

Industrial Joint Cross-Service Group (IJCSG)

Meeting Minutes of January 22, 2004

Mr. Michael Wynne, Acting Under Secretary of Defense for Acquisition, Technology and Logistics, chaired the meeting. The list of attendees is at Attachment 1.

The Chairman opened the fifth Industrial JCSG meeting by introducing the new Navy alternate member, RADM Mark Hugel. Mr. Wynne stressed the importance of attendance by principals at the IJCSG meetings. He also announced that the next meeting would be on January 29.

A question was raised concerning the distinction between criteria 1 and 3. The group's conclusion was that criterion 1 involves what is needed to maintain and modernize a ready force. Criterion 3 involves accommodating requirements above the current day to day needs, to make sure we have the ability to accommodate a remobilization, and have needed flexibility and adaptability.

MG McManus presented the Munitions & Armament Subgroup military value presentation (attachment 2). They considered five functions in the military value analysis using requirements based on budgets. He said that the analysis stressed what was in the buildings over the age of the buildings. When examining the storage and distribution function they focused on the deployment network needed for above retail storage. He also explained why the subgroup placed demilitarization as a separate functional business area.

Mr. Wynne liked the way the subgroup displayed the attributes and questions and asked that the other subgroups replicate the format. During a discussion of cost issues, Mr. Wynne also commented that similarities often outweigh differences and suggested that the subgroups not overly highlight small differences.

Mr. Orr then presented the Maintenance Subgroup military value presentation (attachment 3). They considered two overall functions, depot and intermediate maintenance, and will evaluate separate commodities within each function. For criterion 1 the subgroup stressed being located near customers to better integrate with operating units. For criterion 3, Mr. Wynne suggested adding both internal and external training capabilities. For criterion 4 the subgroup will use the established cost comparability handbook but have given cost issues a very low weight. Mr. Wynne said that giving cost greater weight might be helpful in influencing depots to be less resistant to cost reduction measures.

Mr. Wynne asked if there was consideration of a joint industrial command. Mr. Orr said that there already was an executive agent for ammunition and significant

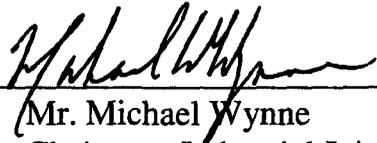
interservicing of depot workload. There is also a joint depot review organization with a rotating command.

Mr. Wynne said that the analysis should be compatible with DoD policies and not just service strategies. One example is the reachback policy to help make forces lighter and more mobile. Mr. Orr said that any scenario should consider overall military value not just values for individual locations. He also said that intermediate maintenance analysis will consider locations where there are opportunities for joint operations.

RADM Hugel presented the Ship Overhaul and Repair Subgroup military value presentation (attachment 4). They are considering two overall functions, shipyard and intermediate. He said that the capability of both the facility and its staff would be considered. For intermediate maintenance the analysis would be less facility-oriented because of the importance of being near the operating forces. The desire to consolidate depot and intermediate level facilities would be considered where appropriate.

Mr. Wynne said that the completed military value scoring plans with questions would be required at the next meeting. Mr. Orr said that it was important to carefully review the sensitivity of the scoring plan.

Approved: _____


Mr. Michael Wynne

Chairman, Industrial Joint Cross-Service Group

Attachments:

1. List of attendees
2. Munitions & Armaments Subgroup Military Value Analysis Presentation
3. Maintenance Subgroup Approach to Military Value Presentation
4. Ship Overhaul & Repair Subgroup Approach to Military Value Presentation

**Industrial JCSG Meeting
January 22, 2004**

Attendees

Members:

- Michael Wynne, Acting Undersecretary of Defense for Acquisition, Technology and Logistics
- Ron Orr, Principal Deputy Assistant Secretary of the Air Force (Installations, Environment & Logistics)
- MG Hamp McManus, Commander, Operations Support Command
- RADM Mark Hugel,
- BGen Willie Williams
- Brig. Gen. Henry Taylor, Vice Director, Logistics (J-4)

Alternates:

- RADM Mark Hugel, OPNAV N43 for RADM Bill Klemm

Others:

