



DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20310

14 AUG 2013

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: 2013 Focus Areas

1. Across the board reductions in Federal spending imposed by the Budget Control Act of 2011 will significantly decrement the Army's budget in the foreseeable future. Given these reductions, we must focus on the Army's core missions, sustaining the Army's ability to provide a smaller, more capable Army able to provide ready land forces to meet combatant commanders' global requirements; develop leaders for the 21st century, while maintaining the bonds of trust with Soldiers and Families. To ensure Army readiness at these reduced budget levels, we must make the best and maximum use of every single dollar provided to the Army.

2. To best allocate Army resources, we direct a 2013 Army Focus Area Review Group to review specific focus areas and propose executable recommendations to best apply reductions to Army programs and elements. Army Program Analysis and Evaluation (PA&E) has already made an initial allocation of reductions across Program Objective Memorandum (POM) 15-19. The Review Group recommendations will enable us to make specific decisions concerning the consolidation and reduction of organizations, programs and functions.

3. Mr. Thomas Hawley and LTG Thomas Spoeher will lead the Review Group. The group will initially have seven Focus Area teams. The purpose of the Focus Area teams is to develop bold executable recommendations which will be used to balance the already directed reductions in POM 15-19. See Appendix 1 (Focus Area Team Leads and Membership) for more details. Where appropriate, specific targets for each focus area in dollars and full-time equivalents (FTE) will be provided to team leads as soon as they are available. Army PA&E will provide support as needed to each team. The Focus Areas are:

- Institutional Headquarters Reductions
- Operational Headquarters Reductions
- Operational Force Structure and Ramps
- Readiness
- Acquisition Work Force
- Installation Services and Investments
- Army C3I and Cyber

4. The timeline for decision and action is short. Not later than 11 September 2013, the Focus Area Review Group will provide us with a comprehensive set of recommendations. Given the difficulty of this task, we fully expect that Review Group

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recommendations are unlikely to reflect consensus. To the extent possible, each recommendation will include actionable options, distinguished by their effect on our Army and the cost savings associated with each. To promote transparency, recommendations will be staffed with ALL affected Army stakeholders. Comments, minority views and nonconcurrences will be documented, justified in detail and submitted to us for consideration. Except in extraordinary circumstances, recommendations to conduct further studies or assessments are not acceptable. To the extent practicable, the Review Group will rely on existing data, studies and reviews.

5. The Review Group leads have the authority to adjust the work within each of the Focus Area teams. They will coordinate with the Director of the Army Staff to obtain additional staff support as needed to complete this effort in the allocated time. Since this is a Total Army effort, each focus area will also have a representative from the Army National Guard and Army Reserve.

6. We expect weekly updates starting in early August 2013. Mr. Hawley and LTG Spoehr will establish the necessary battle rhythm to develop and review the recommendations. This effort will take priority over all other activities.


7. Let there be no mistake, aggregate reductions WILL TAKE PLACE. The money is gone; our mission now is to determine how best to allocate these cuts while maintaining readiness. **We expect Army leaders, military and civilian, to seize this opportunity to re-shape our Army.** This effort will take PRIORITY OVER ALL other Headquarters, Department of the Army activities.

8. One element of the Focus Area Review is to determine how to reduce Army Headquarters (both institutional and operational, at the 2-star and above levels) in the aggregate by 25%. In the next two weeks, Commands (Army Command (ACOM), Army Service Component Command (ASCC) and Direct Reporting Unit (DRU)) and Army Headquarters Principal Officials should be prepared to present their individual plans on what functions they would reduce or eliminate and the corresponding organizational change that would cause a 25% reduction in Headquarters funding and manning.

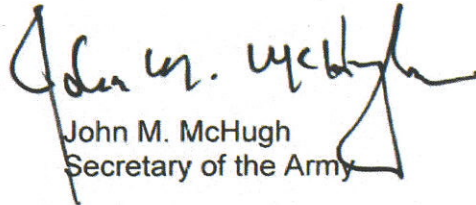
9. This effort suspends many of the efforts on Institutional Army Headquarters reform led by the Institutional Army Transformation Commission (IATC) and Army Headquarters Transformation (AHT). Selected proposals from both of these efforts will be reviewed and incorporated within this effort.

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10. If you have any questions, contact Mr. Thomas Hawley, (703) 697-8150, thomas.e.hawley3.civ@mail.mil and LTG Thomas Spoehr, (703) 614-4682, thomas.w.spoehr.mil@mail.mil.



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