence terms of service on the Board. Regardless of the individual's approved term of service, all appointments to the Board shall be renewed on an annual basis.

    The Secretary of Defense shall select and appoint the Board's chairperson from the total membership. With the exception of travel and per diem for official travel, Board members shall serve without compensation.

    Board members are appointed to provide advice on behalf of the government on the basis of their best judgment without representing any particular point of view and in a manner that is free from conflict of interest.

    The Chairpersons of the Defense Policy Board and the Defense Science Board may

serve as non-voting ex-officio members of the Board. These individuals, when they attend, may provide advice to the Board membership only on the areas governed by their respective Boards and provided the information has been voted on by their membership and it is available to the general public.

The Secretary of Defense or the Deputy Secretary of Defense may appoint former Board members to serve as non-voting Senior Fellows. These individuals are appointed based upon their subject matter expertise and based upon the matters under deliberation by the Board. The Board may utilize non-voting Senior Fellows who, as former members, assist with institutional knowledge and provide continuity of operations.

The Director of the Office of Management and Budget and the Comptroller General of the General Accounting Office shall serve as non-voting observers of the Board. According to DoD policy and procedures, the Secretary of Defense may invite or appoint experts or consultants, with special expertise, to assist the Board on an ad hoc basis. These experts and consultants, appointed under the authority of 5 U.S.C. § 3109, shall serve as special government employees; however, they shall have no voting rights on the Board.

Non-voting ex-officio members, non-voting senior fellows, non-voting observers and those non-voting experts and consultants appointed by the Secretary of Defense shall not count toward the Board's total membership.

13. Subcommittees: The Department, when necessary, and consistent with the Board's mission and DoD policies and procedures may establish subcommittees, task groups, or working groups deemed necessary to support the Board.

These subcommittees or working groups shall operate under the provisions of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. §552b, as amended), other governing Federal statutes and regulations, and governing DoD policies and procedures.

Such subcommittees or task groups shall not work independently of the chartered Board, and shall report all their recommendations and advice to the Board for full deliberation and discussion. Subcommittees have no authority to make decisions on behalf of the chartered Board; nor can any subcommittee or its members update or report directly to the Department of Defense or any Federal officers or employees.

All subcommittee members shall be appointed in the same manner as the Board members; that is, the Secretary of Defense shall appoint subcommittee members even if the member in question is already a Board member. Subcommittee members, with the approval of the Secretary of Defense, may serve a term of service on the subcommittee of one to four years; however, no member shall serve more than two consecutive terms of service on the subcommittee.

Subcommittee members, if not full-time or part-time government employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109, and to serve as special government employees, whose appointments must be renewed on an annual basis. With the exception of travel and per diem for official travel, subcommittee members shall serve without compensation.

14. Recordkeeping: The records of the Board and its subcommittees shall be handled according to section 2, General Record Schedule 26 and appropriate Department of Defense policies and procedures. These records shall be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. §552, as amended).

15. Filing Date:

Membership Balance Plan
Defense Business Board

Agency: Department of Defense

1. **Authority:** The Secretary of Defense, pursuant to the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 CFR § 102-3.50(d) (Agency Authority), established the Defense Business Board (hereafter referred to as "the Board").

2. **Mission/Function:** The Board, under the provisions of FACA, shall provide the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations on overall DoD management and governance, and other matters, as determined by the Secretary of Defense or the Deputy Secretary of Defense.

3. **Points of View:**

The Board shall be composed of not more than 25 members; DoD, in selecting individual members for this advisory committee, looks for individuals with: (a) a proven track record of sound judgment in leading or governing large, complex private or public sector corporations or organizations; and (b) a wealth of top-level, global business experience in the areas of executive management, corporate governance, audit and finance, human resources, economics, technology, and healthcare. Depending upon the matters being reviewed by the Board the emphasis on membership criteria may vary, but in general DoD places increasing emphasis on individuals with proven track record in leading or governing large, complex organizations. The Department has found that viewing complex issues through a multi-discipline advisory committee provides DoD senior leadership and, more importantly the American public, with a broader understanding on which to base subsequent policy decisions.