- General Heckman, USAF
- Maj. Gen. Mary Saunders, Vice Director, Defense Logistics Agency
- Susan Kinney, Deputy Director, Logistics Plans, Policy and Strategic Mobility Division, HQMC
- Peter Potochney, Director OSD BRAC Office
- Jay Berry, OSD Maintenance Policy, Programs and Resources
- Mark VanGilst, HQ USAF/ILMM
- Maj. Stephen Dubois, HQMC I&L
- Steve Krum, NAVSEA
- John Desiderio, OSD BRAC Office
- Alex Yellin, OSD BRAC Office
- Catherine Schneiter, DoDIG
- LtCol Walt Eady, JCS/J4
- Col Sara Smith, OSD-AT&L (MMP&R)
- LTC Linwood Clark, OSD Maintenance Policy, Programs and Resources
- Col Kirk Foster, HQ AMC
- Donald Kirtland, JCS
- Anita Lopez, USN
- George Kingsley, DLA



Industrial JCSG

Munitions & Armaments Military Value Analysis

MG WADE H. MCMANUS, JR.
Commanding General
Army Field Support Command
DSN 793-5111

DCN: 11278

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OVERVIEW

- **APPROACH**
- **ISSUES**
 - **CLARIFICATION of CRITERIA 1 and 3**
 - **CLARIFICATION OF CRITERIA 4**
 - **DEFINED REQUIREMENTS**
- **ANALYSIS**



APPROACH

- **Total life cycle management of munitions**
 - **Functions:**
 - **Production**
 - **Maintenance**
 - **Storage and distribution**
 - **Demilitarization**
- **Armament Production**



ISSUES

- **Criteria 1 and 3:**
 - **Vague and needs standardization across JCSGs**
- **Criterion 4 - Cost for operations and manpower implications**
 - **Varies from function to function**
 - **No standardization**
- **Requirements:**
 - **Capacity assessed against requirements is a necessity in this analysis**
 - **Need standardized source of requirements for all JCSG**
 - **Possible sources: Output from Force Structure Plan, FYDP, or POM**

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MVA CRITERIA CLARIFICATION

- **Munitions and Armaments MVA used the following clarification for criteria 1 and 3:**
 - **Criteria 1: Readiness/capability to support today and tomorrow's known missions (e.g., rqmts out through the POM and beyond)**
 - **Criteria 3: Flexibility to respond to unknown missions (e.g., ability to ramp up to cover surge in rqmts, to support war, support to closure of OCONUS sites/return to homeland)**

MUNITIONS PRODUCTION



35%	CRITERIA 1: READINESS/CAPABILITY TO SUPPORT KNOWN MISSIONS	60%	Capability	80%	Processes-Munitions Production	20%	Recent Production units	40%	Capacity	95%	Munitions Production	5%	Research and Development	15%	CRITERIA 2: AVAILABILITY AND CONDITION OF INFRASTRUCTURE	30%	Facility condition	50%	Condition of facilities	50%	Condition of rail, surface roads and air strips	70%	Expansion capability	40%	Buildable acreage	60%	Utilized Plant capacity	45%	CRITERIA 3: FLEXIBILITY TO SUPPORT UNKNOWN MISSIONS	60%	Capability	80%	Processes-Munitions Production	20%	Recent production units	40%	Capacity	95%	Armament Production	5%	Research and Development
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MUNITIONS PRODUCTION (cont'd)

5%	CRITERIA 4: OPERATION AND MANPOWER COST		
	80%	Fixed cost	
		100%	Cost required to open the doors
	20%	Labor	
		50%	Number of Government employees and size of payroll
		50%	Number of Contractor employees and size of payroll



MUNITIONS MAINTENANCE

25%	CRITERIA 1: READINESS/CAPABILITY TO SUPPORT KNOWN MISSIONS		
	60%	Capability	
		100%	Processes-Munitions Maintenance
	40%	Capacity	
		100%	Munitions Maintenance
20%	CRITERIA 2: AVAILABILITY AND CONDITION OF INFRASTRUCTURE		
	30%	Facility condition	
		100%	Condition of facilities
	70%	Expansion capability	
		40%	Buildable Acreage
		60%	Unutilized plant capacity
50%	CRITERIA 3: FLEXIBILITY TO SUPPORT UNKNOWN MISSIONS		
	60%	Capability	
		100%	Processes-Munitions Maintenance
	40%	Capacity	
		100%	Munitions Maintenance

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MUNITIONS MAINTENANCE

(cont'd)

5%	CRITERIA 4: OPERATION AND MANPOWER COST		
	80%	Fixed cost	
		100%	Cost required to open the doors
	20%	Labor	
		50%	Number of Government employees and size of payroll
		50%	Number of Contractor employees and size of payroll

