

MINUTES OF THE JULY 24, 2003 MEETING OF THE MEDICAL JOINT CROSS SERVICE GROUP (MJCSG)

LOCATION: Pentagon, Room: 1E801#5, 1300-1500 hrs

Attending: LG Taylor - Chair, MG Farmer, Army Deputy Surgeon General, CAPT Taft-BUMED, Col Davis- J4-MRD, Col Sager, USAF for BG Hufstader, Mr Opsut- ASD(HA), Mr Potochney - USD(AT&L), Col Hamilton - Secretary

Decisions:

- MJCSG decided to have the offsite to develop the capacity datacall elements on the Thursday/Friday after Labor Day.

Action Items:

- The MJCSG members must keep the MJCSG calendar up to date with subgroup and workgroup meetings dates, times and places. To facilitate attendance by OMB, IG, and Service BRAC personnel.
- Chair will forward a memo to USD(AT&L) describing the structural changes in the Medical RD&A and the Medical/Dental Market Area Analysis Subgroups.
- All Subgroups will review the copies of their Nondisclosure Statements to ensure everyone has completed one and forward copies to the MJCSG Secretary.
- Subgroups will provide support requirements to the MJCSG Secretary who will compile the requirements into a memo from the Chair to USD(AT&L).

Meeting Overview:

- The Chair called the meeting to order at 1500 hrs and the Chair noted that many of the members were absent. The Chair admitted that the tight timeline to complete the BRAC 2005 process required that the process continue to move forward and welcomed the representatives. The Chair then highlighted that the goal of the MJCSG was to provide recommendations to the SECDEF on the closure and resizing of medical facilities and that the subgroups should keep this in mind as they develop their capacity data elements.
- The minutes of the July 10, 2003 meeting were approved pending review of the amendments offered by the DoD IG.
- The MJCSG continued the discussion of the Transformational Options memo and determined that the MJCSG had no substantive analytical frameworks to offer outside of the medical arena. Since the MJCSG would consider all medical options, including them as analytical frameworks seemed redundant. The MJCSG did add other agencies to the outside agencies part of the Transformational Alternatives memo. These agencies included the Department of Veteran's Affairs, The Rand Corporation's Health Branch, and the Jackson Hole Group. The Secretary will redraft the memo to include these changes.
- The MJCSG was introduced to the COBRA model and the schedule for updating it. It was noted that the COBRA does not include a substantial medical model. The MJCSG expressed concern over this shortfall in COBRA. The Medical Market Analysis Subgroup seemed to be the natural choice for developing an appropriate medical function in COBRA and the MJCSG was briefed that individuals in this group were engaged with the COBRA development effort. The

MJCSG also noted that each subgroup may ultimately have to run the model to price out their alternatives in the scenario phase.

- The MJCSG discussed an issue on the Medical/Dental Aspects of Human System Research and its integration in the Technical JCSG. The MJCSG decided to include this in the briefing to the ISG.

- The MJCSG discussed the status of the BRAC 2005 schedule. It was noted that the ISG briefings will take place in the late August to early September 2003 timeframe and that the MJCSG could well go first. The MJCSG noted that the briefs would be 30 minutes and would not include fine details. However, the report of the MJCSG to the ISG would contain considerable details. The current schedule has the capacity data call due in late September 2003.

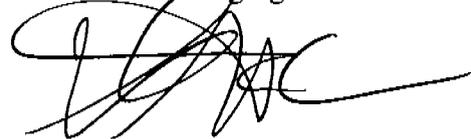
Summary Workgroup Reports:

- Education and Training: Developing a dictionary of common terms to make sure that the results of the capacity data call are comparable.

- Readiness: Requested a meeting with the MJCSG Chair to facilitate development of the capacity data call and the requirements for this group. The discussion highlighted that this group would have to have a very flexible capacity model due to the differences between the Services medical readiness approaches. Readiness subgroup has contacted NORTHCOM to get information on the Homeland Security requirements and is currently attempting to identify the agency at NORTHCOM with the information.

- Research, Development and Acquisition: Collapsed the subgroup from three to two working groups to adapt to the ISG decisions. The Chair of this subgroup has met with representatives of the Technical Group and is in dialog in overlapping analysis areas.

- Market Area Analysis: Workgroups are meeting once a week. Issues include data certification. For definition purposes, the subgroup has divided data certifications into three categories: (1) Centrally provided and certified, (2) Facility provided and certified. (3) Centrally provided and facility certified. Data falling in category 3 will be the most challenging.



GEORGE PEACH TAYLOR, JR.
Lieutenant General, USAF, MC, CFS
Chair

Attachments:

1. Agenda
2. Attendees
3. MJCSG Needs List
4. Structure Change to MJCSG
5. Template for JCSG Report
6. Transformation Options BRAC 95
7. BRAC 2005 Guidance
8. COBRA JPAT Kickoff

Medical Joint Cross Service Group

07/24/2003
3:00 PM to 5:00 PM
Room 1E801 #1
Pentagon, Washington DC

Meeting called by: LG Taylor Type of meeting: Routine
 Note taker: Col Hamilton

Please read: BRAC 2005 Guidance

Agenda

Chair Comments	Chair	10
Standard Items		
Minutes	Col Hamilton	2
Workgroup Requirements	Col Hamilton	5
Transformation Alternatives	All	10
New Business	All	10
COBRA Model	LTC Reichard	5
BRAC 2005 Guidance Memo	LG Taylor	10
Offsite Planning	All	10
Workgroup Reports	All	45
Review of Taskings/Notes	Col Hamilton	10
Closing Comments	Chair	5

Additional Information

DELIBERATIVE DOCUMENT - FOR DISCUSSION PURPOSES ONLY
DO NOT RELEASE UNDER FOIA

DCN: 11355

Atch 2

Name	Rank	Organization
Gidwani, Pradeep	LTC	OSD/TMA
Porth, Andrew	Mr	USD(AT&L)
Joseph, Mike	DODIG	DOD/IG
Zamora, Roxanna	Ms	SAF/IEBI
Vineyard	CDR	J4/HSSD
Tomlin, Sandy	DODIG	DOD/IG
Vineyard, Michael	CDR	J4/ASSD
Phillippe	LTC	SAIE-IA
Erickson, Kevin	Col	SAF/IEBJ
Brilliant, Betsy	DODIG	DOD/IG
Nolan, Elizabeth	CAPT	BUMED



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

DCN: 11355

MEMORANDUM FOR THE UNDER SECRETARY OF DEFENSE (ACQUISITION,
TECHNOLOGY & LOGISTICS)

FROM: Medical Joint Cross Service Group (MJCSG)

SUBJECT: Requirements to Support the Medical Joint Cross Service Group Draft

The MJCSG has received outstanding support from our Service components and we now have approximately 100 personnel involved, including OSD personnel. This support is the foundation of our group, but includes nearly zero administrative or TDY support. As a result, we perceive that we'll need additional support in order to efficiently complete the BRAC 2005 process. We well understand that the administrative tail is critical to the success of the BRAC process and are concerned that this is the least resourced part of the MJCSG. As administrative support is the least amenable to part-time solutions, we've developed an estimate of the resources we require. At this time, we estimate our needs at 18 FTEs and \$330K to support our administrative, travel and, equipment requirements.

