



September 1, 2010

Mr. Robert Rangel
Special Assistant to the Secretary of Defense
The Pentagon
Washington, D.C.

Via FAX

Dear Mr. Rangel:

I am writing in response to Secretary Gates' announcement of his goal of achieving \$ 100 billion in cost savings in the next five years and, in the course of doing so, in paring the number of senior civilian employees. I understand that you will lead the task force focused on how to achieve these savings.

The Senior Executives Association is a non-profit, non-partisan professional association which has served as the voice of career Senior Executives since 1980. We have a solid record of accomplishment and work cooperatively with the Administration and Congress on issues affecting the career leadership corps.

In that regard, the Association has several concerns regarding the senior civilian drawdown which we request you consider. They are:

- The effect of the drawdown on career versus non-career executives: There is widespread agreement that, over the past several years, substantial growth has come in the non-career ranks throughout government. While precise data are difficult to come by, counts of non-Senior Executive Service (SES) positions at DoD in the 2000 and 2008 "Plum Books" reveal a growth in political appointments from 160 to 188, or 17.5%

In contrast, the career SES corps at DoD numbered 1111 (413 in OSD, 151 in Air Force, 238 in Army, and 309 in Navy) in June 2001 and 1205 (435 in OSD, 172 in Air Force, 269 in Army and 329 in Navy) in March 2010. This is an increase of 94, or only 8.5%. During the same period, the number of non career Senior Executives in the Department grew from 57 to 73 or 28%.

Further, the ratio of career executives to the work force is low at DoD in comparison to other departments. Specifically, for DoD overall, the ratio of career executives to the workforce (1205 to 743,388) is 1:617. In contrast, the Department of Commerce (331 to 52,342) is 1:158, the Department of Energy (439 to 16,389) is 1:37, and the Department of Homeland Security (430 to 185,295) is 1:431. Only the Department of Veterans Affairs is staffed with a lower ratio of career Senior Executives to employees, namely, 1:1188 (254 to 301,759).

Therefore, we recommend that non-career executives and political appointees not be exempt from the drawdown, but, rather, that their positions also be considered for cutback.

- The definition of "senior leadership:" As you may know, OSD, as well as the Departments of the Army, Navy and Air Force, have adopted a three tier structure for the Senior Executive Service. If you examine the top tier, you will find that it is typically dominated by non-career executives. If one of the objectives is to lower the rank of top leadership, then, again, non-career executives must be considered for the drawdown as well as career executives.
- Strategic drawdown: We are concerned that the drawdown be conducted strategically, namely, by targeting specific organizations or programs in contrast to an across the board reduction in senior leadership.
- Method of drawdown: With regard to career Senior Executives (and their equivalents), eliminating specific organizations might well require conducting an SES Reduction in Force (RIF), which is governed by separate rules. Past experiences with SES RIFs have shown that they are cumbersome and administratively difficult to run. Preferable is offering buyouts and early retirements to increase the number of career Senior Executives who would leave voluntarily. Alternatively, depending on your drawdown targets, reductions in leadership may be achieved by attrition and reassignments as needed.

In short, our concern is that the drawdown be conducted strategically, fairly and with respect for due process. The Association would be pleased to provide information and assistance in that regard, and I would welcome an opportunity to meet with you or whomever you designate.

Sincerely,



CAROL A. BONOSARO
President