

THIRD WAVE---REVIEWING ARMY.txt

SUBJ: AMENDED PUBLIC AFFAIRS GUIDANCE FOR THIRD WAVE---REVIEWING ARMY NON-CORE FUNCTIONS

REF: DTG 171455Z0CT02 PAG FOR THIRD WAVE

NOTE: BELOW PAG AMENDS 17 OCT 02 PAG ON THIRD WAVE. NOTE NEW DATES FOR EXEMPTION REQUESTS AND APPROVALS, ADDITIONAL INFORMATION, AND ADDITIONAL QUESTIONS/ANSWERS.

1. BACKGROUND: ON 4 OCT 2002, THE SECRETARY OF THE ARMY SIGNED A MEMO, SUBJECT: NON-CORE COMPETENCIES WORKING GROUP AND THE THIRD WAVE. THE MEMO DIRECTED HQDA PRINCIPAL OFFICIALS TO DEVELOP AND PRESENT COMPETITION AND PRIVATIZATION IMPLEMENTATION PLANS FOR THE SECRETARY OF THE ARMY'S APPROVAL. EACH OFFICIAL'S PLAN MUST INCLUDE ALL NON-CORE FUNCTIONS THAT FALL UNDER HIS OR HER PURVIEW. THE PLAN WILL OUTLINE A SCHEDULE INDICATING HOW, OVER TIME, THOSE NON-CORE FUNCTIONS WILL BE COMPETED USING A PUBLIC-PRIVATE COMPETITION PROCESS--THE OMB CIRCULAR A-76 PROCESS OR SOME OTHER METHOD CONSISTENT WITH EXISTING STATUTORY LAW (I. E., PERMITTED BY LAW). ALSO, MILITARY NON-CORE POSITIONS MAY BE CONVERTED TO CIVILIAN OR CONTRACT. TO ENSURE THE ARMY HAS CORRECTLY IDENTIFIED WHAT IS NON-CORE (213,637 MILITARY AND CIVILIAN POSITIONS ARE CURRENTLY CLASSIFIED AS NON-CORE), PHASES ONE AND TWO OF THE THIRD WAVE ALLOW HQDA TIME TO REVIEW NON-CORE FUNCTIONS FOR EXEMPTIONS AND MAKE EXEMPTION REQUESTS. IF JUSTIFICATION SHOWS THAT PRIVATE SECTOR PERFORMANCE WOULD DISRUPT CORE MISSIONS, HQDA PRINCIPAL OFFICIALS CAN REQUEST AN EXEMPTION FROM THE ASSISTANT SECRETARY OF THE ARMY FOR MANPOWER AND RESERVE AFFAIRS. IF THE EXEMPTION REQUEST IS SUBMITTED BY 29 NOV 02 AND APPROVED BY 21 JAN 03, THE EXEMPTED FUNCTION MAY BE EXCLUDED FROM THE IMPLEMENTATION PLAN. (THESE TWO "DEADLINES" HAVE BEEN EXTENDED BY ONE MONTH FROM THE "DEADLINES" INCLUDED IN THE SECRETARY OF THE ARMY'S 4 OCT MEMO.) IN PHASES THREE AND FOUR OF THE THIRD WAVE, HQDA PRINCIPAL OFFICIALS WILL DEVELOP IMPLEMENTATION PLANS AND PRESENT THEM TO THE SECRETARY OF THE ARMY FOR HIS APPROVAL.

2. PUBLIC AFFAIRS POSTURE FOR THIS ISSUE IS ACTIVE. REFER MEDIA QUERIES BEYOND SCOPE OF THIS PAG TO THE OFFICE OF THE CHIEF, PUBLIC AFFAIRS--SEE PARA. 7.

