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MEMORANDUM FOR DIRECTOR, BASE REALIGNMENT AND CLOSURE

SUBJECT: DON comments on the Industrial Joint Cross-Service Group Military Value Report

We have conducted a detailed review of the draft Industrial Joint Cross Service Group Military Value Report, and provide the following recommendations to make the written report a more complete product.

Major Concerns:

1. The rationale for much of the Industrial JCSG approach to military value is unclear in the draft of the written report. A robust record of decision processes is important to be able to thoroughly explain the process used by DoD to arrive at the recommendations it makes. If this necessary record is contained in minutes of the I-JCSG deliberative sessions, a summary in the report would be helpful for completeness.

2. The functional charters of the JCSGs naturally have led them to focus on deriving military value for multiple functions and sub-functions. Installations typically have missions involving multiple functions and sub-functions, which will result in multiple military value scores at individual sites. Uniform guidance to the JCSGs on how to reconcile multiple military values at individual sites in the context of analysis and formulation of recommendations for realignment and closure actions will facilitate the work of the JCSGs. Specifically, the Industrial JCSG approach derives military value in each of nine sub-functions (and for many commodities within two of the sub-functions). This may have several implications:

- Use of many distinct approaches to military value makes consolidated analysis of industrial activities across subgroups difficult. For example, unless shipyards respond to questions from the maintenance sub-group, it will be difficult to develop and analyze scenarios that would examine alignment of maintenance commodities to shipyards.
- Similar military value attributes are treated differently across Industrial JCSG sub-groups. For example, Costs and Manpower Implications are queried and scored differently among the sub-groups. While there may be sound reasons for these differences, it is not clear from the report why different approaches were taken for metrics that relate to similar qualities.

3. The scoring and weighting approaches described in the report should be examined to ensure they are analytically sound and value what the JCSG intends. For instance, investing just a few questions with the preponderance of military value increases the risk that any error or misunderstanding in reported data could invalidate the conclusions derived from them. In some sub-functions, responses to a very few questions will determine as much as 75% of an activity's military value.

Specific Recommendations:

1. The full extent of the ammunition distribution system is not fully addressed. It does not appear that the existing military value analysis addresses all facets of distribution and deployment. Specifically, metrics related to the effectiveness of the system for getting munitions and armaments from storage sites onto ships are absent.

2. Consider whether the DoD responses to public comments on the selection criteria contain characteristics that should be factored into the Industrial military value analysis, and record consideration of these comments. The characteristics in the public comments with greatest applicability to the Industrial function include: “availability of intellectual capital, critical trade skills, and trained workforce”; “synergy with nearby installations, industrial clusters, academic institutions and other organizations”; “strategic location and irreplaceable facilities”; “an installation’s ability to transform, streamline business operations, and manage successful programs”; “encroachment”; and “difficulty in obtaining licenses and permits”.

3. Consider whether installation size is weighted in the manner that indicates the importance intended by the Industrial JCSG. For example, in the Maintenance sub-function, the combined effect of workload size, unrestricted acreage, size of facilities, and capacity favor larger activities, which seems to assume that large sites correspond to higher mission responsiveness and military value. In general, where particular features do account for very significant fractions of total military value, it becomes especially important that the rationale for these choices is well documented.

4. Evaluate whether measures of mission responsiveness and effectiveness are captured in a manner that reflect important features of industrial activities. Such features include on-time performance, re-work, completion within budgeted cost, and defects reported by customers. While no single measure is perfect, use of several less than perfect metrics might be preferable, if applied consistently.

My office stands ready to further clarify these issues and assist in implementation of the recommendations as necessary.



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