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MROC DECISION MEMORANDUM 61-2003

SUBJ: 26 AUGUST 2003 MARINE REQUIREMENTS OVERSIGHT COUNCIL (MROC) MEETING: DISBURSING CONSOLIDATION AND REGIONALIZATION, CAMP LEJEUNE RETIREMENT COMMUNITY, AND HSV PROJECT

Encl: (1) U.S. Marine Corps Policy on Disbursing Consolidation and Regionalization Executive Summary of 26 August 2003
(2) HSV Project Executive Summary of 19 August 2003

1. The MROC convened at 0930 on 26 August 2003. Attendees were:

Members	Organization
Gen Nyland	ACMC
LtGen Parks	M&RA
LtGen Hanlon	MCCDC
LtGen Magnus	P&R
LtGen Hough	AVN
MajGen Kuklok	PP&O
BGen Usher	I&L
Also in Attendance	
Mr. Murphy	CL
MajGen Mize	MCB Camp Lejeune
Mr. Hubbell	I&L(LF)
Col Sanchez	OLA
Col Musca	DMCS

2. Agenda. The MROC received briefs on disbursing consolidation and regionalization, a proposed continuing care retirement community at Marine Corps Base (MCB), Camp Lejeune, and the High Speed Vessel (HSV) Project.

3. Presentation Executive Summaries. Enclosures (1) and (2) are the presentation executive summaries for the Disbursing Consolidation and HSV Project briefs. The presentation slides for all three briefs are available for download from the MROC Homepage located at https://hqipoml.hqmc.usmc.mil/portal/servlet/GlobalLogin, or can be obtained from the MROC Secretariat.

4. USMC Policy on Disbursing Consolidation and Regionalization. Mr. Charles Cook, Assistant Deputy Commandant for Programs and Resources (Resources), presented the brief.

a. Purpose. The purpose of the brief was to obtain MROC approval for a Marine Corps disbursing organizational policy that focuses on service to the individual Marine and support to the operational commander. Policy decisions were needed for the following:

(1) Whether to consolidate and regionalize.

(2) Whether the consolidated disbursing organizations should fall under the Installation Commanders or Force Service Support Group (FSSG) Commanders.

(3) Whether consolidated disbursing organizations should be standardized across the Marine Corps (e.g., all organizations falling under either the Installation or FSSG Commanders).

b. Recommendation. That the MROC approve the consolidation of disbursing and finance under either the Installation Commanders (COA 1) or FSSG Commanders (COA 2).

c. MROC Discussion.

(1) Mr. Cook clarified the following points during the brief:

(a) Structure, financial savings, and efficiencies are the same under either COA.

(b) The proposed East Coast consolidation could result in structure savings of eight billets. East Coast regionalization and process changes could result in potential savings of an additional 24 billets.

(c) The MOS impact may be considerable. Consolidation/ Regionalization under the Installation Commanders could degrade the Marine Corps' ability to provide deployed disbursing support to the operational commander (i.e., without changing the training requirements for disbursing personnel assigned to installations) and erode the MOS without the paradigm shifts discussed in paragraph 4.c.(3).

(2) MajGen Mize clarified the following regarding COA 1:

(a) There would be no Table of Organization (T/O) changes under COA 1 for either the FSSG or Base, other than the eventual structure savings that would be returned to Total Force Structure Division (TFSD) for redistribution. Marines assigned to the Consolidated Disbursing Office would remain on their current parent unit T/Os.

(b) FSSG Marines would be transferred to the base under the Fleet Assistance Program (FAP). Fitness reports for these Marines would continue to be written as they currently are (i.e., reflect the

FSSG's Monitored Command Code); this may necessitate modification to current Marine Corps policy. The Disbursing Officer's fitness report would be written by the Base Comptroller (Reporting Senior) and reviewed by the FSSG Commander (Reviewing Officer).

(3) The MROC members agreed that assignment to the operating forces has generally been viewed more favorably than assignment to the Supporting Establishment. COA 1 would require paradigm shifts in several areas:

(a) The Consolidated Disbursing Office would fall within the Fifth Element of the MAGTF, not the Supporting Establishment, and would provide disbursing support to the other MAGTF elements.

(b) Training must be provided to all Marines of the Consolidated Disbursing Office to ensure their operational readiness and ability to perform their duties in a deployed environment.