3. KEY MESSAGES ARE BELOW. INTERNAL AUDIENCE IS A KEY AUDIENCE; AND INCLUDES ARMY PERSONNEL AND EMPLOYEES--MILITARY, CIVILIAN, AND FAMILY. A. THE ARMY IS IN A STUDY PHASE OF REVIEWING NON-CORE ARMY FUNCTIONS. EVERYTHING IS SUBJECT TO REVISION. B. THE ARMY IS TRYING TO COMPETE, PRIVATIZE OR ELIMINATE PRODUCTS OR SERVICES WHERE IT MAKES SENSE, AND FREE-UP RESOURCES FOR THE GLOBAL WAR ON TERRORISM AND "CORE" COMPETENCIES--FUNCTIONS THE ARMY PERFORMS BETTER THAN ANYONE ELSE. C. THE ARMY IS A LEADER AMONG DEFENSE SERVICES IN SMART BUSINESS PRACTICES AND FOCUSING ON CORE COMPETENCIES. THE ARMY WILL BE MORE EFFICIENT AND ECONOMICAL AS A RESULT OF THIS STUDY AND FUTURE COMPETITIONS, PRIVATIZATION, AND DIVESTITURE. D. THE ARMY REMAINS COMMITTED TO TAKING CARE OF SOLDIERS AND CIVILIAN EMPLOYEES. EVERY EFFORT WILL BE MADE TO ENSURE THAT PERSONNEL IMPACTED BY THIS STUDY ARE TREATED FAIRLY, WITH DIGNITY AND RESPECT.

4. STATEMENT. THE FOLLOWING STATEMENT HAS BEEN RELEASED: THE SECRETARY OF THE ARMY HAS DIRECTED A REVIEW OF ALL FUNCTIONS PERFORMED BY SOLDIERS AND ARMY CIVILIANS TO DETERMINE WHICH ARE NOT CORE COMPETENCIES AND THE DEVELOPMENT OF IMPLEMENTATION PLANS THAT WILL OUTLINE A SCHEDULE INDICATING HOW, OVER TIME, THOSE NON-CORE FUNCTIONS WILL BE COMPETED USING A PUBLIC-PRIVATE COMPETITION PROCESS--THE OMB CIRCULAR A-76 PROCESS OR SOME OTHER METHOD CONSISTENT WITH EXISTING STATUTORY LAW (I. E., PERMITTED BY LAW). THIS INITIATIVE, KNOWN AS "THE THIRD WAVE," IS BEING CONDUCTED TO ENABLE ARMY LEADERS TO FOCUS ON THE ARMY'S CORE MISSIONS, TO SUPPORT THE PRESIDENT'S MANAGEMENT AGENDA, AND TO FREE UP RESOURCES FOR THE GLOBAL WAR ON TERRORISM THROUGH THIS INITIATIVE, THE ARMY IS TAKING ACTION TO MAKE ITS NON-CORE OPERATIONS MORE EFFICIENT AND TO CONSERVE TAXPAYER DOLLARS ENTRUSTED TO THE ARMY TO PERFORM ITS MISSIONS.

5. QUESTIONS AND ANSWERS. THE FOLLOWING ANSWERS MAY BE USED IN RESPONSE TO QUERY.

Q1: WHY IS SECRETARY WHITE ANNOUNCING THIS REVIEW OF ARMY JOBS?

A1: SECARMY WANTS ARMY LEADERS TO FOCUS ON THE ARMY'S CORE COMPETENCIES, TO SUPPORT PRESIDENT BUSH'S MANAGEMENT AGENDA, AND TO FREE RESOURCES FOR THE GLOBAL WAR ON

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**TERRORISM**

. THE ARMY IS CHANGING AND STREAMLINING BASIC WORK PROCESSES, IMPLEMENTING SMART BUSINESS PRACTICES, ELIMINATING UNNECESSARY AND EXCESSIVE LAYERS OF ADMINISTRATION AND SUPERVISION, AND ELIMINATING FUNCTIONS THAT ARE NICE TO HAVE BUT DO NOT FULLY SUPPORT THE GOALS OF THE SECRETARY OF THE ARMY.

**Q2: WHY IS THE ARMY STARTING THIS INITIATIVE?**

**A2: SECRETARY WHITE INITIATED THE THIRD WAVE FOR SEVERAL REASONS: . TO TRANSFER HIGHLY TRAINED MILITARY PERSONNEL BACK INTO POSITIONS WHERE THEIR MILITARY COMPETENCIES CAN BE BETTER UTILIZED. . TO SUPPORT THE PRESIDENT'S MANAGEMENT AGENDA BY MAKING ARMY OPERATIONS MORE EFFICIENT THROUGH COMPETITION WITH THE PRIVATE SECTOR. . TO FREE UP RESOURCES FOR THE GLOBAL WAR ON TERRORISM THROUGH (1) DIVESTITURES (I. E., ELIMINATION) OF NON-CORE FUNCTIONS PERFORMED BY MILITARY, CIVILIAN EMPLOYEES AND CONTRACTORS, AND (2) THROUGH SAVINGS GENERATED FROM PUBLIC-PRIVATE COMPETITIONS OF NON-CORE FUNCTIONS USING A PUBLIC-PRIVATE COMPETITION PROCESS--THE OMB CIRCULAR A-76 PROCESS OR SOME OTHER METHOD CONSISTENT WITH EXISTING STATUTORY AUTHORITIES (I. E., PERMITTED BY LAW).**