I appreciate your consideration of this request and my point of contact for this matter is Col Mark Hamilton, DSN 297-4746.

GEORGE P. TAYLOR JR.
Lieutenant General, USAF, MC, CFS
Chairman



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

DCN: 11355

MEMORANDUM FOR THE UNDER SECRETARY OF DEFENSE (ACQUISITION,
TECHNOLOGY & LOGISTICS)

FROM: Medical Joint Cross Service Group

SUBJECT: Structure Change to the Medical Joint Cross Service Group (MJCSG) (MJCSG
Report to the ISG, 31 Mar 2003) Draft

As a result of the Infrastructure Steering Group's review of my report and the MJCSG's deliberations, I request approval for the following structure changes to the subfunctions of the MJCSG. We have identified that these changes will allow us to better address the medical BRAC requirements through a more effective grouping of the subfunctions.

- a. Reduce the Subfunctions under the Medical and Dental Market Requirements subgroup to:
 - 1) Health Care Market Requirements
 - 2) Service Specific Medical and Dental Market Requirements
- b. Reduce the Subfunctions under the Medical and Dental Research, Development and Acquisition subgroup to:
 - 1) Science and Technology
 - 2) Medical Acquisition

GEORGE P. TAYLOR JR.
Lieutenant General, USAF, MC, CFS
Chairman



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

AUG 16 2003

MEMORANDUM FOR CHAIRMEN, JOINT CROSS SERVICE GROUPS

SUBJECT: Template for Joint Cross-Service Group (JCSG) Report and Briefing

In my July 16, 2003, memorandum notifying each JCSG of the Secretary's approval of the functions and metrics that will receive cross-service review, I described specific reporting requirements regarding your approach to capacity analysis. Additionally, that memorandum prescribed that this effort will be briefed to the Infrastructure Steering Group (ISG) beginning in late August 2003. The attached templates are provided to assist you and your team in the preparation of your written report and briefing to the ISG.

The OSD and Military Department BRAC Directors will serve as advisors to each JCSG to help ensure that your activities are consistent with established BRAC processes and direction. Pete Potochney, Director of Base Realignment and Closure, will contact each of you shortly to begin scheduling these briefings. He will also be available to coordinate the involvement of the OSD and Military Department BRAC Directors, as needed. Pete can be reached at 614-5356.

A handwritten signature in black ink, appearing to read "Michael W. Wynne".

Michael W. Wynne
Acting USD (Acquisition, Technology & Logistics)
Chairman, Infrastructure Steering Group

Attachments:
As stated



JCSG Capacity Analysis Report Template

Section 1: Introduction

- Provide definition and scope of functions to be analyzed - highlight any refinements from SECDEF approved list & rationale for the changes
- Describe organizational structure to include sub/working groups
 - Provide a table or matrix depicting the number of military, civilian, contractor personnel working on JCSG matters
 - Funding requirement through May 2005

Section 2: Approach to Capacity Analysis

- For each function identified in section 1, provide:
 - Assumptions used for developing the attributes and metrics
 - Attributes that depict the physical and/or operational characteristics of that function
 - Metrics to be used in measuring the capacity of each attribute
 - Describe the process that will be used for determining current capacity and defining the maximum potential capacity
 - Describe the methodology for assessing surge capacity requirements

Section 3: Data Questions

- Provide draft data questions to:
 - Identify where functions are located
 - Inventory assets that perform the functions
 - Obtain data for analysis

Section 4: Issues Impacting Analysis

- Define unresolved issues affecting capacity analysis, e.g.:
 - Assumptions
 - Legislative
 - Issues, analyses with other JCSGs
 - Resources



(Your Name) JCSG Capacity Analysis

Briefing to the
Infrastructure Steering Group

Date



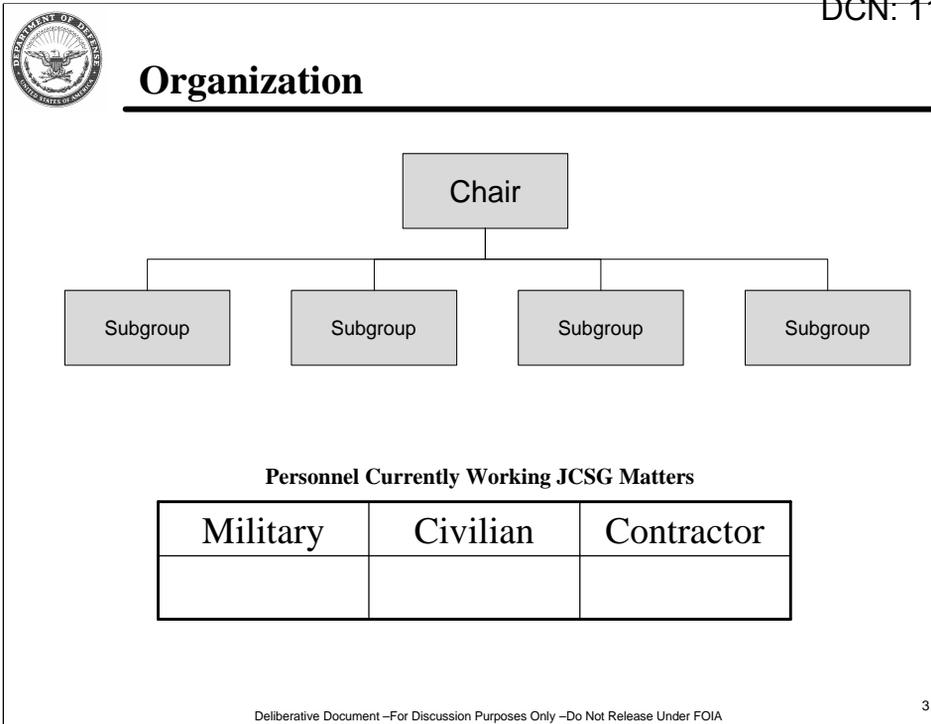
Overview

- Organization
- Functions
- Capacity Analysis Methodology
- Issues Impacting Analysis

