

DCN: 11285



ACQUISITION
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACTION MEMO

FOR: ACTING UNDER SECRETARY OF DEFENSE (AT&L)

FROM: Mr. Jay Berry, Assistant Deputy Under Secretary of Defense for *Op 1015*
Maintenance Policy, Programs and Resources

SUBJECT: Meeting Minutes of the Industrial Joint Cross-Service Group (IJCSG)

- The IJCSG met on September 8, 2004 to discuss the process for developing proposals.
- The General Accounting Office and Commission have statutory obligations to review the Department's BRAC process. Keeping meeting minutes helps ensure they can meet these obligations without participating directly in our deliberative process.
- We recommend that you, as the IJCSG Chairman, approve and sign the minutes of this meeting provided at TAB A.

COORDINATION: OSD BRAC Office

RECOMMENDATION: That you sign the meeting minutes at TAB A

Attachments:

As stated



Industrial Joint Cross-Service Group (IJCSG)**Meeting Minutes of September 8, 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 this fourteenth IJCSG meeting. The purpose of this meeting was to present the ISG-approved scenario development and review steps and discuss their use by the IJCSG.

Mr. Wynne suggested that fewer, bolder scenarios would be better for the group. The group should look for transformational impacts. COBRA scenario data should be collected after scenarios are developed by mid-November. COBRA analysis will follow scenario development.

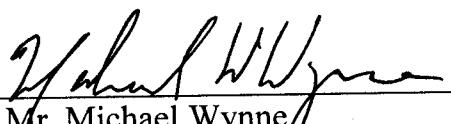
Jay Berry presented a briefing of the seven scenario development and review steps approved by the ISG (attachment 2). The presentation focused on the first two steps and included specific considerations for the IJCSG when identifying ideas and translating them into proposals.

Pete Potochney said that a package was recently signed by Mr. Wynne that provides guidance on determining force structure plan related capabilities to be used in the BRAC analysis. The group should review this guidance and proceed on obtaining the required information.

Each of the subgroups then discussed their scenario development ideas (attachment 3). Gary Motsek explained the overall ideas being considered by the munitions and armaments subgroup. Mark VanGilst presented the ideas being used by the maintenance subgroup. This included a discussion of some COBRA input issues, such as determining equipment transition costs when the losing site proposes different costs than the receiving locations. Mr. Wynne said that using judgment rather than a mathematical averaging approach was preferred. RADM Klemm followed with a presentation of ideas for the ship repair and overhaul subgroup. He said that some of the ideas will relate to future ship basing plans.

Mr. Wynne concluded the meeting by stating that in two weeks the group would begin a weekly meeting schedule.

Approved:



Mr. Michael Wynne

Chairman, Industrial Joint Cross-Service Group

Attachments:

1. List of attendees
2. Gathering and Evaluating Proposals – Ideas to Candidate Recommendations
3. Subgroup Ideas

**Industrial JCSG Meeting
Sep 8, 2004**

Attendees

Members:

- Michael Wynne, Acting Undersecretary of Defense for Acquisition, Technology and Logistics
- RADM Bill Klemm, Deputy Commander, Naval Sea Systems Command
- Gary Motsek, Deputy G3, Support Operations, Army Material Command
- BGen Willie Williams, Director Logistics Plans and Policies, HQMC
- Brig. Gen. Henry Taylor, Vice Director, Logistics (J-4)

Alternates:

- None

Others:

- Maj. Gen. Mary Saunders, Vice Director, Defense Logistics Agency
- Peter Potochney, Director OSD BRAC Office
- Jay Berry, OSD Maintenance Policy, Programs and Resources
- George Kingsley, Defense Logistics Agency
- Frank O'Rourke, Defense Logistics Agency
- Mark VanGilst, HQ USAF/ILMM
- Steve Krum, NAVSEA
- COL Sarah Smith, OSD Maintenance Policy, Programs and Resources
- Catherine Schneiter, DoDIG
- Maj. S. DuBois, HQMC
- Brian Shanley, HQMC
- LtCol Walt Eady, JCS/J4
- Willie Smith, HQ AFSC
- Alex Yellin, OSD BRAC Office
- Sal Culosi, OSDUSD (MPP&R)
- LTC Shufflebarger, USD(AT&L) Military Assistant

