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DEPARTMENT OF DEFENSE

BASE CLOSURE AND REALIGNMENT

ISSUE PAPERS

The Honorable Anthony J. Principi – Chairman

DCN: 12065

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

AUG 16 2005

The Honorable Anthony J. Principi
Chairman
Defense Base Closure and Realignment Commission
2521 S. Clark Street, Suite 600
Arlington, Virginia 22202

Dear ~~Chairman Principi~~ Tony:

The Department fully appreciates the thoroughness of your efforts and we will continue to provide support and assistance to the Commission and its staff as your analysis proceeds.

Through your regional hearings and interaction with your staff, we have identified conceptual and specific issues that are of significance and deserve specific attention. We prepared the enclosed papers to provide you with the Department's position on each of these issues to ensure the Commission has the best possible information for its deliberations. We trust the Commission will find this information a valuable resource in evaluating the Department's recommendations.

The Department is committed to providing accurate information to the Commission. Should you have any questions on this matter, please have your staff contact Mr. Peter Potochney, Director, BRAC, at (703) 614-5356.

Sincerely,

Michael W. Wynne
Chairman, Infrastructure Steering Group

Enclosure:
As stated

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HOMELAND DEFENSE/HOMELAND SECURITY

Issues: Have the Department's BRAC recommendations degraded homeland defense capabilities and should DoD have consulted with the Department of Homeland Security during the BRAC process?

Key Points:

- Both the BRAC legislation and DoD's implementation of it ensured that homeland defense and security were considered in the BRAC process.
- The Department has a clear picture of its homeland defense mission as well as the support it provides to the mission of the Department of Homeland Security at the direction of the President and the Secretary of Defense.
- The Department recently published its homeland defense strategy, including air, land, and sea components, providing ample time to inform the BRAC process.

DoD's Position: DoD is solely responsible for homeland defense – the military protection of U.S. territory, its domestic population, and its critical defense infrastructure from direct attack. Both the BRAC legislation and DoD's implementation of it ensured that homeland defense and security were considered in the BRAC process. Criterion two of the final BRAC selection criteria specifically required DoD Components to consider "[t]he availability and condition of land, facilities and associated airspace . . . as staging areas for the use of the Armed Forces in homeland defense missions." Additionally, as a mission of DoD, these issues were captured by the requirements of criteria one and three.

The Department has a clear picture of its homeland defense mission, as well as the support it provides to the mission of the Department of Homeland Security at the direction of the President and the Secretary of Defense:

- Physical defense of the nation against external attack by land, sea, or air
- Civil support to the nation as requested by the Department of Homeland Security
- Enabling activities to improve national and coalition capabilities for homeland security, to include sharing expertise, technology, and training

The air and land components of this mission are well defined. The Department's air defense components have been and will continue to provide alert forces and conduct combat air patrols. Some of those Air National Guard's air alert forces are routinely tasked to perform alert duties in locations far from their home states and bases, even though there are other ANG fighters in those states. With respect to land and civil support, the Department has established Joint Task Forces of highly trained individuals drawn from a variety of installations to deploy to homeland defense contingencies wherever they may arise. The Department recently published its homeland defense

strategy, including air, land, and sea components, providing ample time to inform the BRAC process.

Like any other mission of the Department, the leaders of the BRAC process turned to the mission proponent to help determine its infrastructure needs. The Assistant Secretary of Defense for Homeland Defense and the NORTHCOM and PACOM commanders ensured that the infrastructure requirements of this especially critical mission were accommodated in the BRAC process. The chief concern was ensuring that necessary capabilities would be available at the right place and right time.

Many people confuse homeland defense with the reciprocity agreements our bases typically establish with local communities. Reciprocity agreements are not a component of the mission portfolio of any bases. They are simply arrangements for installations and communities to provide mutual support for things like firefighting and emergency services. If the support DoD provided through reciprocity agreements were a mission requirement, the Department would need to maintain a presence in every local community. It should be noted that because the Department invests its homeland defense training resources in individuals drawn from a variety of installations, who then assemble and deploy to a contingency, it is unlikely that a community impacted by a contingency would receive direct homeland defense support from its geographically proximate base.

Impact on DoD: Preserving the status quo prevents the Department from enhancing capabilities by adapting its infrastructure and organizational laydown.

STRATEGIC PRESENCE

Issue: What is the definition of "strategic value" and "strategic presence" and how were these terms applied to the DoD BRAC recommendations?

Key Points:

- The terms "strategic value" and "strategic presence" represent the ability for the Department to operate from or through various regions of the United States.
- The Infrastructure Executive Council considered the entirety of the Department's BRAC recommendations to ensure forces were located in such places to ensure they support needed mission capabilities. The members referred to this effort as a consideration of strategic presence.