Deliberative Document –For Discussion Purposes Only –Do Not Release Under FOIA

2

- Each JCSG will be given 30 minutes to cover the following four areas of their capacity analysis approach
- The briefing should provide the ISG with sufficient detail to convey that JCSGs understand and are on track to perform a capacity analysis
- The ISG members will have the more detailed reports and may be armed with questions on matters not reflected in the briefing. As such, the JCSG Chairs should be prepared to respond to a spectrum of inquiries on their report.



3

BRIEFING NOTES SHOULD COVER, AT A MINIMUM:

- Description of your organization
 - Indicate names of the Chair and principles
 - Indicate sub-working groups, names of Chair and numbers of personnel
- If you are supporting or supported by another JCSG, describe the relationship
- Identify number of military, civilian and/or contractor support that are currently working on JCSG activities
 - In your discussion include the number of additional personnel you expect to need during future BRAC phases.



Functions to be Analyzed

- Function
 - Sub-function
 - Sub-function
 - Etc.

BRIEFING NOTES SHOULD COVER, AT A MINIMUM:

- List the functions you intend to analyze (this may require more than one slide)
- The Chair should be prepared to respond to questions on individual functions/subfunctions



Refinements to SecDef Approved Functions

- **Function/Subfunction**
 - Brief rationale for refinements

Deliberative Document –For Discussion Purposes Only –Do Not Release Under FOIA

5

BRIEFING NOTES SHOULD COVER, AT A MINIMUM:

- This slide(s) will highlight refinements proposed by the JCSG Chair to the functions approved by the ISG/IEC/SecDef
- Each JCSG should identify those functions it proposes to add, delete, or modify from the SecDef's approved list and provide a brief rationale for the proposed change (this may require more than one slide)
- The ISG will review refinements and determine whether a refinement will require SECDEF-approval or whether the refinement is within the ISG's authority to approve.



(provide 2 examples)

DCN: 11355

Capacity Analysis Methodology

- Function: describe function
- List attributes of functions
- Describe metrics of attributes
- Describe how capacity will be measured
 - How will you determine DoD-wide capacity for this function
 - How will you determine the maximum potential capacity of infrastructure for this function
 - What is/are surge requirements (if any)

Deliberative Document –For Discussion Purposes Only –Do Not Release Under FOIA

6

BRIEFING NOTES SHOULD COVER, AT A MINIMUM:

- Each JCSG will select two functions to serve as examples for briefing the ISG on its capacity analysis approach
- The slide should provide the overview and the notes should provide the detail for discussion.

Note: Details on the other functions would have already been included in the report provided to the ISG members prior to the meeting, therefore, the JCSG Chairman should be prepared to respond to questions relating to any function



Issues Impacting Analysis

- Define/describe each issue
 - JCSG member positions
 - Options for discussion
 - Recommendation

BRIEFING NOTES SHOULD COVER, AT A MINIMUM:

- Identify each issue that could not be resolved at the JCSG-level that require ISG (or higher) resolution. Discuss clearly all viewpoints, lay out options, and make a recommendation.



**DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC**

DCN: 11355

**MEMORANDUM FOR THE UNDER SECRETARY OF DEFENSE (ACQUISITION,
TECHNOLOGY, AND LOGISTICS)**

FROM: Medical Joint Cross Service Group

SUBJECT: Transformational Options for BRAC 2005 (Your memo, May 23, 2003)

The Medical Joint Cross Service Group continues to address transformation of the Military Health Services through careful analysis of beneficiary demand and operational requirements to achieve the balanced force you've charged us to attain. We've concluded an extensive deliberation on alternative analytical frameworks and have concluded that we can offer none at this time that provide a transformational change for the Department.

As functional leaders in the Military health System, we recommend soliciting the organizations in Attachment for additional ideas on the BRAC 2005 medical transformations.

GEORGE P. TAYLOR JR.
Lieutenant General, USAF, MC, CFS
Chairman

Attachment:
Organizations for Additional views

Organizations for Additional views:

1. Kaiser Foundation. A large scale health maintenance organization, headquartered in California, with a nation-wide network of clinics, hospitals, and medical centers. This organization will be able to provide insights into potential options for providing cost-effective healthcare to the DoD beneficiary population. Likewise, this organization can provide insights into the ability of the DoD to utilize civilian facilities to expand the capabilities of the military medical training system.
2. First Group of Seattle. This HealthCare maintenance organization provides a prevention orientated care system to beneficiaries in the Washington-Oregon region. This organization can provide options that emphasize and facilitate the use of prevention strategies to minimize healthcare costs.
3. Department of Veterans' Affairs. A large federal healthcare organization with close ties to the Department of Defense. This organization could potentially provide additional capacity for the DoD Healthcare system.
4. RAND Corporation Medical Branch. As a premier analysis group, the RAND Corporation has developed an acute sense of the alternatives for military/government business practices. Likewise, RAND maintains a strong connection and understanding of the commercial methodologies. The RAND Medical Branch could provide interesting insights into alternatives for DoD healthcare.

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

DCN: 11355

JUL 16 2003

MEMORANDUM FOR CHAIRMAN, MEDICAL JOINT CROSS-SERVICE GROUP

SUBJECT: BRAC 2005 Guidance for the Medical Joint Cross-Service Group (JCSG)

The Infrastructure Steering Group (ISG) reviewed the functions and notional metrics for BRAC analysis proposed in your report and recommended approval, with two modifications. The ISG recommended that the Medical and Dental Aspects of Human System Research subfunction be moved to the Technical JCSG and the Class VIII Supply Management subfunction be moved to the Supply and Storage JCSG. The ISG also recommended the Medical JCSG support the Technical and Supply and Storage JCSGs in the analysis of those subfunctions. The Infrastructure Executive Council (IEC) concurred in the ISG's recommendations and on June 24, 2003, the Secretary of Defense approved the functions and metrics contained in your report, as recommended.