Attachment 1

Gathering and Evaluating Proposals

Ideas to Candidate Recommendations



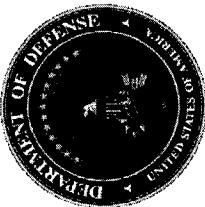
Scenario Development and Review Steps



- Step 1: MilDeps and JCSG develop “IDEAS”
- Step 2: Ideas translated into “PROPOSALS”
- Step 3: MilDeps/JCSGs declare “SCENARIOS”
- Step 4: Categorize Scenarios
 - Independent, Enabling, or Conflicting
- Step 5: Resolve conflicting scenarios
- Step 6: Scenario Analysis
- Step 7: Identify “CANDIDATE RECOMMENDATIONS”

Step 1: IJCSG Develop “IDEAS”

- Concepts for stationing and supporting forces and functions
- Come from ideas (Transformational options & military judgment or Optimization Tools)
- Lack the specificity of a proposal or scenario





Step 2: IJCSG Translates Ideas Into “PROPOSALS”

- An idea with necessary specificity to become a potential closure or realignment action that has not been declared for formal analysis by IJCSG
- Come from ideas
- Generated by sub groups for approval by IJCSG
 - Approval or disapproval of a proposal is a deliberative action



Ideas to Proposals: Documentation/Considerations for Proposal Development

- JCSCG proposals must document development processes and considerations:
 - Decision variables
 - Approaches
 - Constraints
 - Objective functions
 - Areas of military judgment



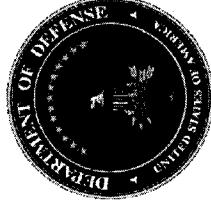
Ideas to Proposals: Decision Variables

- Which sites are not needed to provide industrial functions when minimizing:
 - sites
 - excess capacity
 - amount of expansion required with current brick and mortar
- How much of current capacity will be utilized
- How much of expansion required within capacity indexes (current – max capacity)
- Where should workload from closing sites be redistributed
- How much capacity must be created (brick and mortar) and where should it be located

Ideas to Proposals: Approaches For Decision Making



- Optimization tool to help functional experts make decisions.
- Development process begins by defining components for the proposal
- For example the following components may be considered for proposal approach:
 - Needed capabilities
 - Capacity Factor (1.0 , 1.5 etc)
 - Use expansion capability
 - Minimize sites or minimize excess
 - Should solution to one approach be an imperative to another approach
 - Combine Functions/commodities (I-level, depot, etc)



Ideas to Proposals: Potential Constraints

- Meet all needed capabilities
- Consolidating similar commodities and restrict producers to only those who are currently producing the commodity
- Sites must produce at least a specified fraction of current workload or some fraction of current workload.
- Option for “Single Point of Failure” requirement
 - Option for Identifying marginal site(s) whose capacity is needed but could be closed if its capacity could be created at another site
 - Sites that produces only one commodity
 - Sites where total capacity for all functions is needed but is small enough to be created elsewhere
- Others

Ideas to Proposals: Objective Functions for Optimization Tool

- Maximize military value
- Minimize sites
- Minimize excess Capacity
- Overflow into Depot-X
- Penalty for expanding to max capacity



Ideas to Proposals: Proposal Construction



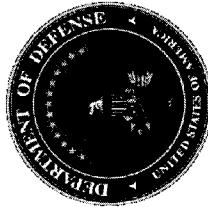
- Each proposal must:
 - Be numbered for easy identification.
 - Specify units/missions/work effort to be transferred.
 - Identify losing and gaining sites.
 - Address tenants or other facilities/activities that would be impacted by the option.
 - Reference applicable policy imperatives and/or Transformational Options.



Ideas to Proposals: IJCSG Evaluation of Proposals

- In deliberative sessions consider the following in evaluating proposals:
 - Does it satisfy needed capabilities
 - Military value primary consideration
 - Support transformation goals
 - Service conflicts
 - Assumptions
 - Functional area
 - Feasibility
 - Efficiency
 - Military judgment
- Approval/Disapproval

Draft Deliberative Document – For Discussion Purpose Only
Do Not Release Under FOIA



Step 3: IJCSG Declared Scenarios

- A description of a potential closure or realignment action that has been declared for formal analysis by IJCSG
- Registered at ISG by inputting into tracking tool
- Normally includes detail on the transfer of units, missions or other work activity
- SCENARIOS may involve multiple Services, multiple JCSGs, Service only, JCSG only, and Services and JCSGs

Step 4: Categorize Scenarios Into 1 of 3 Types

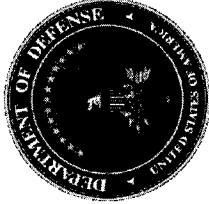
- Independent – No impact on Service/JCSG
 - Proceed to Scenario Analysis w/o further review
- Enabling – Action complements another Service/JCSG
 - Proceed to Scenario Analysis after initial review
- Conflicting – Action competes with another Service/JCSG
 - Need formal review to resolve
 - Proceed to step 5



