



DEPUTY SECRETARY OF DEFENSE
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JUN 03 2012

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
DIRECTOR, OPERATIONAL TEST AND EVALUATION
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Implementation of May 11, 2012, Office of Management and Budget Memorandum,
"Promoting Efficient Spending to Support Agency Operations"

On May 11, 2012, the Office of Management and Budget (OMB) issued the memorandum at TAB A to promote further efficiency and cost consciousness in the federal government's operations. DoD consistently strives to be an excellent steward of taxpayer dollars and has focused specifically on these issues for a number of years through efforts such as the Secretary's Efficiencies Initiative and the implementation of President Obama's Campaign to Cut Waste. OMB's memorandum specifies a set of Executive Branch-wide policies and practices in the areas of travel, conferences, real property management, and fleet management that require Departmental action.

DoD's Deputy Chief Management Officer (DCMO), Elizabeth McGrath, will coordinate the Department's implementation of these requirements, working with other OSD offices, as necessary, to issue further guidance in all areas. Specifically:

- The Under Secretary of Defense (Comptroller) will issue guidance regarding the reduction of FY 2013 travel expenses included in Object Class 21.0 by 30 percent from DoD's FY 2010 baseline, excluding national security exemptions, and will report back to OMB on the proposed reduction as a result of this requirement no later than 90 days from the date of OMB's memorandum;
- The Under Secretary of Defense for Personnel & Readiness (USD(P&R)) will review, in consultation with the General Services Administration (GSA) and OMB, the Joint Federal Travel Regulation and Federal Travel Regulation to ensure that these regulations reduce travel costs without impairing the effective accomplishment of



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agency missions. This review must be accomplished no later than 180 days from the date of OMB's memorandum;

- USD(P&R) will work with representatives of the various DoD Components and Services to design and implement additional Department-wide conference policy that establishes standard, tiered approval levels for conference spending and reporting mechanisms to enable the public disclosure of DoD's conference related activities consistent with OMB's memorandum;
- The Under Secretary of Defense for Acquisition, Technology & Logistics (USD(AT&L)) will ensure that the Department remains in compliance with OMB and GSA guidance regarding DoD real property assets; and
- USD(AT&L) will ensure that the Department is managing its fleet of motor vehicles in accordance with the requirements contained in OMB's memorandum and any further guidance received from GSA.

Additionally, as instructed in OMB's memorandum, I direct the heads of each DoD Component or Service to conduct a review of all upcoming conferences that their organization is hosting or sponsoring, or that their employees will be attending, where total DoD costs (i.e., attendee registration fees, attendee travel costs, and all other costs associated with planning and hosting the conference) will exceed \$100,000. For more information on covered expenses, refer to footnote 5 of OMB's memorandum. This review should ensure that only conferences that significantly further the Department's mission are convened and that expenses and activities associated with these conferences comply with all applicable travel, conference, and acquisition regulations. Upon completion of this review, each DoD Component or Service head will transmit a memo summarizing the results to the DCMO. Defense Agency and DoD Field Activity responses should be consolidated by the appropriate OSD officials and included in their responses.

As directed by OMB, each Component or Service shall suspend incurring any new obligations for conferences to which it is not yet committed until it has completed its review and transmitted the results to the DCMO.

The DCMO will issue further guidance outlining approval processes for the Department for any future conferences. In the interim, the DCMO will approve all conferences below \$500,000 (and exceeding \$100,000) on my behalf. All conferences above \$500,000 will be submitted to me for approval through the DCMO.

My point of contact for this issue is Elizabeth McGrath, at elizabeth.mcgrath@osd.mil or 703-614-8888.