(c) Continuous liaison and coordination between the Fifth Element of the MAGTF and the FSSG would be needed to ensure a smooth transition to contingency planning and support during operations.

(d) Institutionally (e.g., in terms of promotion/selection boards and the structural integrity of the occupational field), it must be understood that Marines assigned to the Consolidated Disbursing Office train, support, and deploy with the operating forces.

d. MROC Decisions.

(1) The MROC agreed to recommend that the Commandant of the Marine Corps (CMC) approve the consolidation of disbursing and finance at MCB Camp Lejeune (COA 1) as a pilot program.

(2) While any structure savings will eventually be returned to TFSD to meet other Marine Corps priorities, all existing structure will be retained on the current unit T/Os until the MROC determines that the consolidated organization is providing the expected levels of service to the operational commander. It is the MROC's intent that the Base T/O be reduced (vice the FSSG T/O) commensurate with the number of billets ultimately returned to TFSD.

(3) DC, P&R, supported by DC, I&L, DC, M&RA and MCB Camp Lejeune, will:

(a) Update the MROC on the progress of the pilot program six months after implementation.

(b) Provide a comeback brief to the MROC one year after implementation. In addition to updating the MROC on the MCB Camp Lejeune pilot program, DC, P&R will provide recommendations concerning

the potential consolidation and/or regionalization of disbursing and finance Marine Corps-wide.

5. Proposed Retirement Community at MCB Camp Lejeune.

a. Purpose. The purpose of the brief was to gain MROC support for a proposal to partner with the private sector to construct, operate and manage a retirement community aboard MCB Camp Lejeune.

b. Presentation Summary. The following topics were discussed:

(1) Concept.

(a) Develop a continuing care retirement community aboard MCB Camp Lejeune; such a community would be the first to be built aboard a DoD installation. Residents would be limited to retired members of the Uniformed Services (age 62 or older) or a spouse or widowed spouse of a military retiree.

(b) The project would be a Public-Private Venture (PPV). A private sector enterprise would construct, manage, and operate the facility. Marine Corps Community Services (MCCS) would receive an annual commission of $100K to $200K.

(c) Residents would pay an entrance fee ranging from $100K to $220K, and a monthly fee ranging from $1,400.00 to $3,000.00. The entrance fee would be 90% refundable to the resident upon re-occupancy of the unit after moving out, or to the estate upon the resident's death.

(d) Goals for the community include:

1. Creating a financially self-sustaining community that provides revenue to MCCS.

2. Providing retired military personnel a continuing care community.

3. Sustaining the commitment to take care of our retired military personnel.

4. Offering outstanding quality of life to residents at affordable prices.

(2) MCB Camp Lejeune is viewed as an excellent choice for a military retirement community due to its warm summers and mild winters, attractive waterfront location, proximity to nearby medical centers, and reasonable cost of living. Other intangibles include the security that would be afforded to military retirees and their families and proving that we really do "take care of our own".

(3) Feasibility Study. Greystone Communities, Inc. was engaged to prepare a feasibility study to evaluate the potential for a senior living community located aboard MCB Camp Lejeune. Greystone is a 20-year-old planning, development, marketing, and management services firm based in Irving, Texas, which focuses on senior housing and services. Greystone has consulted with more than 300 clients, and has development responsibility for more than 50 senior living communities. It has marketed more than 30,000 housing units and manages 8,000 units.

(4) Feasibility Study Conclusions.

(a) The proposed community is financially viable; market characteristics are favorable for a senior living community aboard MCB Camp Lejeune. Military communities across the country have high occupancy rates.

(b) Camp Lejeune is an attractive location for a military-only community; no communities of this type exist in North Carolina. Camp Lejeune is a strongly committed sponsor and will provide superb support for the success of the community.

(5) Challenges. A retirement community has never been built aboard a DoD installation; the 15 military retirement communities that exist are all within local communities. Retirement communities are not currently included in the Armed Services Exchange Regulations (ASER), and demand could exceed the initial number of available units.

(6) A notional timeline culminating in an initial occupancy in December 2007 was presented.

c. Recommendation. That the MROC recommend CMC approval of the proposal to construct, operate and manage a continuing care retirement community aboard MCB Camp Lejeune.

d. MROC Discussion.

