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**DEPARTMENT OF THE ARMY**  
OFFICE OF ASSISTANT SECRETARY  
INSTALLATIONS AND ENVIRONMENT  
110 ARMY PENTAGON  
WASHINGTON DC 20310-0110

SAIE-IA

27 February 2004

MEMORANDUM FOR Mr. Peter Potochney, Director, BRAC Office, OUSD (AT&L)

SUBJECT: S&S JCSG Military Value Analysis Report and ISG Briefing

1. I appreciate the opportunity to review the draft Military Value (MV) Analysis Report. In general, we found the report sufficiently detailed to understand the MV approach; the approach is generally sound and adequate to the task.
2. The Army supports the complexity factor technique employed by the S&S JCSG. We suggest, however, that the process that determines those factors be more completely described in the MVA report. GAO and the Commission will certainly wish to audit that process. Describing the process now should make your defense more effective.
3. Perhaps more importantly, we are concerned by the discussion at the ISG of who will answer the S&S questions. One purpose of the capacity data call was to determine which activities and facilities are actually of interest to the JCSGs. We ask that S&S JCSG identify the activities that must answer its questions per the discussion at the ISG.
4. Additionally, to offer our concurrence, we will need to review the final and complete list of questions and data elements (Appendix D) that will be included by the S&S JCSG in Data Call #2. It would be particularly helpful to identify what portion of the data elements required for the MV Analysis were already acquired in Data Call #1.
5. The complexity of some questions and the resulting data requirements may be more than installations can accurately support. We provide examples in the attachment, and recommend the S&S JCSG review their MV approach with this in mind. We find the unemployment metric particularly troubling and offer a substitute.

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6. TABS looks forward to continuing to work with the Industrial JCSG on MV and other efforts.



Craig E. College

Deputy Assistant Secretary of the Army  
(Infrastructure Analysis)

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CF:  
VCSA  
ASA (I&E)  
LTG Christianson, Army Rep, S&S JCSG

### Specific Comments

REFERENCE: S&S Joint Cross Service Group Military Value Analysis

1. It remains unclear whether the max score for every attribute and metric is the same number. This is an important characteristic to ensure that the proposed weighting scheme works as envisioned by the S&S JCSG. It appears that most metrics have a max score of 1. We recommend the JCSG verify this characteristic as they finish their work.
2. Also key to getting results that discriminate among facilities is the variability of your metrics and attributes. Attributes that vary between .9 and 1 or .95 and 1 are not nearly as valuable for discriminating as those that vary between .5 and 1 or 0 and 1. ORSA theory strongly suggests reducing the weights or completely eliminating those characteristics with little variability. Recommend the S&S JCSG review the metrics now and modify weights as appropriate or reserve the opportunity to modify weights when the actual data come in.
3. p.14, Q4 and Q5. We were surprised that you assigned weights of 50 each to these questions. Neither question is a separate metric. One must divide by the other to build a single metric whose weight equals 40. Although OSD directed that every question have an assigned weight, this example should be an exception. The questions are truly unweighted; giving them weights will confuse unnecessarily those who will review our work. This issue applies to many other pairs of questions throughout the report.
4. Question 30. We have a major concern regarding the use of Service-specific facility codes. We know that the standards are inconsistent amongst the Services. We recommend that the JCSG switch to the DoD standard ISR to get more consistent answers across the Services.
5. Questions 44, 49, and 58. What is the significance of knowing the unemployment rate within a 50-mile radius? We understand from previous discussions that the issue is availability of workforce for inventory management. We are concerned about a metric wherein higher unemployment generates a higher score. This puts local communities in the unsavory position of wishing for higher unemployment to “protect” their military installation. The Army recommends replacing these questions for that reason. Perhaps a more acceptable metric would be to calculate the percentage of the local workforce that works on the installation—a lower number would indicate a better market for replacement workers. In this way higher unemployment is not a good thing.