DCN: 2191

21 February 2005

Supply and Storage JCSG Briefing Notes

Date: Thursday, February 17, 2005 **Time:** 10:00-12:00 **Place:** 3E808

JCSG Chairman: VADM Keith W. Lippert, USN, Director DLA
JCSG Executive Secretary: COL Louis Neeley, USAF

JCSG Key Attendees:

- LTG Claude V. Christianson, USA/G-4, Army Principal
- RDML Alan S. Thompson, USN/N41, Navy Principal
- Lt Gen Donald J. Wetekam, USAF/IL, Air Force S&S JCSG Principal
- BG Edward G. Usher, USMC/HQMC, Marine Corps Principal
- Lt Gen Duncan J. McNabb, USAF/JS/J4, Joint Staff Principal
- William Neal, CIV/SES USA, Army Alternate
- CAPT Walter F. Wright, USN, Navy Alternate
- Susan C. Kinney, CIV/15 USMC, Marine Corps Alternate
- Michael A. Aimone, CIV/SES USAF, Air Force Alternate
- CDR Goodwin, USN XO
- Mr. Williams, CTR, Army Team
- CAPT Coderre, USN, Navy Team
- Col King, USAF, Air Force Team,
- Lt Col Truba, Marine Corps Team
- Capt Rivera, USMC, Marine Corps Team
- Lt Col Nalepa, USMC, Data Team
- LCDR Stark, USN, Data Team
- Major Champagne, USAF, Data Team

Red Team Attendees:

- Honorable H.T. Johnson
- Honorable Robin Pirie
- General Leon Salomon
- Mr. John Turnquist

Subject: Candidate Recommendation Briefing by Supply and Storage JCSG to BRAC Red Team

Presenter: VADM Keith W. Lippert

Items of Import:

- Strategy – shift from linear to networked force centric construct
- Transformation options
- Customer wait time used as metric
- Network military value is different
- DDs and ICPs were split for review purposes
- Supply, Distribution, Storage are three relevant areas
- Maximized surge 20%
- Avoid single point of failure

- Used FY03 numbers as baseline
- Military Value has 4 weighted criteria, a complexity factor and a transportation factor – Military judgment was used to determine the weights
- Used optimization model
- Force targeted groups
- 16 ICP, 19DD, 15 Depot retail supply
- DRMOs – 67 activities – dropped from consideration
- Privatize some functions

Questions that arose:

- Why do you double up on the cost section of your strategy (i.e. - economies and efficiencies? *Our overall weighing factors were to be able to accomplish the mission and remove excess capacity.* (Salomon)
- If customer wait times and location are important, why weren't they part of military value calculations? Does this mean the military value wasn't all inclusive? *No, military value was based on the "network" value.* (Johnson)
- In the design of your approach process, was saving money the primary goal? (Slide 12 of briefing.) *Not necessarily*. (Johnson)
- How was surge capacity defined? *Surge capability requirements numbers were developed individually by each sub-group under OSD guidance.* Is this guidance in writing? *No. It was informal guidance as result of public comments.* (Salomon/Johnson)
- Are there any unresolved issues with the DoDIG? *No*. (Salomon)
- Why use FY03 system demand levels? Did everyone use FY03 numbers? (Salomon)
- What are transformation options? (Johnson/Salomon/Pirie)
- S & S – 0043: Who will do ICP work? There is residual at Detroit and Hill AFB, but the management function has gone away. *Yes, management function is taken away, but there are still contracts to manage.* What about batteries? (Johnson)
- What are backroom functions?
- Did you look at location for S & S – 0035? *Doesn't matter*. Why can't go to 1 or 2 ICPs then? *Too much risk.* (Johnson) Does the Army really have ICPs? *Yes. There are design unstable DLRs and consumables that services are managing.* (Salomon)

Informal observations provided at briefing:

- Use of military judgment has to be well documented and supported.
- Be careful how you pitch the transformational options because you have to maintain objectivity of the process. You don't want to make it sound like you have the answer before you start the review process and look at the data.
- Put strategy in your Approach chart (Slide 11 of briefing).
- Reorder goals of Approach process so as to indicate the order of import (Slide 12 of briefing.).
- Surge capability requirements need to be well documented. As presented they were inconsistent and loosely tied back to strategy.
- Give an example for the excess capacity grouping "Other Activities of Interest".
- Give an example of a military value computation. Past commissions have scrutinized military value calculations - an example strengthens your argument. Make sure example demonstrates how the Complexity and Transportation factors were applied.

- Remove below threshold argument from Slide 22. It is not necessary and could lead to confusion as other JCSGs are including below threshold activities and functions. Make sure, however, that the A-76 argument fits in with stated strategy.
- Tie back to your strategy the discussion of other activities that were dropped from consideration OR document that the Services are looking at these activities, which are closely tied to installations. (e.g. – if a service closes a base, then the base level supply closes as well.)
- Backroom management is not descriptive. Find an alternative, more descriptive phrase.
- Strive for consistency: On quad chart – Military Value box, use "1 out of 5" format for all Candidate recommendations. Similarly, on quad chart – Impacts box, consistently use "Criterion 6" ("Criterion7") or "Economic" ("Community").
- S & S – 0046: Not "De-conflicted w/MilDeps" (at the time of the briefing) – uncheck box.

Additional observations to consider:

- Placed great emphasis on customer wait time, but did not include minimization of wait time in strategy or in metric for military value
- Why are there ICP residuals?
- May be missing an opportunity when you decide to not consider DRMOs.
- S & S – 0004: Need to strengthen case for going from 2 to 4 SDPs. If customer wait time is so important, it needs to be a part of your strategy or military value metric. Justification for overriding military value needs to be strengthened. If minimization of new MILCON and customer wait time is the justification, there needs to be a link between this and your strategy. Perhaps show some customer density numbers by region.
- S & S – 0044 and S & S – 0045: Inconsistent with previous stated approach to not consider below BRAC threshold functions.