As one of the Department's senior boards, the Secretary of Defense has determined that the chairpersons of the other senior boards – the Defense Policy Board and the Defense Science Board – may attend Board meetings as non-voting ex officio members. In their capacity as ex officio members, these individuals may provide advice to the Board on areas governed by their respective Boards, provided the information has been voted on by their respective membership and is available to the general public.

The Secretary of Defense or the Deputy Secretary of Defense may appoint former Board members based upon their subject matter expertise and the matters under deliberation by the Board to serve as non-voting Senior Fellows to assist with institutional knowledge and provide continuity of operations.

The Director of the Office of Management and Budget and the Comptroller General of the General Accounting Office shall serve as non-voting observers of the Board. According to DoD policy and procedures, the Secretary of Defense may invite or appoint experts or consultants, with special expertise, to assist the Board on an ad hoc basis.

Each member, based upon his or her individual and professional experiences, provides his or her best judgment on matters before the Board, and he or she does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members appointed by the Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 and to

serve as special government employees. Board members shall be appointed on an annual basis by the Secretary of Defense.

The Secretary of Defense may approve the appointment of Board members for one to four year terms of service; however, no member, unless authorized by the Secretary of Defense, may serve more than two consecutive terms of service. This same term of service limitation also applies to any DoD authorized subcommittees.

The Board's membership balance is not static and the Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense or the Board's sponsor. In addition, the Department, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD established or supported advisory committees.

4. **Other Balance Factors:** Candidates for appointment come from the private and public sectors, and individual appointments are based on the subject matter being reviewed by the Board and a review of the individual's executive and corporate management skills, experiences, and knowledge.

5. **Candidate Identification Process:**

The Department, in selecting potential candidates for this advisory committee, reviews the educational and professional credentials of individuals with extensive backgrounds in the areas of primary interest to the Board. Potential candidates are identified by the Board's professional staff and, in some instances, based upon discussions with other DoD officers or employees.

Once potential candidates are identified, the Board's Designated Federal Officer (DFO) reviews the credentials of each individual and narrows the list of candidates. During his or her review, the DFO strives to achieve a balance between the professional credentials of the individuals and the near-term subject matters that the Department anticipates will be reviewed by the advisory committee.

After the DFO has narrowed the list of candidates and before formal nomination to the Secretary of Defense, the list of potential candidates undergoes a review by the DoD Office of General Counsel and the Office of the Advisory Committee Management Officer to ensure compliance with federal and DoD governance requirements. For example, compliance with the advisory committee's charter and membership balance plan. Following this review, the DFO formally nominates the potential candidates to the Secretary of Defense for approval; pursuant to DoD policy only the Secretary of Defense and the Deputy Secretary of Defense can invite or approve the appointment of individuals to advisory committees established or supported by the DoD.

Following Secretary of Defense approval, the approved candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

Board members, with approval of the Secretary of Defense, may be appointed to serve one to four year terms of service on the Board; Board members may not serve more than two terms of service on the Board. Board vacancies are filled in the same manner as described above.

6. **Subcommittee Balance:** The Department, when necessary, and consistent with the Board's mission and DoD policies and procedures may establish subcommittees, task groups, or working groups deemed necessary to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense, the Deputy Secretary of Defense or the advisory committee's sponsor.

   The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of subcommittee members in the same manner as Board appointments are made, and these individuals may come from the parent committee or new nominees, as recommended by the advisory committee's sponsor and based upon the matters under consideration.
   As required by the Board's charter, these subcommittees operate under the provisions of FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b), governing Federal statutes and regulations, and governing DoD policies/procedures.

7. **Other:** The DoD adheres to the rules and regulations issued by the Office of Government Ethics and the administration's prohibition against registered federal lobbyists.

8. **Date Prepared:**