



DEPARTMENT OF THE NAVY  
 THE ASSISTANT SECRETARY OF THE NAVY  
 (INSTALLATIONS AND ENVIRONMENT)  
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MEMORANDUM FOR ACTING UNDER SECRETARY OF DEFENSE (ACQUISITION,  
 TECHNOLOGY AND LOGISTICS)

SUBJECT: Department of the Navy Comments on Final Joint Cross-Service Military Value Integration Issues

Based upon our review of the final military value reports, we have developed the following list of issues that should be addressed in order to ensure consistency of approach between and among the JCSGs as they proceed in their analysis of military value and subsequent scenario development. The list contains the general subject matter of the issue and matters that should be addressed. We have included recommendations on possible approaches to resolve these issues.

Issue 1: Common Approaches for Common Characteristics

Are common measures treated similarly across JCSGs (e.g., calculating cost of operations and efficiency, measuring human and intellectual capital, and facility factors – condition codes and space calculation standards)? Are contractor personnel to be counted with the same value as Government personnel? Are requirements to support contractor personnel included in developing capacity? Is information on contractor personnel auditable? Is there consistency of weighting/scoring and consistency of use of questions for Criteria 7 & 8 within Military Value?

Recommendation: These factors are internal to each analysis but also cross over multiple JCSG, which begs the issue of standardization. A working group made up of representatives from each JCSG and Military Department should define the common elements and develop recommendations for resolution to the ISG through the DASS/JCSG Chairs.

Issue 2: Imperatives/Principles

What are the differences between an “imperative” and a “principle?” How are principles and imperatives to be used? What is the process/timeline for development and approval and their interplay with the military value analyses?

Recommendation: Principles should be the overarching forcing functions that guide the BRAC analytical process generally. We need to press on with their development for discussion at the 23 April ISG meeting. These guiding statements are especially critical to the HSA JCSG for their analysis of the Combatant Commands, Service Headquarters and major support commands. Imperatives should be defined as constraints on the end results derived from the principles. As such, imperatives do not need to be finalized until military value analysis is complete and prior to scenario development. The process should include approval of both principles and imperatives at the ISG level, if not the IEC.

### Issue 3: Activity/Installation List

Who develops the list of activities/facilities/installations to receive Military Value data calls and what is the timeline/process? Do you need to develop a Military Value score for every activity/facility/installation that receives a targeted data call? Can you move/realign a function to an activity/facility/installation not included in the “scored” group?

Recommendation: Each JCSG should define which activities/facilities/installations they want to get their data calls with the assistance of the Military Departments. Each activity/facility/installation receiving a data call should be evaluated as part of that “like” function. The current process does not provide a mechanism to evaluate realigning a function to a place that currently does not perform that function. Recommend the DASs review this issue and recommend a process to the ISG.

### Issue 4: Treatment of Installations/Facility/Activity/Functions

Are installations (the fence lines/real estate) being evaluated by JCSGs? Did we gather data in the initial capacity data call to the required level/granularity to perform capacity analysis commensurate with the military value functions/subfunctions to be measured?

Recommendation: Since JCSGs are only evaluating functions, a process needs to be developed to determine how the real estate value is assessed after functional alignment is complete. In other words, how do we evaluate what partial installations/bases are closed or filled to capacity with functions not previously supported by that installation? Military Departments need to have some consistency on how the real estate worth results in what closes and what remains. The current military value approach subdivides functions in some cases into many levels, which need to be supported by corresponding capacity analysis. Once the information from Data Call 1 is received, the JCSGs and Military Departments should assess whether the appropriate level of data has been obtained to match capacity and military value analyses.

### Issue 5: Twenty-Year Force Structure Evaluation

When do we use the force structure plan in the analysis? Who defines requirements for all functions? How do we align timeframe of operations between now and 20-year force structure if BRAC execution occurs in year 6?

Recommendation: We recommend the force structure plan be used to determine the end state requirement or capability, measured against existing capacity/capability to determine excess, rather than measuring excess by looking only at current utilization versus current need. The ISG should define the process and expected outputs of the capacity analysis. The requirements to support 20-year force structure needs to be determined by each JCSG using SME to help extrapolate force structure into all areas of functional requirements.

### Issue 6: Leader/Follower

Do we need to define a rule that identifies who comes first - operational functions (Military Departments) versus support functions (JCSGs) and how potential overlaps should be handled? What will be the process of integrating scenario development among the JCSGs and Military Departments? Do we need a consistent approach to define the value of common attributes of different functions at the same location? Who controls availability of "buildable" acres? Are some functions clear followers?

Recommendations: Although we don't want to suboptimize the possibilities, there should be an understanding of what could be the driver in retaining functions at an installation/base. The ultimate integration of the various possible scenarios should not wait until after scenario development. A rule set should be established in advance to establish parameters to deconflict possible outcomes. Perhaps development of overarching principles could provide the starting point for integration rules. Many of the JCSGs and the Military Departments are evaluating the available buildable acres at an installation or base and could be competing for the same piece of real estate. When defining attributes that are common to different functions at the same location, some consideration needs to be given to the consistency of the evaluation. Some functions are clear followers and need to be viewed as such in identifying the order of hierarchy. Recommend the DASs should develop a recommended methodology to the ISG to resolve and establish the rule set.

#### Issue 7: Firewalls/Conflict of Interest

Should we be concerned about the potential for wide distribution of BRAC information? Are decision-makers in the BRAC process also in the operational chain providing the data to be used in analysis? Is this a potential conflict of interest?

Recommendation: Although it is desirable to have SME involved in the BRAC process, putting individuals in position to certify the data that are also responsible for creating the process to evaluate that data can be a conflict of interest. The public perception could be that the same people responsible for defending their current function are also evaluating that function. Additionally, resource constraints at the beginning of the process have opened up who is inside the process to such an extent that it may be difficult to control the integrity of the data. We recommend the OSD BRAC office evaluate the current structure to see if tighter controls need to be exercised.

#### Issue 8: Use of Optimization Model

Is use of the Department of the Navy-developed Optimization Model mandatory for the JCSGs? Are the inputs and outputs of the model commonly understood?

Recommendation: Although not specifically stated previously, use of Optimization Model developed by the Department of the Navy should be mandatory for all JCSGs. This will allow for more standardization of product and better use of resources. The input to the model requires corresponding capacity and military value numbers for each like function to be evaluated and can be individually defined for each JCSG. Guidance should be provided to clarify that military value is a one-time calculated value, rather than a value that will be

recalculated for each possible scenario. The JCSGs need to understand in advance of their capacity and military value analyses what the model will be solving for. This may necessitate having the ability to score activities both at the sub-functional level and in the aggregate at the activity level, particularly in the Technical, Supply & Storage, and Industrial JCSGs. The DON analysis team is available to work with each JCSG to provide development assistance.

We look forward to discussing these issues at the 2 April ISG meeting.

A handwritten signature in black ink, appearing to read "HT Johnson". The letters are cursive and somewhat stylized.

H. T. Johnson