



DEPARTMENT OF THE NAVY
 OFFICE OF THE ASSISTANT SECRETARY
 (INSTALLATIONS AND ENVIRONMENT)
 1000 NAVY PENTAGON
 WASHINGTON, D.C. 20350-1000

01 March 2004

MEMORANDUM FOR DIRECTOR, BASE REALIGNMENT AND CLOSURE

SUBJECT: DON comments on the Headquarters and Support Activities Joint Cross-Service Group Military Value Report

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

Major Concerns:

1. Many of the most contentious decisions potentially impacting Combatant Commands, Service headquarters, and major support commands fall within the domain of the H&SA JCSG to assess. Clearer guidelines from OSD and the ISG should be provided to the JCSG to address these activities. Clearly defined imperatives from all services, as well as the ISG, to set boundaries of performance and mission criticalities are necessary to focus the efforts of the H&SA subgroups. This is particularly critical when rationalizing a headquarters' presence in the Washington D.C. area, which undoubtedly will be more than just an issue of whether or not they are in leased space and frequency of contact with senior officials.

2. We understand the military value data call will be handled as a targeted data call, with military value questions for a function/sub-function sent only to activities that perform that function. H&SA must have time to analyze the capacity data call responses to determine who is in the Washington D.C. area, who is in a geographic cluster, etc., in order to conduct its military value data call. As discussed at the 20 Feb 04 ISG meeting, all JCSGs need to make tentative decisions on what their universe of activities is, which can be confirmed by capacity data. Those who wait for the data prior to making any decisions will not be able to meet the deadlines.

Specific Recommendations:

1. The H&SA JCSG appears to be focusing more on Business Process Re-engineering (BPR) than reduction of infrastructure. However, review of the models and weighting reveal this is not being done consistently. For example, the Geographic Clusters scoring model fails to give credit to organizations that have already re-aligned to a more efficient consolidated regional support concept, such as the Navy Regions for base operating support. Conversely, the IT support/computing services model accurately rewards established economies of scale, which is the essence of the Navy and Marine Corps Internet (NMCI) re-alignment effort. Consolidated sites and support appears to be the overall intention, with low scores (less per installation) being good, rewarding economies of scale. Proper recognition of significant consolidations and cost saving successes should be incorporated consistently.

2. There are references to data that will be provided from "COBRA" such as BOS costs, BAH rate for an O-4, and cost of living indexes. Recommend additional collaboration with the

COBRA team, as these requirements do not align with the latest understood data collection intentions.

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

A handwritten signature in black ink, appearing to read "Anne R. Davis". The signature is fluid and cursive.

Anne Rathmell Davis
Deputy Assistant Secretary of the Navy
Infrastructure Strategy and Analysis