**Q3. WHY IS THE ARMY DOING THIS NOW?**

**A3. THE ARMY IS DOING THIS NOW IN RESPONSE TO A 16 APRIL 2002 MEMORANDUM FROM THE DOD SENIOR EXECUTIVE COUNCIL (SEC) THAT REQUIRES DOD COMPONENTS TO "INCORPORATE PLANS FOR TRANSITIONING NON-CORE COMPETENCIES TO ALTERNATIVE SOURCING ARRANGEMENTS OR A-76 STUDIES, IF APPROPRIATE, INTO THEIR POMS (PROGRAM OBJECTIVE MEMORANDUMS ) AS SOON AS POSSIBLE. "**

**Q4. HOW MANY JOBS COULD BE AFFECTED? MILITARY? CIVILIAN?**

**A4. CURRENTLY, THE ARMY INVENTORY OF COMMERCIAL AND INHERENTLY GOVERNMENTAL ACTIVITIES LISTS 58,727 MILITARY AND 154,910 CIVILIAN JOBS AS NON-CORE. THIS INCLUDES THE ENTIRE ARMY WORKFORCE EXCEPT FOR (1) THOSE PERFORMING FUNCTIONS CLASSIFIED AS INHERENTLY GOVERNMENTAL AND (2) THOSE PERFORMING FUNCTIONS THAT HAVE BEEN EXEMPTED FROM PRIVATE SECTOR PERFORMANCE BASED ON DISRUPTION TO CORE MISSIONS. . THE NUMBER OF JOBS THAT WILL ULTIMATELY BE INCLUDED IN THE IMPLEMENTATION PLANS WILL DEPEND ON HOW MANY OF THESE 58,727 MILITARY AND 154,910 CIVILIAN JOBS, CURRENTLY CLASSIFIED AS NON-CORE, ARE APPROVED FOR EXEMPTION ON OR BEFORE THE 21 JANUARY 2003 DEADLINE.**

**Q5. WHAT'S THE GOOD NEWS FOR THE AMERICAN PUBLIC IN THIS ACTION?**

**A5. THE GOOD NEWS IS THAT THE ARMY IS TAKING ACTION TO MAKE ITS NON-CORE OPERATIONS MORE EFFICIENT AND CONSERVE TAXPAYER RESOURCES ENTRUSTED TO THE ARMY TO PERFORM ITS MISSIONS. WHILE THE THIRD WAVE WILL INVOLVE MORE THAN JUST PUBLIC-PRIVATE A-76 COMPETITIONS, THE A-76 STUDIES COMPLETED DURING THE CURRENT SECOND WAVE HAVE RESULTED IN SAVINGS AVERAGING 36% OF THE PRE-STUDY COST OF THE ACTIVITIES COMPETED.**

**Q6. WHAT ARE THE OTHER SERVICES DOING?**

**A6. THE OTHER SERVICES ARE ALSO RESPONDING TO THE 16 APRIL 2002 DOD SEC MEMORANDUM**

**Q7. ARE DEPOTS, ARSENALS AND AMMUNITION PLANTS PART OF THE THIRD WAVE INITIATIVE?.**

**A7. NON-CORE FUNCTIONS IN THE DEPOTS, ARSENALS AND AMMUNITION PLANTS ARE PART OF THE THIRD WAVE INITIATIVE. DEPOT MAINTENANCE FUNCTIONS ARE NOT PART OF THE THIRD WAVE BECAUSE OF A FEDERAL STATUTE THAT LIMITS FUNDS EXPENDED FOR CONTRACT PERFORMANCE OF DEPOT MAINTENANCE FUNCTIONS TO 50% OF TOTAL FUNDING.**

