



ASSISTANT SECRETARY OF DEFENSE
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OCT 15 2019

MEMORANDUM FOR VICE CHIEF OF STAFF, ARMY
VICE CHIEF OF NAVAL OPERATIONS
VICE CHIEF OF STAFF, AIR FORCE
DEPUTY COMMANDANT, MARINE CORPS
ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,
ENERGY & ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY (ENERGY,
INSTALLATIONS & ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE
(INSTALLATIONS, ENVIRONMENT & ENERGY)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Revision to Accident Severity Classification Cost Thresholds and Recording of Injury and Fatality Costs

This memo provides guidance for revising the mishap severity classification cost thresholds in DoD Instruction (DoDI) 6055.07, "Accident Investigation, Reporting, and Record Keeping," June 6, 2011, Enclosure 8. The cost thresholds for defining Class 'A' mishaps were adjusted from \$1 million to \$2 million in 2010 to account for inflationary growth in the cost of military systems and the resulting cost for mishaps of similar severity. At the request and approval of the Defense Safety Oversight Council, the cost thresholds for Class 'A' – 'D' mishaps have been increased in accordance with most recent consumer price index.

To provide for consistent record keeping of mishaps by fiscal year, DoD Components shall begin applying the following cost threshold changes effective October 1, 2019.

Mishap Class	Current Mishap Cost	Effective October 1, 2019 Mishap Cost
'A'	\$2.0M or >; or destroyed Aircraft	\$2.5M or >; or destroyed Aircraft
'B'	\$500K - \$2.0M	\$600K - \$2.5M
'C'	\$50K - \$500K	\$60K - \$600K
'D'	\$20K - \$50K	\$25K - \$60K

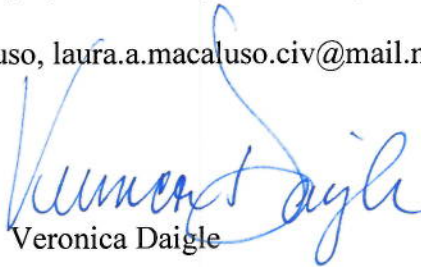
All other conditions for categorizing mishap severity remain unchanged (e.g., Class 'A' still includes any fatality, permanent total disability, or destroyed aircraft).

While DoDI 6055.07 Enclosure 4 provides procedures for recording costs associated with a mishap, it does not provide for a standardized cost estimate procedure for costs resulting from personnel injury or fatalities. The Military Departments requested OSD issue guidance for

recording standardized injury and fatality costs when assessing the total impact of mishaps to the Department. TAB A contains standard guidance for calculating and recording personnel injury and fatality costs for each mishap, based on an Army Study (TAB B) and fatality costs from the Department of Transportation "Value of Statistical Life." The DoD Components shall commence using this guidance on October 1, 2019. The calculated costs will be used only for internal DoD analysis and reported external to DoD as a mishap cost only where specifically requested. Reports outside of DoD will report costs using the mishap classification thresholds described above.

The updated cost thresholds and standardized injury and fatality cost reporting procedures will be codified in the next revision to DoDI 6055.07, which will require a review and potential update to the cost thresholds and injury and fatality costs every five years.

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Attachments:
As stated