Step 5: Tools to Resolve Conflicting Scenarios



- Conflicting Scenarios advance to Scenario Analysis;
 - Wait until full analysis to resolve conflict
- Generate additional Scenarios to mitigate conflicts; or
- Eliminate one or more of the conflicting Scenarios via the deliberative process



Step 6: SCENARIO Analysis

- Collect Scenario specific data
- Evaluate against all 8 criteria
- Responsibility for analysis is dependent on respective functions

Step 7: Identify CANDIDATE RECOMMENDATIONS

- For IEC approval



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Depot Ideas

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- Minimize Sites Using Core
- Minimize Sites Using Workload
- Minimize Available Capacity Using Core
- Minimize Available Capacity Using Workload
- Allow Single Sites For Any Commodity Group
- Allow Movement of Selected Commodity Groups to Combat Field Support/Intermediate Level
- Relocate Entire Depot to Another Depot





Idea: Minimize Sites Using Core DRAFT

- Core Requirement, Use Total Capacity, Retain Core in Organic Sites
 - Using Sites Retained, Minimize Available Capacity
- Core Requirement, Use 1.5 Times Total Capacity, Retain Core in Organic Sites
 - Using Sites Retained, Minimize Available Capacity
- Core Requirement, Use Maximum Capacity, Retain Core in Organic Sites
 - Using Sites Retained, Minimize Available Capacity
- Core Requirement, Use 1.5 Times Maximum Capacity, Retain Core in Organic Sites
 - Using Sites Retained, Minimize Available Capacity



Combat Field Support/Intermediate Level Maintenance Ideas

DRAFT

- Consolidate Across Same Commodity Groups – Same Weapon System
- Consolidate Across Similar Commodity Groups – Similar Weapons Systems
- Move Similar Commodity Groups to Depot
- Consolidate All Commodity Groups Within a Defined Region (50 Miles/1 Day Drive)



2025 Force Structure Approach - Maintenance Subgroup

DRAFT

Depots:

- Use Certified Data for FY09 (Core) and FY05 (Workload) as the Baseline
- BRAC Actions Must be Complete by FY2011 and Consider the FY2011 and FY2025 Force Structures

Approach:

- Determine Percentage Change in Core Capabilities and Workload From FY2009 to FY2011 by Commodity Group
- Conduct Overall Assessment of Force Structure Plan From FY2011 and FY2025
 - Determine Any Additional Percentage Change in Core Capabilities and Workload by Commodity Group

Combat Field Support/Intermediate:

- Use Current Force Structure and Basing Information

Approach:

- Provide Recommendations to Service
- Receive Feedback on Impacts to Service FY2025 Force Structure
- Adjust to Accommodate Service FY2025 Force Structure Feedback

COBRA Input Issues

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- COBRA does not Directly Account for:
 - Equipment Transition – One Time Costs
 - Proposed Approach: Ask Both Losing and Gaining Installations and Divide by Two
 - Production Transition Support – One Time Costs
 - Proposed Approach: Review Existing Data to Determine if a Representative Sample Cost is Available
 - If Available, Use the Representative Sample as a Factor for All Production Transition Costs
- COBRA does not Directly Account for:
 - Operational Cost Savings - Recurring
 - Proposed Approach: Review Actual Financial Data by Service
 - Determine Fixed/Variable Costs by GLAC
 - Use Fixed Cost Percentage to Determine Recurring Operational Cost Savings





Ship Overhaul and Repair Ideas

- Rationalize the Number of Naval Shipyards Based on the Ship Maintenance Workload Dictated by the 2025 Force Structure
- Consolidate Intermediate-Level Ship Maintenance Within Geographic Regions
- Adjust the Location of Ship Maintenance Activities in Support of Navy Ship Basing Plans
- Consolidate Ship Maintenance Support Functions



MUNITIONS & ARMAMENTS IDEAS/PROPOSALS

- Optimize JOINT capacity and improve stock distribution to meet the 2025 Force Structure deployment needs
 - Position stockpiles near APOD/SPOD for timely responses
- Reduce excess infrastructure
 - Maximize multi-functionality across functions
 - Align maintenance and production
 - Increase percentage of site utilization
- Focus on future technologies
 - Emphasize closed disposal vs OB/OD
 - Emphasize multi-functionality across commodities
- Avoid single point failure
 - Maintain single source suppliers and identify/create second sources
- Facilitize the industrial base and the private sector