As reflected in the attached BRAC Process Overview slide, there are several steps in the BRAC analytical process. The ISG must approve your approach to each of these steps before you proceed. The first major step is a capacity analysis to establish the base line for rationalizing infrastructure across the Department. The capacity analysis is followed by a military value analysis in which measures of merit will quantify facility attributes and provide a means to rank order facilities. These two steps, in turn, are the foundation of the final step, scenario development, in which the JCSG will array alternative configurations to arrive at closure and realignment recommendations. The ISG has directed that the JCSGs must complete final closure and realignment recommendations by the middle of the first quarter of Fiscal Year 2005.

You should be prepared to present your approach to conducting a capacity analysis to the ISG for its approval in late August 2003. The approach must include common definitions for the functions that fall within the JCSG's responsibility, common metrics that will measure throughput capacity, and a methodology for determining surge requirements. Upon approval of the ISG, these common definitions, metrics, and methodology for surge requirements will be used to generate a data call that will provide the information necessary for your JCSG to conduct the actual analysis.



DCN: 11355

The capacity analysis must answer these questions:

- What is the inventory of facilities currently performing the functions defined as falling within your responsibility for cross-service analysis?
- What percent of the throughput capacity of these facilities is being utilized for current and surge workloads?
- What percentage, if any, currently exists in excess of current workload plus surge requirements?

Aside from developing metrics and definitions appropriate for determining the capacity of your functions, you should also develop the first draft of the questions that will be used to obtain the certified data necessary to complete your capacity analysis. The Military Departments (and Defense Agencies) will issue these questions as a data call to all installations within the U.S. after the ISG has approved your approach. Finally, your presentations to the ISG should also include an overview of the staffing, contract support, and organization of your JCSG.

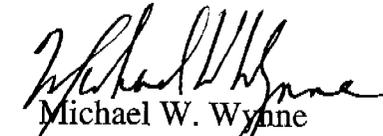
The capacity analysis will provide a DoD-wide baseline of capacity and facility usage for each of the functions within your portfolio as they are currently configured and as they are currently being utilized. You should start your capacity design effort by refining and, if required, adding to the list of notional metrics provided in your initial report. Cross-service policy differences impacting your capacity analysis will be adjudicated within your group to the maximum extent possible, and at the ISG when necessary.

The OSD BRAC Office has personnel with experience in conducting these analyses to assist you with the design of your capacity analysis. The specifics of the schedule for making presentations to the ISG and the format for your capacity analysis presentations will be provided in the near future.

Once your overall approach for conducting your capacity analysis is approved by the ISG, the OSD and Military Department BRAC Directors will work with you to ensure your data call questions are consistent with the collection and certification process they have established. The Military Departments (and Defense Agencies) will be responsible for issuing data calls, collecting the information, certifying the responses back to your group, and obtaining any needed clarifications from respondents. This will remove the data call burden from the JCSG and will minimize the data requirement burden on installations. This process will also ensure the questions are standardized, consistent, and that resulting data will meet the statutory data certification requirement.

DCN: 11355

If you have questions regarding these requirements, please contact Peter Potochney, OSD Director of Base Realignment and Closure, at 614-5356.



Michael W. Wynne
Acting USD (Acquisition, Technology & Logistics)
Chairman, Infrastructure Steering Group

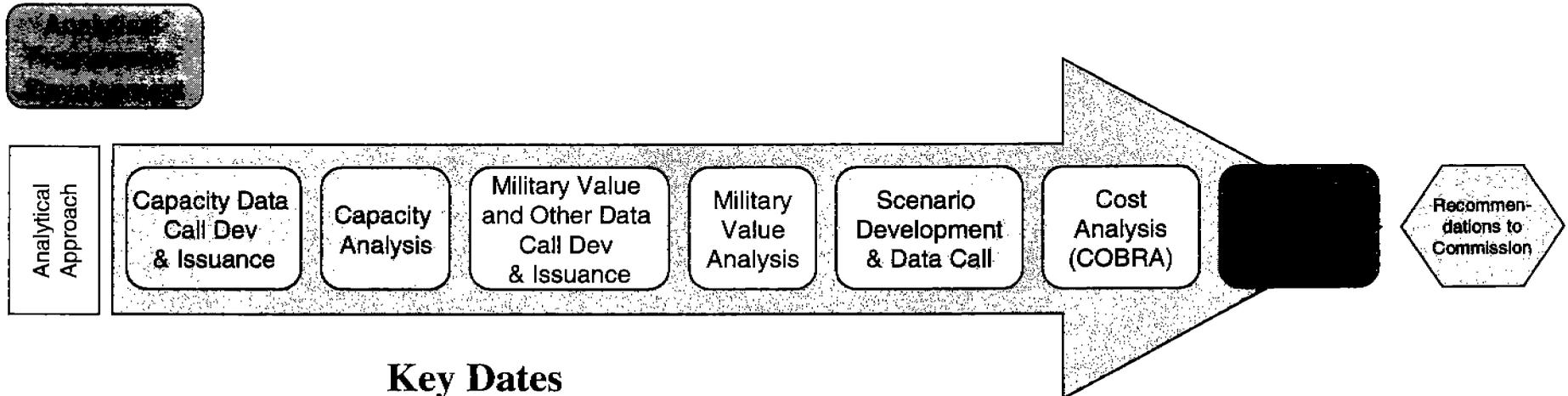
Attachments:

As stated

cc: Technical JCSG Chair
Supply & Storage JCSG Chair
Infrastructure Steering Group Members
MilDep BRAC DASs



BRAC 05 Process Overview



Key Dates

April/May 2003

- SecDef Approves Functions/Metrics

May/June 2003

- ISG issues interim selection criteria

October 2003

- Interim Force structure plan

31 Dec 2003

- Draft Selection criteria published

Mid-Feb 2004

- Certify need for BRAC
- Final selection criteria to Congress
- Force structure plan

16 May 2005

- Recommendations to Commission

June 27, 2003

MEMORANDUM FOR MR. PETER POTOCHNEY
MR. MICHAEL AIMONE
MS. ANNE DAVIS
VADM GORDON HOLDER
LTG GEORGE TAYLOR
DR. RONALD SEGA
MR. CHARLES ABELL
MR. DON TISON
MR. MIKE WYNNE
MS. DEBRA CULP
MR. MIKE KENNEDY
MR. JIM REIFSNYDER
MR. FRANK O'ROURKE

SUBJECT: Cost of Base Realignment Actions (COBRA)

This memorandum provides initial information on the Army's Joint Process Action Team (JPAT) for COBRA validation as a joint model for BRAC 2005. OSD Policy Memorandum #1 states that the COBRA model will be upgraded and loaded with revised standard cost assumptions for BRAC 2005. The Army is the lead Service for COBRA and will ensure its development/update for BRAC 2005. To prepare for the validation, we will conduct the JPAT to update COBRA standard factors and enhance the model to capture new technologies, business practices, and joint service requirements.