(1) The MROC determined that further study of the issue was required in order to make an informed recommendation to CMC. The MROC discussed the following concerns:

(a) The implications of committing Marine Corps resources to a non-core function. It is likely that the initiative will require a significant commitment of manpower and other resources (to include direct and indirect monetary costs), with the potential to detract from our warfighting focus. Additionally, there may be perception issues (i.e., that the Marine Corps is "getting into the HMO business") that would need to be addressed.

(b) The need to address the issue with the Department of the Navy Secretariat and the Office of the Secretary of Defense (OSD),

whose support would be necessary to proceed with the initiative. In particular, OSD's position on the disposition of potential revenues resulting from the initiative must be determined.

(c) Potential liability and statutory problems.

1. U.S. Government legal responsibilities and potential liability issues related to non-military residents on government property must be examined.

2. Key Congressional Members should be informally "pulsed" to determine likely Congressional support for the initiative. In particular, House Armed Services Committee (HASC) support must be assessed, as PPV oversight falls within their purview. Potential Base Realignment and Closure (BRAC) implications must also be examined.

3. The issue could become problematic if the Marine Corps attempts to designate existing installation land for non-core functions while simultaneously pursuing installation expansion at other facilities for military purposes (e.g., the MEB Training Initiative).

(2) MajGen Mize noted that the climate for such an initiative is favorable. All indications are that demand would be high, as potential residents are expressing much interest. Local leaders and state agencies have expressed no opposition. MajGen Mize also noted that CMC had commented favorably on the initiative.

e. MROC Decisions. The MROC determined that more information was needed prior to making a recommendation to CMC. The MROC directed the establishment of a HQMC IPT (I&L lead) to examine the issue and to address the topic with the DoN Secretariat and OSD. IPT issues will include, but are not limited to, those issues identified in paragraph 4.d.(1)(a). The MROC directed that the IPT present its results and recommendations to the MROC in November 2003.

6. HSV Project.

a. Purpose. The purpose of the brief was to provide a status update to the MROC on the Marine Corps' HSV project and gain MROC concurrence with the proposed implementation strategy.

b. Recommendations. That the MROC concur with the proposed implementation strategy and recommend that CMC send a letter to the Chief of Naval Operations (CNO) expressing the critical need for HSVs.

c. MROC Discussion.

(1) The MROC discussed various aspects of the U.S. Army (USA) Theater Support Vessel (TSV) program. The MROC noted that while TSV and HSV concepts of employment are markedly different, similar

platform capability requirements indicate the strong potential for a Joint acquisition program.

(2) The MROC noted that as the Joint Forcible Entry Operations Study draws to a conclusion, its results reinforce the need for HSV-like capabilities. OSD support will be needed to develop a Joint HSV Program.

d. MROC Decisions.

(1) The MROC concurred with the recommendations to pursue an evolutionary acquisition strategy, establish a Naval HSV IPT, and continue concept-based experimentation with HSV-2 SWIFT.

(2) The MROC supports the establishment of a Joint HSV Program, with the Navy designated as Executive Agent. DC, CD will provide ACMC a draft letter addressing the issue for CMC to send to the CNO.

W. L. NYLAND

MROC Executive Summary

Mr. Herman Leeman
26 August 2003

U.S. Marine Corps Policy on Disbursing Consolidation and Regionalization

Purpose

To obtain MROC approval for a Marine Corps disbursing organizational policy that focuses on service to the individual Marine and support to the operational commander.

Background Information

Initiatives are currently underway to consolidate or regionalize finance and disbursing office around the Marine Corps. The focus is on areas that have base finance and Force Service Support Group (FSSG) disbursing offices in close proximity to each other.

Problem

MROC decision is necessary to ensure a consistent Corps-wide disbursing policy, which focuses on customer service to the Marine and emphasizes support to the operating forces.

Solution

Consolidate and regionalize base finance offices. Regionalize outlying finance offices as enabling technology emerges. Both courses of action presented offer the following benefits:

Reduces overhead
Achieves economies of scale
Increases deployable pool
Improves payment timeliness
Reduces DFAS Bill

However, the MOS impact may be considerable. Consolidation/ Regionalization under base can reasonably be expected to erode the MOS and degrade the Marine Corps ability to provide deployed disbursing support to the operational commander.

Implementation

The following courses of action are provided for consideration.

