UNDER SECRETARY OF DEFENSE
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COMPTROLLER

JUL 7 1997

MEMORANDUM FOR UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
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DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

INFO COPY: SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SUBJECT: Management Reform Memorandum #15 -- Reengineering Defense Transportation Documentation and Financial Processes

The Secretary has directed that we undertake a revolution in business practices in conjunction with the Quadrennial Defense Review. Consistent with this direction, the leadership from the Defense transportation and financial communities met on June 24 to chart a course for reengineering the transportation documentation, billing, collection, and payment processes. This meeting produced agreement that several near and long term actions are necessary to improve these business processes.

I am asking that the transportation and financial communities jointly develop a long term strategy to completely reengineer the Defense transportation documentation/financial processes. The strategy should be developed within six months of the date of this memorandum. Concurrently, solutions to the following near term issues should be developed within 30 days of the date of this memorandum with implementation by October 1, 1997:

- Fix the Transportation Account Code Process
- Test the potential use of IMPAC cards for paying airlift, sealift, domestic freight and express package bills
- Eliminate the use of government bills of lading for domestic express carrier movements

I am asking the Assistant Deputy Under Secretary of Defense (Transportation Policy), OUSD(A&T), and the Director, Revolving Funds, OUSD(C), to coordinate the immediate establishment of appropriate joint process action teams to address each of these actions. Your full cooperation and support of this effort is greatly appreciated.

In approximately two weeks from the date of this memorandum, I will have my secretary arrange a meeting with the principal participants to obtain a status report on how this effort is proceeding.

John J. Hamre