Dedicated personnel are required for the JPAT process; your representative will become the "super user" and "go-to person" within your organization for COBRA questions and answers.

The process will kickoff with an introductory session on July 17, 2003, followed by a training session for all members (July 29-31), and 12 weeks of working group sessions (7 August – 13 November 2003). We envision a weekly meeting (see attached schedule) requiring at times extensive coordination and research time for your representative.

Your support and feedback during the JPAT process are welcome and essential to our success. Please provide the name of your representative to my lead on this effort, LTC Bill Tarantino (<mailto:William.Tarantino@hqda.army.mil>), (703) 696-9529, by July 11, 2003. We will provide an introductory packet to your representatives prior to the July 17th kickoff.



Craig E. College
Deputy Assistant Secretary of the Army
(Infrastructure Analysis)

Enclosures

Enclosures

TABS Staff

JPAT participants

Draft COBRA JPAT Schedule

Cost of Base Realignment Actions (COBRA) Overview

Introductory Charts

TABS Staff

LTC Bill Tarantino / 703-696-9529 / William.Tarantino@hqda.army.mil

MAJ Dave Smith / 703-696-9778 / David.Smith@hqda.army.mil (arrives mid-July)

JPAT Participants

Full time members:

- OSD BRAC Office (2)
- IG DoD (2)
- GAO (2)
- Joint Cross Service Groups (2 each)
- Services (2)
- DLA (2)

As required

- Defense Agencies
- Subject matter experts

Requirements for full time JPAT members

1. All full time members including alternates will go through training.
2. Working knowledge of their organization's installation structure and data needed to support decisions regarding realignment of installations.
3. Sufficient time to fully support COBRA activities. Estimate time requirements of two days of preparation per week and 1 day of meetings/discussions per week, to include staffing issues and gathering organization inputs for COBRA issues.
4. A basic understanding and working knowledge of spreadsheets within EXCEL.

Draft COBRA JPAT Schedule

Location TBD. Meetings are planned to begin at 0800 hours and will end when the day's factors/algorithms have been reviewed.

Thursday July 17	JPAT Kick-off Meeting – Introduction, Purpose of the JPAT, Organizations and representatives, COBRA/JPAT Background, Past BRAC rounds, BRAC 2005 concept, JPAT Mission statement, Goals and objectives, Sign-up for Training Session
Tuesday July 29	JPAT COBRA User Training Session 1
Wednesday July 30	JPAT COBRA User Training Session 2
Thursday July 31	JPAT COBRA User Training Session 3

Training sessions include: COBRA model introduction, current model (what it does, how it works, scope of analysis), review standard factors, algorithms, standard graphs, COBRA User Training (scenario development and execution)

Starting Monday, August 4 (and every Monday thereafter until December 1st), read ahead delivered for Thursday's JPAT session.

Starting Thursday, August 7 (and every Thursday thereafter until December 4th), JPAT Working Session

Starting Wednesday, August 19 (and every Wednesday thereafter as needed), expert session to prepare read ahead on special topics.

Week of December 8	COBRA Beta Testing by Selected JPAT Members
1 st Week January 2004	COBRA Final Delivery
2 nd thru 4 th Weeks January	COBRA User Training for JPAT, Service, Agency, and OSD Users; Training for BRAC Commission TBD

JPAT special topic areas (suggestions welcome, subject to change)

- a. Modeling Environmental Costs (BRAC 2005 P.L. requirement)
- b. Modeling Privatization as a realignment option (BRAC 2005 P.L. requirement)
- c. Leases
- d. Joint Use Scenarios
- e. Impact on surrounding communities (BRAC 2005 P.L. requirement)

Cost of Base Realignment Actions (COBRA) Overview

Background. The United States Air Force Cost Center developed the Cost of Base Realignment Actions (COBRA) model in 1988 in conjunction with the Logistics Management Institute to evaluate the cost of Air Force stationing actions. The 1988 Base Realignment and Closure Commission adopted the Lotus Spreadsheet-based application to evaluate and compare the relative costs of stationing alternatives. Throughout 1988 the Commission reviewed and revised the model so it could be used by all Military Departments. As a result, it was used to produce cost estimates for the 1988 Closure Commission.

At the conclusion of the Commission, the General Accounting Office (GAO) reviewed the COBRA model and provided the Commission with a list of minor model modifications and stated in their final report "...that the Cost of Base Realignment Actions Model used by the Commission and the Military Departments is a conceptually sound tool for evaluating costs, savings, and payback periods." Consequently, the model was revised to satisfy those GAO concerns. Ultimately, this model was released in May 1989 and was selected as the starting point to evaluate the 1991 Commission stationing actions. It soon became apparent that the revised Lotus-based COBRA would have difficulty satisfying the long-term Department of Defense (DOD) requirements.

Department of the Army became the Executive Agent for the continued development and modification of the COBRA model. R&K Engineering, Inc, was contracted to review the model and provide recommendations on possible improvements. COBRA was found to be a valuable analytical tool, but with several limitations. R&K subsequently converted COBRA to a Pascal-based model. Several versions of this new COBRA program were developed and used for the 1991 Commission. The latest version in general use was V1.42.

Beginning with BRAC 1991, a Joint Process Action Team (JPAT) has governed the development of COBRA and the evolution of its capabilities. Membership included OSD, the Military Departments, the IG DoD (non-voting), and GAO (non-voting). The JPAT is responsible for the content and accuracy of COBRA and its output. It reviews content with a focus on the 90+ "Standard Factors" and the underlying algorithms. This year, the JPAT will also review the new BRAC 2005 Public Law on BRAC and ensure that COBRA is in compliance.