DoD's Position: The terms "strategic value" and "strategic presence" represent the ability for the Department to operate from or through various regions of the United States. During Infrastructure Executive Council (IEC) deliberations, it became apparent to IEC members that if not reviewed carefully, the cumulative effect of BRAC recommendations could impair DoD's current or future mission capabilities in a particular section of the United States. The IEC considered the entirety of the Department's BRAC recommendations to ensure forces were located in such places to ensure they support needed mission capabilities. The members referred to this effort as a consideration of strategic presence. This was an application of the qualitative military value judgment component of military value.

In reviewing the application of strategic presence, the IEC, using its military judgment, felt the aggregate affect of BRAC candidate recommendations in various regions of the U.S., specifically the Midwest and Northeast, would be to deprive the Nation of a required presence in those regions. It is for that reason that the IEC modified the closures of Grand Forks AFB, Naval Air Station Brunswick, and Rome Laboratory, into realignments.

Impact on DoD: Lost operational capabilities by not retaining a necessary presence in various regions of the country.

MILITARY MANPOWER SAVINGS

Issue: Are military personnel savings from BRAC recommendations real?

Key Points:

- As in the case of monetary savings, the closure or realignment of an installation frees up military personnel who can be reapplied to generate new capabilities and to improve operational efficiencies.
- BRAC military manpower savings are real whether the actual personnel are retained or eliminated.
- BRAC military manpower savings must be accounted for within the Cost of Base Realignment Actions (COBRA) analyses.

DoD Position: Savings from base realignment and closure, whether monetary or personnel, are used by the Department to obtain new and additional capabilities. The fact that these savings are subsequently "spent" by the Department rather than returned to the treasury in the form of reduced budget authority or end strength, does not change the fact that the BRAC recommendation produced those savings. BRAC military manpower savings are real and they must be accounted for within the Cost of Base Realignment Actions (COBRA) analyses.

It is nonsensical to argue that savings are not real unless accompanied by a similar reduction in budget authority or end strength because to do so would prevent using savings to enhance capabilities – a key benefit of the BRAC process.

Personnel savings are an especially important tool for improving efficiency and effectiveness. As with monetary savings, military personnel reductions resulting from a BRAC recommendation allow the Department to reapply these personnel to fix stressed career fields, generate new capabilities, and to improve operational efficiencies. Without these very real personnel savings, the Department would have to spend resources to hire additional personnel to fix stressed career fields, generate new capabilities, and to improve operational efficiencies.

For example, the return of forces from Europe has generated a savings in Military Police positions that accomplish force protection and security operations. These personnel will be used to meet law enforcement mission requirements in Iraq and Afghanistan. In the long-term, the approximately 2,000 Army military personnel savings achieved under BRAC will be used to meet new force structure requirements in Biological Detection units, Civil Affairs & Psychological Operations units, Quartermaster units, Transportation units and Military Police.

It is important to note that BRAC military manpower savings are real whether the actual personnel are retained or eliminated. When BRAC actions identify military manpower savings, these personnel can either be eliminated or they can be transferred to fill vacant positions at other locations. Either way, real savings result from this action. In reality, BRAC actions allow the Department an opportunity to reallocate personnel. The COBRA analyses reflect the individual costs and savings resulting from actions to affect the closure or realignment of installations. COBRA is not meant to capture the projected use of the estimated savings. Only the Department's programming and budgeting process can make these determinations.