STORAGE / DISTRIBUTION



25%	CRITERIA 1: READINESS/CAPABILITY TO SUPPORT KNOWN MISSIONS	
100%	Capacity	25%
	Storage capacity	25%
	Distribution capacity	25%
	Ship loading/unloading capacity	25%
	ACFT loading/unloading capacity	25%
20%	CRITERIA 2: AVAILABILITY AND CONDITION OF INFRASTRUCTURE	
30%	Facility condition	50%
	Condition of buildings	50%
	Condition of rail, surface roads and air strips	50%
70%	Expansion capability	50%
	Buildable acreage	50%
	Unutilized Plant capacity	50%
50%	CRITERIA 3: FLEXIBILITY TO SUPPORT UNKNOWN MISSIONS	
40%	Capacity	25%
	Storage capacity	25%
	Distribution capacity	25%
	Ship loading/unloading capacity	25%
	ACFT loading/unloading capacity	25%
60%	Geographic location	100%
	Proximity to road, rail, pier, and air	100%

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STORAGE/DISTRIBUTION (cont'd)

5%	CRITERIA 4: OPERATION AND MANPOWER COST		
	80%	Fixed cost	
		100%	Cost required to open the doors
	20%	Labor	
		50%	Number of Government employees and size of payroll
		50%	Number of Contractor employees and size of payroll



DEMILITARIZATION

25%	CRITERIA 1: READINESS/CAPABILITY TO SUPPORT KNOWN MISSIONS		
	60%	Capability	
		100%	Processes-Demil
	40%	Capacity	
		100%	Demil
20%	CRITERIA 2: AVAILABILITY AND CONDITION OF INFRASTRUCTURE		
	30%	Facility condition	
		100%	Condition of facilities
	70%	Expansion capability	
		40%	Buildable Acreage
		60%	Unutilized plant capacity
50%	CRITERIA 3: FLEXIBILITY TO SUPPORT UNKNOWN MISSIONS		
	60%	Capability	
		100%	Processes-Demil
	40%	Capacity	
		100%	Demil

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DEMILITARIZATION (cont'd)

5%	CRITERIA 4: OPERATION AND MANPOWER COST		
	80%	Fixed cost	
		100%	Cost required to open the doors
	20%	Labor	
		50%	Number of Government employees and size of payroll
		50%	Number of Contractor employees and size of payroll

ARMAMENT PRODUCTION



45%	CRITERIA 1: READINESS/CAPABILITY TO SUPPORT KNOWN MISSIONS		60%	Capability	60%	Processes - Armament Production	40%	Recent Production units	40%	Capacity	80%	Armament Production	20%	Research and Development
			30%	Facility condition	50%	Condition of facilities	50%	Condition of rail, surface roads and air strips	70%	Expansion capability	40%	Buildable acreage	60%	Unutilized Plant capacity
35%	CRITERIA 3: FLEXIBILITY TO SUPPORT UNKNOWN MISSIONS													
			60%	Capability	60%	Processes-Armament Production	40%	Recent production units	40%	Capacity	80%	Armament Production	20%	Research and Development

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ARMAMENT PRODUCTION (cont'd)

5%	CRITERIA 4: OPERATION AND MANPOWER COST		
	80%	Fixed cost	
		100%	Cost required to open the doors
	20%	Labor	
		50%	Number of Government employees and size of payroll
		50%	Number of contractor employees and size of payroll



Industrial JCSCG Maintenance Subgroup Approach to Military Value

January 22, 2004

DCN: 11278

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Functions - Maintenance Subgroup

- Two Functions
 - Depot Maintenance
 - Combat Field Support/Intermediate Maintenance (Non Deployable in Fixed Installations)

- Each Function Is Broken Out by Commodities
 - Military Value Determined at Commodity Level

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Approach to Military Value

- Each Function Apply Draft Selection Criteria
 - Apply Attributes For Each Criteria
 - Apply Metrics For Each Attribute
 - Apply Questions For Each Metric
- Each Function Weight Draft Selection Criteria - Total 100 Points
 - Weight Attributes For Each Criteria - Total 100 Points
 - Weight Metrics For Each Attribute - Total 100 Points
 - Weight Questions For Each Metric - Total 100 Points

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Function - Depot

CRITERIA #1 – The current and future mission requirements and impact on operational readiness of DoD’s Total Force, including impacts on joint warfighting, training and readiness (40)