In early 1992, R&K was tasked to make a series of enhancements to COBRA in preparation for the 1993 Commission resulting in several improvements. The Version 4.00 series of COBRA enabled the model closure/realignment scenarios to involve up to 15 separate bases, each of which could be a losing, gaining, or a realigned base. It incorporated unique costs and savings, which allowed industrial activities to be modeled without disconnecting the model's standard algorithms. In those cases where the unique attributes of an activity could not be accommodated by the standard algorithms, a "Unique Activities" data entry screen was used. The 4.00 series revised calculations to

account for construction costs, transfer of military students, costs of local moves, CHAMPUS costs, homeowner's assistance costs, and several other cost/savings factors. This series also streamlined data input.

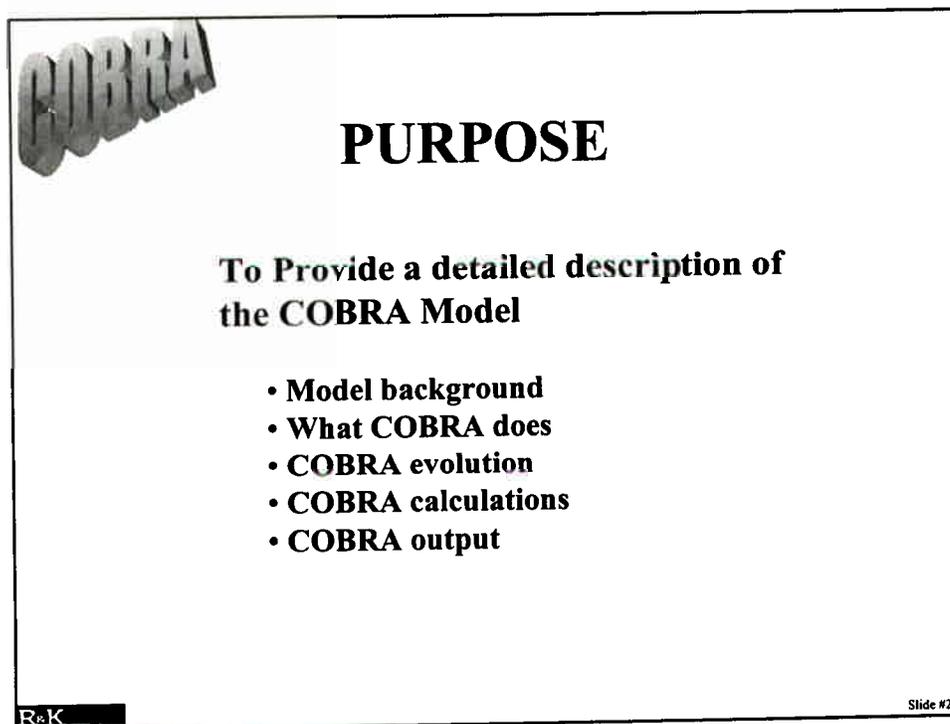
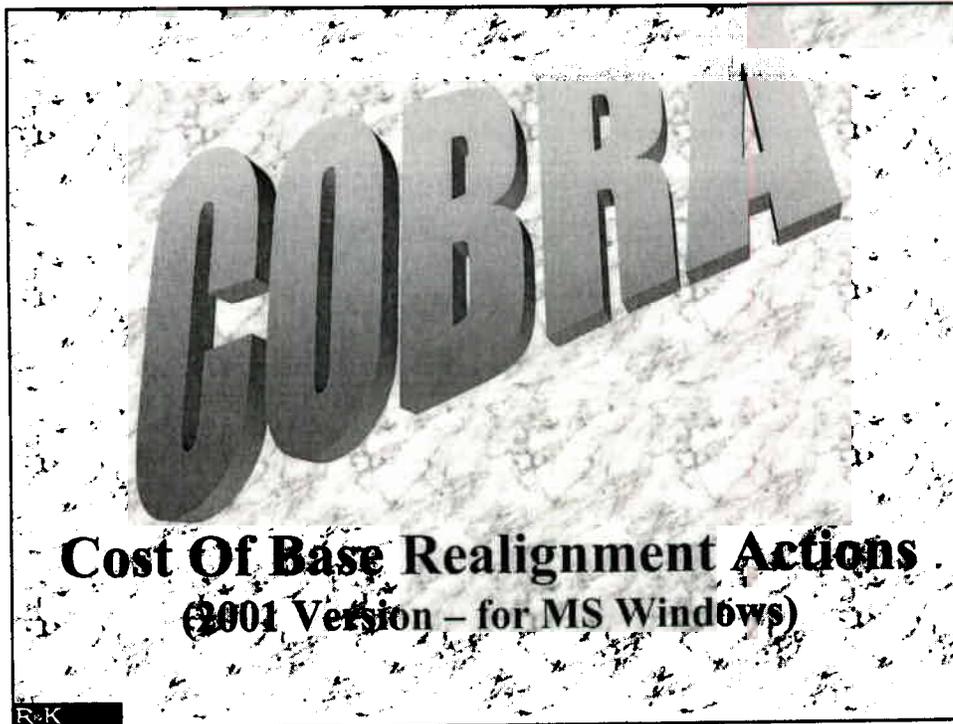
In 1994, R&K was tasked to enhance COBRA in preparation for the 1995 Commission. The report layouts were changed and a scenario error report was added to the list of program output reports. A safety feature was built into COBRA designed to prevent inadvertent termination of the program, deletion of files, or other possible errors. These are presented as "Warning" or "Confirmation" boxes. A line for military students was included on the force structure screen.

In 2000, R&K was tasked to update and improve the COBRA model for use in Army re-stationing studies and Quadrennial Defense Review (QDR) analyses. The new model made use of the "validated" and "accepted" features of COBRA together with enhancements and modifications that make it easier to use. A key improvement was the conversion of COBRA from DOS to WIN 2000/XP operating system. This allows COBRA to operate within a LAN environment and to share output and storage devices.

Capabilities and Operations: The COBRA model is designed to estimate the costs and savings associated with a proposed force structure change or re-stationing action, using data that is readily available without extensive field studies. In addition, the model can be used to compare the relative cost differences between various stationing alternatives. It is not designed to produce budget estimates, but to provide a consistent method of evaluating these actions.