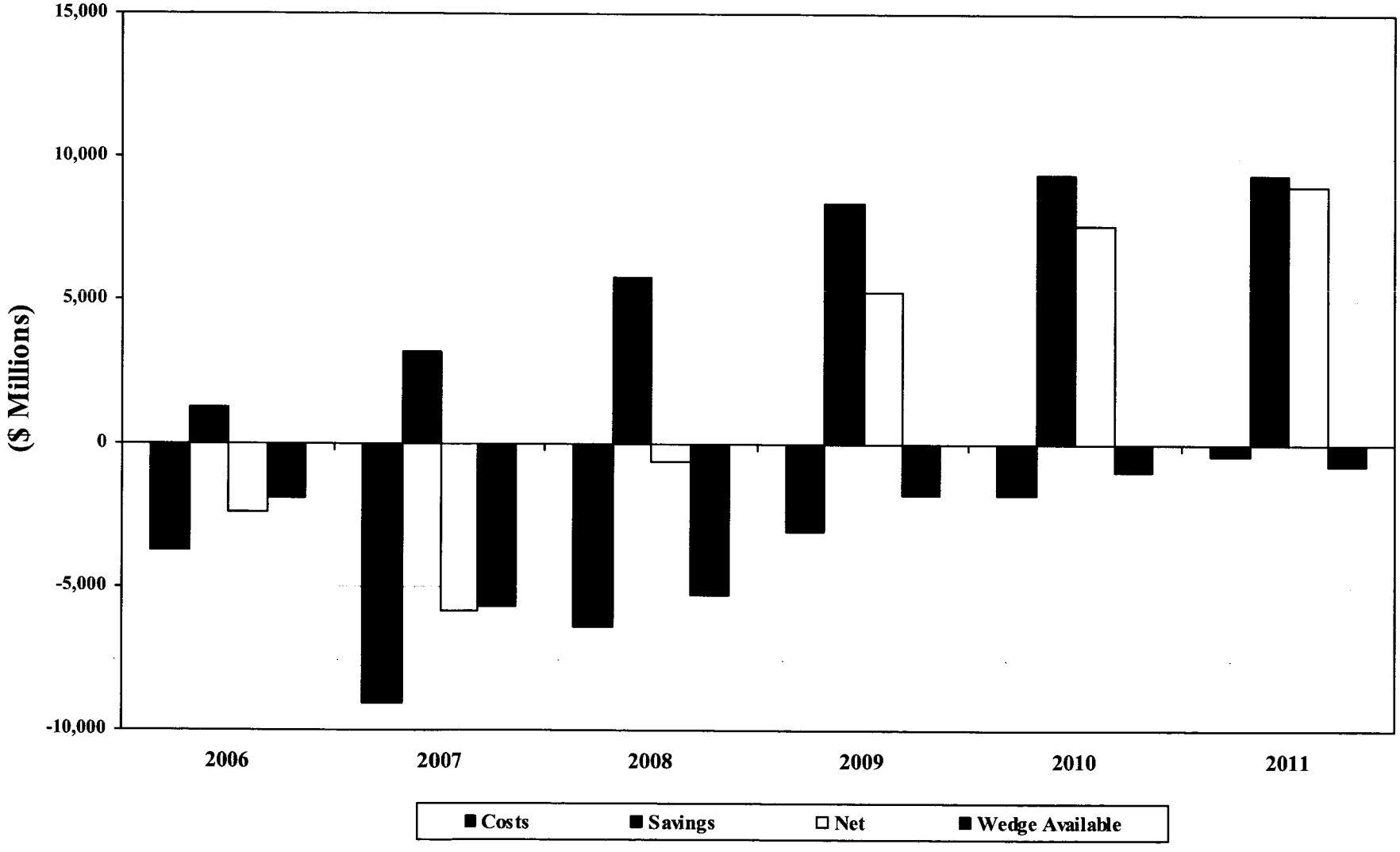
BRAC military manpower savings should always be viewed as a resource to be reapplied to buy new and/or additional capabilities. For that reason, such savings are real and should not be ignored within the COBRA analyses.

Some have questioned whether the Department can afford to implement its recommendations if it will "spend" a large part of BRAC savings on new capabilities. As indicated in the attached chart, the funding already allocated by the Department for BRAC implementation plus near term BRAC savings is more than sufficient to fund the Department's 222 BRAC recommendations, even if the dollar value of military manpower savings is discounted.

Impact on DoD: If military personnel savings are not included as part of the BRAC cost estimates, the positive financial impact of BRAC actions will be significantly understated.

DoD Recommendations Costs/Savings Profile

(As of 13 May 05)



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RESHAPING THE FORCE

Issue: Are military personnel savings from BRAC important to reshaping the Force?

Key Points:

- Simply put, BRAC recommendations free up personnel billets otherwise wasted in support of unnecessary facilities, so they can be reapplied to create new capabilities.
- Army will realize about 2,000 military personnel savings to apply to new force structure capabilities.
- Navy's military personnel reductions will contribute 7,984 personnel to the overall reduction outlined in the Force Structure Plan.
- Air Force will reapply their military personnel savings to support emerging missions and shore up stressed career fields.

