**DEPARTMENT OF THE ARMY**
**OFFICE OF THE ASSISTANT SECRETARY**
**MANPOWER AND RESERVE AFFAIRS**
**111 ARMY PENTAGON**
**WASHINGTON DC 20310-0111**

01 APR 2004

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: The National Security Personnel System (NSPS)

The Fiscal Year 2004 National Defense Authorization Act, Public Law 108-136, authorized the Department of Defense (DoD) to develop a new personnel system for its civilian employees. The legislation creates a general statutory framework, but not the specific implementing rules. The NSPS is expected to deliver new, more flexible and streamlined processes with regard to recruitment and hiring, advancement and promotion, reduction-in-force, and employee appeals.

The NSPS retains merit system principles, accommodates veterans' preference, and preserves the rules against prohibited personnel practices. It will include a performance management system that is fair, credible and transparent. The NSPS will not change the rules for health and life insurance benefits, retirement, leave and attendance, and firefighter pay.

Design of NSPS will be a cooperative effort among the Services, Defense Agencies, and external organizations. Our goal is to design and implement a new civilian personnel system with the involvement of all stakeholders. The enclosed letter to DoD's civilian employees conveys this message. Please ensure that this letter gets widest dissemination, to include our uniformed personnel, as appropriate. We will post this and all NSPS updates on our civilian personnel website (www.cpol.army.mil).

As we move forward in the design and implementation of NSPS, I will provide oversight and direction within the Army for the execution of NSPS and the G-1 will manage Army implementation and coordinate transition work. The NSPS implementation will include training for supervisors, managers, human resources specialists, employees, as well as commanders and other senior officials.

The NSPS represents a unique opportunity to develop a flexible and fair system that will help us attract, retain, reward and grow a civilian workforce to meet the national security demands of the twenty-first century. It also represents a significant departure from the status quo. I solicit your strong support as we transition to this new system.

Reginald J. Brown
Assistant Secretary of the Army
(Manpower and Reserve Affairs)

Enclosure

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DEPUTY CHIEF OF STAFF FOR INTELLIGENCE, ATTN: DAMI-CP

OFFICE OF THE GENERAL COUNSEL, ATTN: SAGC (MS. JOHNSON)
OFFICE OF THE JUDGE ADVOCATE GENERAL, ATTN: DAJA-LE (MS. NUGENT)

APR 1 2004

An Open Letter to DoD's Civilian Employees:

The Department of Defense's civilian workforce is one of our country's most important national security assets. As we develop a process for designing and implementing the National Security Personnel System (NSPS), we want to ensure that all stakeholders in the new system -- including civilian employees, managers, and exclusive representatives -- have an opportunity to provide their thoughts, ideas, views and concerns.

The task before us is to design a transformed system for the Department's 700,000 civilian employees that supports our national security mission while treating workers fairly and protecting their rights. But the NSPS is a means to that end, not the end itself. Secretary Rumsfeld has directed the implementation of NSPS to be inclusive and comprehensive.

DoD teams are working closely with the Office of Personnel Management, the Office of Management and Budget, and the Government Accounting Office. These teams will develop a comprehensive design and implementation process that will be presented to the Department's senior leadership in April. After internal approval, we will discuss the approach with Congress.

We are determined to take the time necessary to do the job right. As we work to refine the NSPS, the procedures and concepts will likely change over time. During this period of collaboration, you will have a variety of means by which to get information about NSPS. In the near future, please take time to do one or several of the following:

- Tune in to DoD's internal news outlets, including Defenselink.mil and DefendAmerica.mil, featuring articles by the Armed Forces Press Service.
- Watch The Pentagon Channel or your local military television programming for announcements of upcoming "town hall" meetings and other Q&A sessions with DoD officials involved in NSPS design and development.
- Visit the NSPS website at **www.cpms.osd.mil/nsps** to receive the most recent and up-to-date information. The website also provides opportunity to offer comments and suggestions.

Be patient as the process is still being defined, but working together, we can make this a world-class system to support our world-class team of civilian employees at the Department of Defense. Thank you.

David S.C. Chu
Under Secretary of Defense for
Personnel & Readiness

Gordon England
Secretary of the Navy