COBRA calculates the costs and savings of base stationing scenarios over a period of 20 years, or longer if necessary. It models all activities (moves, construction, procurements, sales, closures) as taking place during the first 6 years, and thereafter all costs and savings are treated as steady-state. The key output value produced is the Return on Investment Year. This is the point in time where savings generated equal (and then exceed) costs incurred. In other words, this is the point when the realignment/closure has paid for itself and net savings start to accrue (payback period).

COBRA allows closure/realignment scenarios to be compared in terms of when payback is achieved. Should payback not be achieved for a specific scenario, that action will result in a net cost rather than savings. Similarly, if a scenario has a long payback period it will not start to generate net savings until well after the action would have been completed. Such an action would generally be less beneficial than one with an earlier payback. Net Present Value costs and savings figures generated are reported as present value dollars. In simple terms, this is the amount of dollars that would have to be invested during the Base Year at the assumed discount (interest) rate to cover the costs or match the savings at a specific point in the future.





THE COBRA MODEL

- Complies With Past BRAC Law
- Calculates Costs And Savings Of User-Defined Scenario(s)
- A Comparative, Macro-level Tool, Not An Optimizing Tool
- Uses Data “Readily” Available To The Service
- Calculates Costs And Savings Over 20 Years
- Calculates Scenario Return On Investment And Net Present Value
- Models All Actions In up to 6 Years And Assumes Steady State Thru 20 Years

R&K Systems Slide #3



COBRA EVOLUTION

1988 Lotus 1-2-3 COBRA (USAF)
Standardized
Cumbersome

1991 COBRA V1.42 (R&K/PAT)
Computer Model
Limited Scenarios

1993 COBRA V4.04 (R&K/PAT)
Expanded Scenarios
Improved Algorithms
More User Friendly

1995 COBRA V5.08 (R&K/PAT)
Better/Faster Algorithms
Reports Simplified
Error Trapping/Display

R&K Systems Slide #4



COBRA EVOLUTION

2000 COBRA

- Windows Based/LAN Capability**
- Updated Cost Factors**
- Improved Ease of Operation**
- Minor Algorithm Revisions (For Current Data Sources)**
- Built in DB Elements**

R*K Slide #5

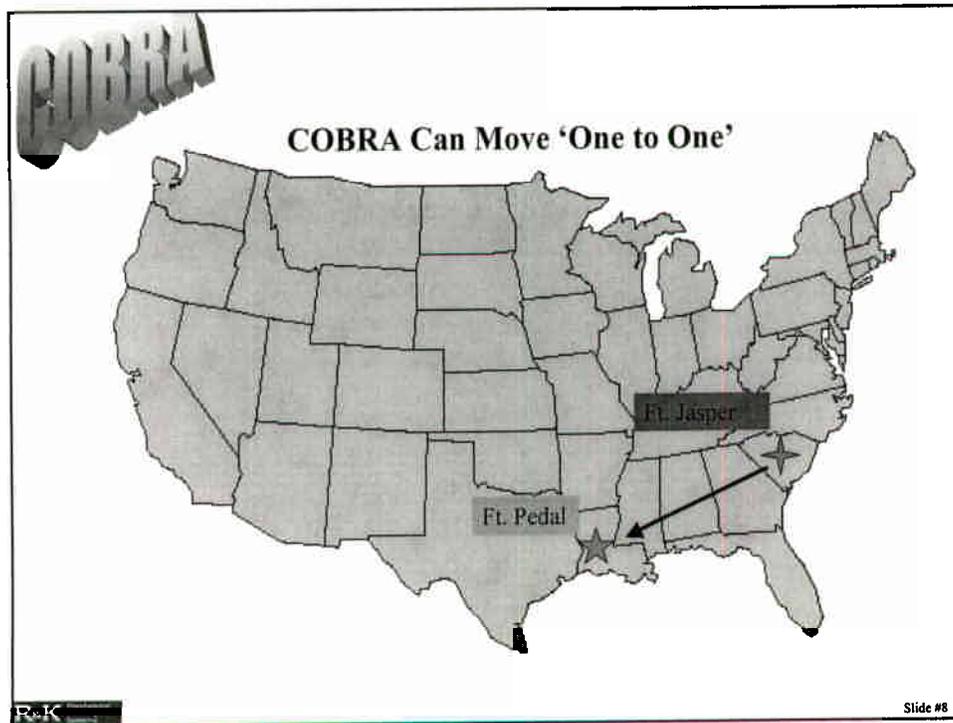
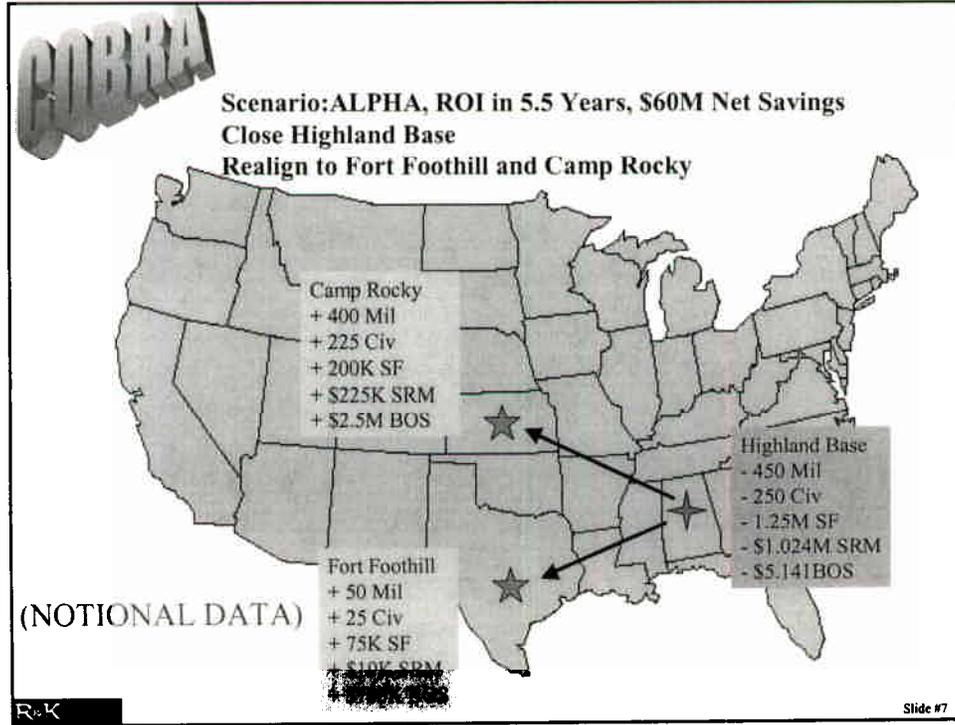