DoD Position: When BRAC actions identify military manpower savings, these personnel can either be eliminated or they can be transferred to fill vacant positions at other locations. Either way, real savings result from the BRAC action. The COBRA analyses reflect the individual costs and savings resulting from the recommendation while the Department's programming and budgeting process makes the determination about the savings can be "spent". The Military Departments will apply their military personnel savings individually to reshape their force – common themes include relieving stressed occupational specialties, reallocating to higher priority missions and satisfying new force structure needs. The best examples of the reapplication of military personnel savings from BRAC recommendations are found in the Air Force:

Base Realignment and Closure offers the Air Force a unique opportunity - resizing and realigning squadrons in new, transformational ways. Taking a comprehensive 20-year, view, BRAC 2005 gives the Air Force the ability to reset our forces in a strategic way, to support ten, equally capable Air Expeditionary Forces (AEFs). BRAC also allows the Air Force to bed down new weapons systems where their transformational capabilities can be most effective. Consistent with OSD policy, AF BRAC savings include manpower cost avoidance, which can either be reinvested as dollars or as manpower. BRAC savings for the AF are real and valid. AF intent is to transform while supporting emerging missions and shoring up stressed career fields. The options open to the Air Force are outlined in the following Table:

Stressed Career Fields	Emerging Mission Requirements
Contracting	UAVs / UCAS
Paralegal	Airlift Crews/Maintenance
Com, Network, Crypto Systems	Munitions Storage

Log Plans
Services
Security Police
AFOSI
Vehicle Operations

Training
Non-Blue Programs
Defense Health Program, NFIP/GDIP (Intelligence)

FTF Crew Ratio
Warfighting HQ
Battlefield Airmen
Increase Association Units
Iceland
New LCOM (Logistics Composite Model)
Expand ATC training
Expeditionary Combat Airmen Training

The Air Force expects some active BRAC manpower savings will be used for student training manpower requirements during the BRAC implementation period. For Active Duty, manpower made available through BRAC will be reinvested into emerging missions, stressed career fields, or - once QDR is complete - potential end strength decrease. The Air Force will reinvest any reserve component manpower into other high priority Air Force missions, including the emerging missions above. Our position is the Active Reserve Component (ARC) will not lose end strength: For the ARC, all manpower made available through BRAC will be reinvested into emerging missions, stressed career fields or other priorities. Savings may ultimately reduce end strength, but end strength reductions are as yet unclear due to emerging missions arising from the QDR process as well as AF transformation. By creating innovative organizational and basing solutions, capitalizing on joint opportunities where it makes sense, reducing inefficiencies, and freeing valuable resources, the Air Force has taken bold steps to re-shape the force and institutionalize the changes needed to transform the Air Force.

BRAC offers similar opportunities to the Army and Navy recapped here:

ARMY: The return of forces from Europe has generated a savings in Military Police positions that currently accomplish law enforcement, force protection, and security operations for the installations that are closing in Europe. These personnel will be used to meet law enforcement mission requirements in Iraq and Afghanistan. In the long-term, the approximately 2,000 military personnel savings achieved under BRAC will be used to meet new force structure requirements in units that perform functions such as Biological Detection, Civil Affairs & Psychological Operations, Quartermaster, Transportation, and Military Police.

NAVY: The Navy's recommendations result in military manpower reductions of 7,984 officer and enlisted personnel. The Force Structure Plan shows reduction in military manpower of 34,000 from FY2005 to FY2014, changing current end strength from 544,000 to 523,000 active personnel and from 123,000 to 110,000 reserve personnel. The Department of the Navy recommendations contribute 7,984 personnel to the desired

FY2014 end strength. These reductions are based upon recommendations in Subsurface/Surface Operations, Aviation Operations, Department of the Navy Specific Education and Training functions, Reserve Activities, Recruiting Management, Regional Support Activities, and Fenceline Closures. The military manpower reductions result from installation closures eliminating base operating support personnel not required at receiving installations, and consolidation of like functions at other installations.

Impact on DoD: If the Commission discounts military manpower savings from BRAC and deletes these recommendations, they will damage on-going efforts to reshape the force.

MILITARY JUDGMENT

Issue: Were there any standards developed to guide the Department's use of military judgment in developing BRAC recommendations, especially when it overrode the quantitative results of analyses?

Key Points:

- The Department determined that military value had two components: a quantitative component and a qualitative component.
- This approach recognizes the fact that the capabilities necessary to meet the threats today and in the future place great emphasis on the exercise of the qualitative judgment of DoD senior leaders.
- Without the ability to exercise military judgment, the BRAC process would become nothing more than a quantitative "black box" exercise, focused on the past.
- Military judgment is a key element of military value.

DoD Position: The Department determined that military value had two components: a quantitative component and a qualitative component. This approach recognizes the fact that the capabilities necessary to meet the threats we now face place great emphasis on the exercise of the qualitative judgment of senior military leaders. The quantitative component assigns attributes, metrics, and weights to the selection criteria to arrive at a relative scoring of facilities within assigned functions. The qualitative component integrates the exercise of military judgment and experience to ensure rational application of the criteria. Military judgment was not applied arbitrarily. The underlying principles and concepts behind the exercise of military judgment were subject to review at all deliberative levels of the BRAC process.

