



SECRETARY OF THE ARMY  
WASHINGTON

07 NOV 2017

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2017-33 (Enabling the Army Modernization Task Force)

1. On 6 October 2017, I directed the establishment of a task force under the leadership of Lieutenant General Edward C. Cardon, Director of Business Transformation, to explore all options to establish unity of command and unity of effort that consolidates the Army's modernization process under one roof. This task force will report directly to the Under Secretary of the Army and Vice Chief of Staff of the Army on a biweekly basis with a target for initial operating capability of the chosen option no later than 1 June 2018.
2. On 13 October 2017, I directed General Cardon to focus the task force's efforts on the design and establishment of a new command. Effective immediately, the Director of Business Transformation is assigned the additional responsibility as the Director of the Army Modernization Task Force until relieved or the task force is consumed by the establishment of a new Army Command (ACOM).
3. Establishing unity of command and unity of effort that consolidates the modernization process under a new command will allow us to fundamentally alter the institutional Army, including Headquarters, Department of the Army (HQDA) and all the ACOMs and Direct Reporting Units (DRUs).
4. I am further directing General Cardon to examine the current allocation of functions within HQDA, ACOMs, and DRUs regarding the modernization process and ascertain major problems stemming from the Department of the Army's current organization and management. Identification of the problems will lead to recommendations to redefine the roles, functions, authorities, structure, organization, and resources of HQDA, ACOMs, and DRUs and to design, document, and resource the headquarters component of a new command to provide unity of command, unity of effort, and unity of purpose for Army modernization under one roof.
5. To provide the widest possible latitude in executing this task, General Cardon has discretion to select task force members with any permanent assignments subject to review by the Chief of Staff of the Army for general officers, the Under Secretary of the Army for Senior Executive Service members, and the Vice Chief of Staff of the Army for other members. My expectation is that commands and organizations with personnel identified for the task force will expeditiously enable their full participation.

SUBJECT: Army Directive 2017-33 (Enabling the Army Modernization Task Force)

6. Terms of reference for the review of Army modernization and reorganization are at the enclosure. The terms will guide the task force's efforts, providing left and right limits, objectives, assumptions, and deliverables. Within these limits, General Cardon has direct tasking authority across the Army, including the Army Secretariat.

7. In addition, General Cardon is provided the following authorities and responsibilities in support of the task force's mission:

a. Oversight of external communications related to this effort to minimize divergent messages from commands.

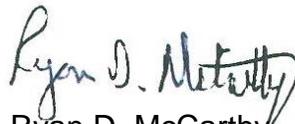
b. Effective immediately, the Director of the Office of Process Innovation and Integration is a direct report and will oversee the Cross-Functional Team Pilots.

c. Expedited hiring authority with priority from U.S. Army Civilian Human Resources Agency.

8. The Assistant Secretary of the Army (Acquisition, Logistics and Technology) and the Commanding General, U.S. Army Materiel Command will develop a recommended list of key modernization-related positions from which to defer hiring until we know if that role persists in the future. They will submit the list through General Cardon to the Deputy Under Secretary of the Army no later than 17 November 2017.

9. This initiative is of particular significance at this time, and I want you to be aware of my personal interest in it. Accordingly, General Cardon is authorized direct access to, and priority support from, all major commanders and heads of staff agencies. I am sure he will receive full cooperation from all individuals.

Encl

  
Ryan D. McCarthy  
Acting

DISTRIBUTION:

Principal Officials of Headquarters, Department of the Army  
Commander

U.S. Army Forces Command  
U.S. Army Training and Doctrine Command  
U.S. Army Materiel Command  
U.S. Army Pacific  
U.S. Army Europe  
U.S. Army Central  
(CONT)

SUBJECT: Army Directive 2017-33 (Enabling the Army Modernization Task Force)

DISTRIBUTION: (CONT)

U.S. Army North  
U.S. Army South  
U.S. Army Africa/Southern European Task Force  
U.S. Army Special Operations Command  
Military Surface Deployment and Distribution Command  
U.S. Army Space and Missile Defense Command/Army Strategic Command  
U.S. Army Cyber Command  
U.S. Army Medical Command  
U.S. Army Intelligence and Security Command  
U.S. Army Criminal Investigation Command  
U.S. Army Corps of Engineers  
U.S. Army Military District of Washington  
U.S. Army Test and Evaluation Command  
U.S. Army Installation Management Command  
U.S. Army Human Resources Command  
U.S. Army Financial Management Command  
U.S. Army Marketing and Engagement Brigade  
Superintendent, United States Military Academy  
Director, U.S. Army Acquisition Support Center  
Executive Director, Arlington National Cemetery  
Commandant, U.S. Army War College  
Director, U.S. Army Civilian Human Resources Agency

CF:

Director, Army National Guard  
Director of Business Transformation  
Commander, Eighth Army

## **INITIAL TERMS OF REFERENCE FOR THE REVIEW OF ARMY MODERNIZATION AND ORGANIZATION**

1. Problem. The Army's current requirements and capabilities development practices take too long. On average, the Army takes from 3 to 5 years to approve requirements and another 10 years to design, build, and test new weapon systems. The Army is losing near-peer competitive advantage in many areas: we are outranged, outgunned, and increasingly outdated. Private industry and some potential adversaries are fielding new capabilities much faster than we are. The speed of change in warfighting concepts, threats, and technology is outpacing current Army modernization constructs and processes.