**Q8. IF I'M A DA CIVILIAN AND MY JOB IS DETERMINED TO BE "NON-CORE," CAN I APPEAL THAT DETERMINATION?**

**A8: TO RECLASSIFY A "NON-CORE" FUNCTION AS CORE, A DETERMINATION MUST BE MADE THAT THE FUNCTION IS EITHER "INHERENTLY GOVERNMENTAL" OR "EXEMPT FROM PRIVATE SECTOR PERFORMANCE. " THE DETERMINATION OF WHETHER A FUNCTION IS "INHERENTLY GOVERNMENTAL" OR NOT IS SUBJECT TO CHALLENGE AND APPEAL BY DA CIVILIANS (AS WELL AS BY EMPLOYEE UNION OFFICIALS AND CONTRACTORS) ON AN ANNUAL BASIS. THE PRESCRIBED WINDOWS FOR SUCH FAIR ACT CHALLENGES AND APPEALS ARE PUBLISHED ANNUALLY IN THE FEDERAL REGISTER. ON THE OTHER HAND, ONLY SENIOR HQDA FUNCTIONAL OFFICIALS AND MACOM COMMANDERS ARE AUTHORIZED TO REQUEST THAT A FUNCTION BE RECLASSIFIED AS "EXEMPT FROM PRIVATE SECTOR PERFORMANCE. " ONCE SUCH A REQUEST IS SUBMITTED, ONLY THE ASSISTANT SECRETARY OF THE ARMY FOR MANPOWER AND RESERVE AFFAIRS HAS THE AUTHORITY TO APPROVE OR DISAPPROVE THE**

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REQUEST. THE ISSUE OF WHETHER OR NOT A FUNCTION IS "EXEMPT" IS AN INTERNAL POLICY DETERMINATION.

Q9. IF I'M ONE OF THE 155,000 DA CIVILIANS WHOSE JOB IS BEING EXAMINED, WHAT IS THE LIKELIHOOD I'M GOING TO LOSE MY JOB? A9. THAT IS VERY DIFFICULT TO PREDICT. FIRST, IT'S IMPOSSIBLE TO KNOW HOW MANY JOBS WILL BE CLASSIFIED AS NON-CORE AFTER CONCLUSION OF THE "EXEMPTION" PROCESS -- PHASES I AND II. THEN, OF THOSE REMAINING NON-CORE JOBS THAT WILL BE COMPETED WITH THE PRIVATE SECTOR, HISTORY TELLS US THAT ONLY A SMALL PERCENTAGE OF INCUMBENTS WILL ACTUALLY BE LAID OFF. SINCE 1998, REVIEWS OF 13,000 JOBS THAT HAVE REACHED THE FINAL DECISION STAGE LED TO ONLY 375 CIVILIANS BEING INVOLUNTARILY SEPARATED.

6. FOR MORE INFORMATION, REFER TO TRANSCRIPT OF 10 OCT MEDIA ROUNDTABLE GIVEN BY DR. ANDERSON, ASA(M&RA) AND MR. WAKEFIELD, ACSIM, ON THIRD WAVE AT [HTTP://WWW.DTIC.MIL/ARMYLINK/](http://www.dtic.mil/armylink/). ARMY NEWS SERVICE STORY BASED ON MEDIA ROUNDTABLE IS AT [HTTP://WWW.DTIC.MIL/ARMYLINK/NEWS/OCT2002/A20021017PRIVATIZATION1017.HTML](http://www.dtic.mil/armylink/news/oct2002/a20021017privatization1017.html). ALSO, REFER TO SECARMY WHITE'S COMMENTS ABOUT THIRD WAVE IN A TRANSCRIPT OF A RELATED DOD MEDIA EVENT ON BIC-- BUSINESS INITIATIVES COUNCIL: [HTTP://WWW.DEFENSELINK.MIL/NEWS/OCT2002/T10172002\\_T1015BIC.HTML](http://www.defenselink.mil/news/oct2002/t10172002_t1015bic.html)

7. FOR MORE INFORMATION OUTSIDE SCOPE OF THIS PAG, CONTACT: ARMY PUBLIC AFFAIRS (703) 697-7591, MAJOR RUDY BURWELL AT [RUDOLPH.BURWELL@HQDA.ARMY.MIL](mailto:RUDOLPH.BURWELL@HQDA.ARMY.MIL), OR LTC RYAN YANTIS AT [RYAN.YANTIS@HQDA.ARMY.MIL](mailto:RYAN.YANTIS@HQDA.ARMY.MIL) BT #7666