- Maintenance Capability (45)
 - Skill Base 60
 - Equipment 25
 - Special Workload 15
- Joint - Interservice and Commercial Partnership Workload (30)
 - Interservice 50
 - Commercial Partnership 50
- Location (25)
 - Co-located Activities 100

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Function - Depot

CRITERIA #2 – The availability and condition of land, facilities and associated airspace, including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain, and staging areas for use of the Armed Forces in homeland defense missions, at both existing and potential receiving locations. (30)

- Land (10)
 - Buildable Acres 100
- Facilities (60)
 - Size, Type, and Condition 100
- Maintenance Operational Environmental Restrictions (30)
 - Maintenance Operational Restrictions 50
 - Environmental Capacity 50

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Function - Depot

CRITERIA #3 – The ability to accommodate contingency, mobilization, and future Total Force requirements at both the existing and potential of receiving locations to support operations & training. (20)

- **Maintenance Capability (35)**
 - Skill base 100
- **Surge/Reconstitution (45)**
 - Maximum Capacity 60
 - Available Capacity 40
- **Facilities and Transportation Infrastructure (20)**
 - Facilities 75
 - Transportation Modes 25

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Function -Depot

CRITERIA #4 - Cost of Operations and Manpower Implications (10)

- Labor Costs (35)
 - Labor Costs per Hour 100
- Other Costs (minus material) (55)
 - All Other Costs per Hour 100
- Skill Base (10)

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Function - Combat Field Support/Intermediate

CRITERIA #1 – The current and future mission requirements and impact on operational readiness of DoD's Total Force, including impacts on joint warfighting, training and readiness (53)

- Maintenance Capability (30)
 - Skill Base 100
- Joint - Interservice Workload (10)
 - Interservice 100
- Location (60)
 - Proximity with Customer 70
 - Co-locate with Depot 30

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Function - Combat Field Support/Intermediate

CRITERIA #2 – The availability and condition of land, facilities and associated airspace, including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain, and staging areas for use of the Armed Forces in homeland defense missions, at both existing and potential receiving locations. (30)

- Land (10)
 - Buildable Acres 100
- Facilities (60)
 - Size and Condition 100
- Maintenance Operational Environmental Restrictions (30)
 - Operational Restrictions 50
 - Environmental Capacity 50

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Function - Combat Field

Support/Intermediate

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CRITERIA #3 – The ability to accommodate contingency, mobilization, and future Total Force requirements at both the existing and potential of receiving locations to support operations & training. (15)

■ **Maintenance Capability (40)**

- Skill Base 100

■ **Location (60)**

- Co-location with Depot 30
- Proximity to customers 70

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Function - Combat Field

Support/Intermediate

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- **CRITERIA #4** - Cost of Operations and Manpower Implications (2)
- Manpower per Output (100)
 - Total Manpower per Hour 100

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Remaining Work

- **Ensure Compatibility with Service's Military Strategies**
 - Force Structure Plan
 - End States – Achieve Imperatives

- **Focus Scenario Cumulative Effect on Military Value
vice Military Value of each Commodity or Activity level**

- **Focus on Potential Joint Intermediate Opportunities
vice Entire Intermediate Population**

- **Finalize Military Value Metrics and Questions**

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Industrial JCSG

Ship Overhaul & Repair Subgroup

Approach to Military Value

22 January 2004

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Approach to Military Value

- Functions
- Selection Criteria
- Attributes
- Metrics
- Weights
- Questions (Will be presented at next IJCSG meeting.)

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Process

- **Functions**
 - Depot Level (Naval Shipyards)
 - Intermediate Level
 - Non-Deployable I-Level only
 - Ship Intermediate Maintenance Activities & Trident Refit Facilities
- **Selection Criteria**
 - Using the draft #1 - 4 criteria published 23 Dec 2003 in the Federal Register
 - Weighting factors "roll up" to each function
 - Each function will be evaluated against all four criteria
- **Attributes and Metrics**
 - Some attributes are weighed under more than one criterion
 - Each metric appears under only one attribute



Depot-Level Weights

- **Criterion 1 - Current and Future Mission - 25**
 - **Geographic Factors - 25**
 - Proximity to Ship Home Ports - 35
 - Proximity to Other DoD - 25
 - Proximity to Ship Support Activities - 25
 - Environmental Compliance and Permit Capacity - 15
 - **Workload Classification - 50**
 - Unique Capabilities - 30
 - Ship Type/Class Serviced - 25
 - Last Source - 25
 - Type of Ship Availabilities Performed - 20
 - **Workforce and Skills - 25**
 - Specialized Skills and Certifications - 40
 - Quantity of Skilled Workers - 35
 - Workforce Development Opportunities - 25