2. Objectives. The objectives of the Review of Army Modernization and Organization are to:

a. provide recommendations to redefine the roles, functions, authorities, structure, organization, and resources of Headquarters, Department of the Army (HQDA); Army Commands (ACOMs); and Direct Reporting Units (DRUs) and to design, document, and provide resources to the headquarters component of a new ACOM to provide unity of command, effort, and purpose for Army modernization under one roof.

b. examine the current allocation of modernization functions within HQDA, ACOMs, and DRUs to ascertain major problems stemming from the Department of the Army's (DA's) current organization and management.

c. develop and analyze reorganization alternatives that would eliminate or reduce identified problem areas by, among others:

(1) eliminating duplication of effort and excessive fragmenting of functions, responsibilities, and resources.

(2) consolidating responsibilities into logical and workable functional areas.

(3) creating an organization that is aligned to the current and projected Defense environment.

(4) improving effectiveness by clearly fixing and limiting responsibility for accomplishment of major tasks within the functional areas.

(5) ensuring a strong command structure.

(6) providing for the flexible use of skills and capabilities of both military and civilian personnel.

(7) delegating to subordinate commands and agencies functions that need not be performed at the HQDA level and are not reserved to the Army Secretariat or Army Staff by law.

Enclosure

(8) creating options for reorganizations based on workable, realistic procedures instead of on abstract functional relationships.

d. identify any legal or statutory constraints to a more efficient and effective organization of Army modernization efforts and recommend to the Secretary of the Army proposed legislative changes for congressional enactment.

e. arrange those reorganization options in recommended priority to best correct major organization and management problems while remaining most responsive to current and foreseeable Army requirements.

f. develop the effect—both favorable and unfavorable—of implementing the selected reorganization options.

g. recommend one organization.

h. prepare a time-phased plan and procedures for implementing the proposed organization.

### 3. Limits. The Review of Army Modernization and Organization:

a. will examine DA functions, organization, and procedures in the continental United States, including (but not necessarily limited to):

(1) U.S. Army Forces Command;

(1) U.S. Army Training and Doctrine Command;

(3) U.S. Army Materiel Command;

(4) U.S. Army Test and Evaluation Command;

(5) U.S. Army Installation and Management Command; and

(6) HQDA, including the Army Secretariat and Army Staff, understanding that statutory constraints currently restrict the reassignment of certain functions and responsibilities to organizations outside the Secretariat and, in some cases, outside a specific Assistant Secretary of the Army.

b. will limit internal review of existing organizations and installations to ascertain proper assignment of missions and functions to ACOMs, DRUs, and major HQDA staff sections, understanding statutory constraints currently restrict the reassignment of certain functions and responsibilities to organizations outside the Secretariat and, in some cases, outside a specific Assistant Secretary of the Army.

c. will not address reorganization proposals for the joint arena or Army tactical organizations.

4. Timeframe. No later than 6 February 2018, the Army Modernization Task Force will present to the Secretary of the Army and Chief of Staff of the Army for decision the recommendations to redefine roles, functions, authorities, structure, organization, and resources of HQDA, ACOMs, and DRUs, including the initial operational capability plan and full operational capability concept for a new ACOM, in sufficient detail to establish an initial headquarters with necessary personnel and resources.

5. Assumptions

a. The missions of DA will remain unchanged.

b. The Department of Defense and Congress will continue to impose resource constraints that prescribe ceilings under which the Army must function.

c. Legislative relief can be obtained by requesting statutory changes that would enhance the effectiveness of Army modernization and the efficiency of the Army organization.

6. Essential Elements of Analysis

a. Determine the most critical internal organizational and management problems facing the Army's modernization processes today.

b. Determine major modernization problems that are amenable to solution by changing DA's current organization and/or management techniques.

c. Develop those changes required in HQDA, ACOM, and DRU structures. The changes should consist of defining the:

(1) required realignment of functions both within and among HQDA, ACOMs, and DRUs.

(2) required consolidations, transfers, or eliminations of HQDA Staff or major elements, commands, and DRUs.

d. Consider the effect of actions recommended in major studies or documents such as the:

(1) National Commission on the Future of the Army Report.

(2) Decker Wagner Report (Army Strong: Equipped, Trained and Ready, Final Report of the 2010 Army Acquisition Review).

(3) Reno Report (Reforming the Requirements and Resourcing Processes in Support of Army Institutional Adaptation).

e. Develop a phased implementation plan for accomplishing any proposed changes. As a part of the implementation, consider:

(1) the vital role of civilian and military personnel's morale, tradition, and stability within DA.

(2) the procedures for reducing turbulence resulting from shifting activities at major installations.

(3) the priorities for conducting the implementation.

f. Consider the Army commitments in other activities of the Department of Defense and the Federal Government.

g. Review the organizational patterns and concepts of the Air Force and Navy for possible application to the Army organization.

h. Consider both the feasibility and desirability of obtaining staff and command comments on the substantive provisions of the proposed reorganization.

## 7. Deliverables

a. Organizational first principles of the new command and process for modernization.

b. Define initial operational capability and full operational capability for the new command.

c. Define the boards, cell, and meetings for ACOM and DRU participation and a battle rhythm that sustains momentum.

d. Develop the table of distribution and allowance structure for the new command.

e. Produce recommended roles, missions, functions, authorities, activities, and processes of the new command considering existing law and proposing legislative changes if necessary.

f. Define the criteria for military value analysis of potential future location of the new command.

g. Provide potential legislative changes for submission in the fiscal year 2019 National Defense Authorization Act or earlier legislation.

h. Develop recommendations to redefine the roles, functions, authorities, structure, organization, and resources of HQDA, ACOMs, and DRUs to improve Army modernization processes.