- **COA 1: Consolidate & Regionalize under MCB CLNC**
  - Pro: Maximizes support from the 5th Element of the MAGTF
  - Pro: Allows FSSG CG to focus on war fighting
  - Pro: Provides a larger pool of MAGTF trained Marines
  - Pro: Enhanced training opportunities for Base/Station Marines
  - Con: Operating Force Commanders lose direct control of disbursing assets in garrison
  - Con: Reduces operating force assignments for 34XX MOS by 54%
  - Con: Potential for exposing billets to outsourcing, possibly decreasing deployable pool
  - Con: Maintenance of deployable equipment and training requirements remain with FSSG
- **COA 2: Consolidate & Regionalize under FSSGs**
  - Pro: Operating Force Commander controls assets
  - Pro: Disbursing support for garrison units is transparent to FSSG commander and remains in the rear while operating forces are deployed
  - Pro: Consistent operating force training opportunities
  - Pro: Maximizes Operating Force assignments for 34XX MOS
  - Pro: Standardizes disbursing organizational structure
  - Pro: Minimizes exposure to outsourcing
  - Pro: Provides a larger pool of MAGTF trained Marines
  - Con: Burdens Force Commander with providing disbursing support
  - Con: Requires Operating Forces to support to support the Supporting Forces
  - Con: Does not utilize 5th Element of the MAGTF

Recommendation

That the MROC approve the consolidation of disbursing and finance under either the Installation Commanders (COA 1) or the FSSG Commanders (COA 2).

MROC Executive Summary

LtCol. L. S. Ryder

19 August 2003

High Speed Vessel

Purpose

To provide the MROC an update on the USMC HSV project and secure MROC concurrence with MCCDC's implementation strategy.

Background Information

Since Oct 2001, the USMC, in partnership with the Navy, SOCOM and Army, has conducted extensive experimentation with High Speed Vessels (HSVs).

MCCDC and NWDC have completed a 2-year experiment with JOINT VENTURE (HSV-X1). During the lease period, the HSV concept demonstrated great promise, particularly in seabasing, operational maneuver, small boat and advance force operations. Significantly, the HSV demonstrated the capability to be a key platform to enable seabasing and OMFTS.

Over the same time period, CG III MEF has employed WESTPAC EXPRESS to support III MEF intra-theater lift requirements. III MEF has enjoyed great success employing the ship to fill the critical shortfall in intra-theater lift in WestPac. To date, III MEF has transported over 32,000 passengers, 3300 vehicles and 23,000 short tons of cargo with the WESTPAC EXPRESS.

This month, HSV-2 SWIFT was delivered to the DoN to replace the JOINT VENTURE. SWIFT is a purpose built ship that provides a significant increase in capability over the JOINT VENTURE. The SWIFT will support Commander, Mine Warfare Command's requirement for an interim INCHON replacement, as well as support MCCDC, NWDC, and Naval Special Warfare Command's experimentation requirements.

We believe the delivery of SWIFT marks a decision point for the future of HSVs in the Navy and Marine Corps.

In MROC Decision Memorandum 34-2003, CG MCCDC was directed to contact the OPNAV staff to discuss the need to define HSV capabilities and characteristics.

The Problem

While there has been a great deal of interest in the HSV project, there is no Naval program for acquiring HSVs.

IAW MROC Decision Memorandum 34-2003, CG MCCDC has approached OPNAV (N-7) to develop a recommendation for the future role of HSVs and a possible transition to an acquisition program.

Prior to proceeding further in the HSV project and in discussions with OPNAV staff, CG MCCDC requests MROC concurrence in a proposed Implementation Strategy.

A Solution

MCCDC has developed the following implementation strategy to explore the transition of the HSV project into an acquisition program.

1. Based on the results of experimentation and operational experience, we believe it is appropriate to develop requirements documents and initiate the acquisition process.

2. CG MCCDC intends to establish a Naval HSV IPT to be co-chaired by CG MCCDC and N7. The IPT will develop a Naval HSV Concept, requirements documents, and identify resource requirements. To support these efforts, CG MCCDC will establish an interim HSV Project Office. This office will serve as the core of a potential Joint or Naval Program Office.

3. Finally, to ensure continuous feedback to the IPT and to continue the development of ship-to-HSV and HSV-to-shore transfer technologies, CG MCCDC will continue to execute an aggressive experimentation and R&D campaign plan.

Recommendation

1. MROC concur in CG MCCDC's implementation strategy.

2. MROC recommend CMC send letter to CNO expressing critical need for HSVs.