



PERSONNEL AND  
READINESS

## UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4000

MAR 17 2011

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DEPUTY CHIEF MANAGEMENT OFFICER  
COMMANDERS OF THE COMBATANT COMMANDS  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
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: Department of Defense Efficiency Initiative

In August, Secretary Gates announced a set of initiatives aimed at reducing overhead costs and improving efficiency across the Department as a whole - with special attention to the massive headquarters and support bureaucracies outside the military services. On March 14, 2011, the Secretary announced the results of a number of studies being conducted as part of the Department of Defense Efficiency Initiative (copy attached). Among other things, the Secretary directed the elimination or downgrading of approximately 200 civilian Senior Executive Service or equivalent (Civilian Senior Executive/Equivalent (CSE)) positions. The Secretary has designated the Under Secretary of Defense, Personnel and Readiness to lead the implementation of this reduction, and the guidance in this memorandum deals specifically with the Secretary's direction to reduce the Department's CSE workforce.

I am directing the following actions be taken, effective immediately, to ensure we approach these reductions in a deliberate, mission-centric manner.

- The Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD (CPP)) will lead the Implementation Plan for achieving the directed reductions.
- The Department's Enterprise Float Policy is hereby suspended.
- Components are directed to remain at or below the allocation numbers identified in the FY 2010-2011 biennial allocation distribution letters for Senior Executive Service (SES) and Senior Professional (Senior Leader (SL) and Senior Technical (ST)) positions. This limitation includes both permanent and term recruitment actions. Guidance regarding the FY2012-2013 biennial allocation distributions will be issued under separate cover.

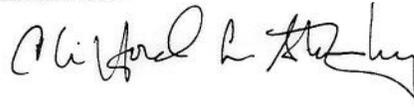


- To the greatest extent possible, filling and placement of all CSE positions will be processed through the use of internal placement procedures or enterprise recruitment slates.
- The list of targeted positions was generated as a result of workforce analysis, and approved by the Secretary as those positions whose function will be eliminated, combined or downgraded.

Exceptions to the above policies will be rare and require my approval. If a specific personnel action is identified as mission-critical, requiring immediate staffing, an exception request must be submitted to the DASD (CPP) for review and submission to me. The request must be accompanied by an explanation regarding why the position must be retained, the mission impact if it is not, and what, if any, alternate position or positions will be eliminated in order to achieve the targeted staffing numbers.

Detailed guidance regarding the Implementation Plan will be issued by the DASD (CPP). Implementation Plan activities are to consider all flexibilities available to support the Secretary's direction to ensure the best possible outcomes for impacted employees.

I understand this is a difficult undertaking and appreciate your support in helping us achieve the Department's efficiency initiatives.



Clifford L. Stanley

Attachment:  
As stated