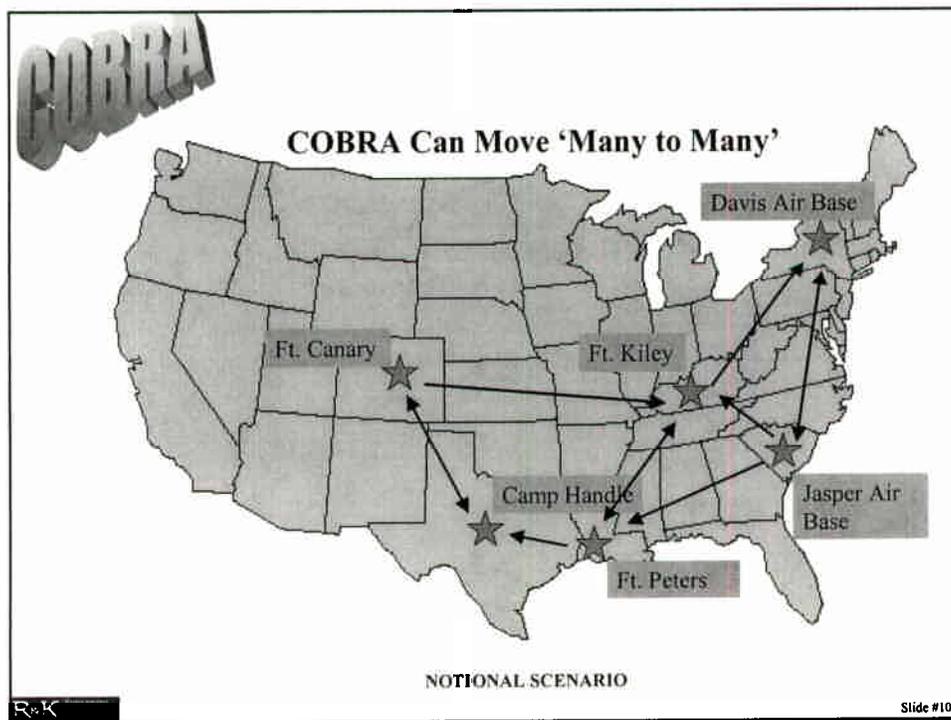
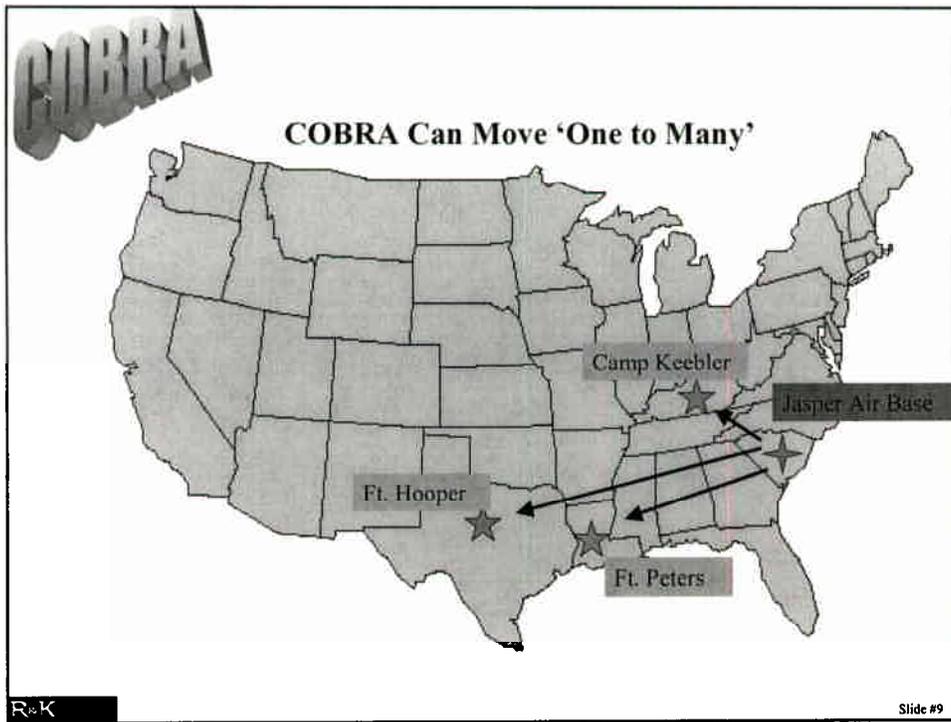
WHAT COBRA DOES

Provides:

- A consistent return-on-investment analysis methodology**
- Estimated costs and savings of stationing actions**
- Auditable results that support recommendations**
- A tool for all services**
- Credibility for DoD, GAO, and congressional oversight**

R*K Slide #6







COBRA CALCULATIONS

- **Costs Of Operation At Present Locations**
 - Personnel Costs (e.g. Salaries, VHA, BAQ)
 - Overhead (e.g. BOS, SRM, Admin Support)
- **Costs Of Moving To New Locations**
 - Construction (e.g. New Facilities, Renovation)
 - PCS Costs (e.g. Travel, HAP/RSE)
 - Transportation (e.g. Freight, Vehicles, Equipment)
 - Personnel (e.g. Severance, Unemployment, Hiring)
- **Costs Of Operation At Future Locations**
 - Personnel Costs (e.g. Salaries, VHA, BAQ)
 - Overhead (e.g. BOS, SRM, Admin Support)
- **Not Included In COBRA Calculations**
 - Savings From Force Structure Reductions
 - Costs Of Environmental Clean-Up

R&K Slide #11



COBRA CALCULATIONS

- **COBRA – A complex calculator**
 - 161 distinct calculations
 - 138 individual data elements
- **Number of total calculations and data elements multiplies with number of installations and years of scenario**

R&K Slide #12

COBRA **COBRA OUTPUT REPORTS**

- Realignment Summary Report
- Net Present Values Report
- Appropriations Detail Report
- One-Time Cost Report
- RPM/BOS change report
- BOS, Land, SF, and RPM Deltas Report
- Military Construction Assets Report
- Personnel Impact Report
- Personnel Summary Report
- Input Data Report
- Scenario Error Report

R&K Slide #13