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Depot-Level Weights

- Criterion 2 - Availability and Condition of Land, Facilities... - 25
 - Facilities - 100
 - Dry Dock Capacity - 45
 - Pier and Wharf Capacity - 30
 - Industrial Building Availability - 10
 - Dry Dock and Pier Crane Support - 10
 - Unique and Specialized Facilities - 5

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Depot-Level Weights

- **Criterion 3 - Contingency, Mobilization, Future Force - 30**
 - **Facilities - 45**
 - Dry Dock Capacity - 45
 - Pier and Wharf Capacity - 5
 - Industrial Building Availability - 15
 - Dry Dock and Pier Crane Support - 10
 - Unique and Specialized Facilities - 25
 - **Workforce and Skills - 35**
 - Specialized Skills and Certifications - 30
 - Quantity of Skilled Workers - 20
 - Workforce Development Opportunities - 50
 - **Flexibility - 20**
 - Regulatory Ability to Expand Operations (permits, fees) - 35
 - Utility Expansion Opportunity - 35
 - Contract Support and Leasing Expansion - 30



Depot-Level Weights

- **Criterion 4 - Cost and Manpower Implications - 20**
 - **Labor Costs - 20**
 - Direct Labor Rates - 50
 - Indirect Labor Costs - 50
 - **Workforce and Skills - 40**
 - Specialized Skills and Certifications - 50
 - Quantity of Skilled Workers - 40
 - Workforce Development Opportunities - 10
 - **Efficiency - 40**
 - History of Efficient Operations - 100

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Intermediate-Level Weights

- **Criterion 1 - Current and Future Mission - 50**
 - **Geographic Factors - 45**
 - Proximity to Ship Home Ports - 70
 - Proximity to Other DoD - 10
 - Interaction with Other DoD - 10
 - Environmental Compliance and Permit Capacity - 10
 - **Workload Classification - 35**
 - Taking Maintenance & Repair to the Fleet - 30
 - Type of Ship Maintenance & Repair Performed - 70
 - **Workforce and Skills - 20**
 - Specialized Skills and Certifications - 30
 - Quantity of Skilled Workers - 30
 - Educational (Workforce Development) Opportunities - 10
 - Military Sea/Shore Rotational Billets - 30

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Intermediate-Level Weights

- **Criterion 2 - Availability and Condition of Land, Facilities... - 15**
 - **Facilities - 70**
 - Dry Dock Capacity - 25
 - Industrial Building Availability - 25
 - Dry Dock and Pier Crane Support - 15
 - Unique and Specialized Capabilities - 10
 - Pier and Wharf Capacity - 25
 - **Real Estate - 30**
 - Unutilized Expansion Space - 100

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Intermediate-Level Weights

- **Criterion 3 - Contingency, Mobilization, Future Force - 25**
 - **Facilities - 45**
 - Dry Dock Capacity - 25
 - Industrial Building Availability - 15
 - Dry Dock and Pier Crane Support - 15
 - Unique and Specialized Facilities - 10
 - Pier and Wharf Capacity - 35
 - **Workforce and Skills - 35**
 - Specialized Skills and Certifications - 25
 - Quantity of Skilled Workers - 25
 - Educational (Workforce Development) Opportunities - 25
 - Military Sea/Shore Rotational Billets - 25
 - **Plant Value (Planned/recent operational capability improvements) - 20**
 - Programmed & Planned Capital Investments - 40
 - Recent Capital Investments - 60



Intermediate-Level Weights

- **Criterion 4 - Cost and Manpower Implications - 10**
 - **Workforce and Skills - 50**
 - Quantity of Skilled Workers - 25
 - Educational (Workforce Development) Opportunities - 25
 - Military Sea/Shore Rotational Billets - 25
 - Specialized Skills and Certifications - 25
 - **Labor Costs - 30**
 - Skill/Competency Development Costs - 70
 - Miscellaneous Labor Costs (BAH, etc.) - 30
 - **Plant Value & Maintenance Cost - 20**
 - Current Value of Facilities & Equipment - 25
 - Maintenance & Repair of Bldgs & Equipment - 25
 - Programmed & Planned Capital Investments - 25
 - Recent Capital Investments - 25

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