



DEPARTMENT OF THE AIR FORCE

DCN: 9260

OFFICE OF THE CHIEF OF STAFF

WASHINGTON, DC

20 November 2003

MEMORANDUM FOR UNDERSECRETARY OF DEFENSE (AT&L)

FROM: AF/CVA

SUBJECT: Coordination of Draft Selection Criteria (Your Memo, 22 Oct 03)

Concur, with two substantive comments, on the subject draft selection criteria.

First, we believe cost and manpower considerations are already embedded in Military Value and that development of metrics for measuring Criteria 1 and 3 will include cost and manpower implications. You should rewrite Criterion 4 to properly limit it to the manpower implications and/or move it from Military Value to the next section of the criteria. An alternative Criterion could be: Criterion 4: The manpower implications associated with current and future mission requirements.

Second, we suggest that the general category Return on Investment, be changed to Special Considerations, and that Criteria 4, 5, 6, 7, and 8 be included within this new heading. This makes the selection criteria more consistent with §2913. Additionally, Criterion 5 must be rewritten to ensure we consider both the concept of cost, savings, and payback, as outlined in §2913, as well as accepted economic principles that incorporate the time value of money (e.g., the use of Net Present Value calculations). We suggest: Criterion 5: The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment alternatives, for the savings to exceed cost, using accepted Net Present Value economic considerations.

FOR THE CHIEF OF STAFF

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cc:
SAF/IE
ISG Members