Impact on DoD: Without the ability to exercise military judgment, the BRAC process would become nothing more than a mathematical exercise producing potentially uninformed and absurd results.

ENVIRONMENTAL RESTORATION COSTS

Issue: Is DoD understating the true cost of closures by not including environmental restoration costs in the BRAC process?

Key Points:

- Because the Department has a legal obligation to perform environmental restoration regardless of whether a base is closed, realigned, or remains open, the cost of restoration is not a cost of the closure or realignment.
- This approach was consistent with procedures used in prior BRAC rounds and responds to Government Accountability Office (GAO) concerns.
- The Department considered the impact of costs related to potential environmental restoration through the review of certified data on preexisting environmental restoration projects.
- Including these costs in DOD's BRAC recommendations would subordinate military value and skew the analysis to favor retention of installations that have high restoration cleanup costs.

DoD Position: Because the Department has a legal obligation to perform environmental restoration regardless of whether a base is closed, realigned, or remains open, the cost of restoration is not a cost of the closure or realignment.

This approach was consistent with procedures used in prior BRAC rounds and responds to Government Accountability Office (GAO) concerns. The GAO has stated that determining final restoration costs could be problematic before a closure decision, since neither reuse plans nor studies to identify related restoration requirements would have been initiated. Any other approach to the consideration of such environmental restoration costs could have provided a perverse incentive that would reward (through retention) polluted sites and closes cleaner sites.

In accordance with Policy Memorandum Four, Transformation Through Base Realignment and Closure (BRAC 2005) - Selection Criteria 7 and 8, the Military Departments and Defense Logistics Agency (DLA) identified recurring and non-recurring environmental compliance and waste management costs for each scenario and subsequent recommendation evaluated as part of the scenario development and recommendation analysis process. These one-time waste management and compliance costs associated with closing a facility (e.g., costs generated as result of operating permit closure regulations) or similar one-time costs associated with realignment actions (expanding treatment or compliance operation permits) were also identified in Cost of

Base Realignment Actions (COBRA) tool to ensure these costs were part of the payback analysis.

The Department considered the impact of costs related to potential environmental restoration through the review of certified data on preexisting environmental restoration projects at installations that were identified during scenario development as candidates for closure or realignment. In this regard, the certified data considered by the Military Departments and Joint Cross-Service groups included the Fiscal Year 2003 estimate of costs to complete for Installation Restoration (IR) sites managed and reported under the Defense Environmental Restoration Account.

Impact on DoD: Including these costs in DOD's BRAC recommendations would subordinate military value and skew the analysis to favor retention of installations that have high restoration cleanup costs.

INTELLECTUAL CAPITAL

Issues: Has the Department captured the impact on "intellectual capital" when personnel with special skills choose not to relocate as part of a BRAC recommendation?

Key Points:

- Implementation of BRAC recommendations allows the Department to integrate relocated personnel to produce synergies and obtain new capabilities that actually enhance intellectual capital.
- While changes in installation configuration produce turmoil, the Department, no different than industry, must be allowed to balance the impact on intellectual capital with the benefits achieved through reconfiguring its infrastructure.
- Based on the experiences of prior BRAC rounds, we know of no program that has been adversely affected through the loss of intellectual capital.

DoD Position: The implementation of BRAC recommendations allows the Department to integrate relocated personnel to produce synergies and obtain new capabilities that actually enhance intellectual capital. While changes in installation configuration produce turmoil, the Department, no different than industry, must be allowed to balance the impact on intellectual capital with the benefits achieved through reconfiguring its infrastructure. Based on the experiences of prior BRAC rounds, we know of no program that has been adversely affected through the loss of intellectual capital. The Department has six years to implement BRAC recommendations, providing ample time for managers to mitigate the impact of personnel turmoil.

The Department deals routinely with personnel changeover and will have programs in place to mitigate personnel impacts during implementation. Relevant examples from prior BRAC rounds include the movement of the Naval Air Systems Command from Crystal City, VA to southern Maryland and the relocation of the Space and Warfare Systems Command from Crystal City, VA, to San Diego, CA.

Impact on DoD: If BRAC recommendations are eliminated based on the fear that DOD would lose a specific intellectual baseline, the Department will waste resources by retaining redundant facilities and will lose the new intellectual capability that will result from collocating or consolidating similar functions.

USE OF BRAC FOR BELOW THRESHOLD ACTIONS

Issues: Why do many recommendations fall below the thresholds identified in Section 2687 of Title 10? Why not just relocate these activities outside of the BRAC process?

Key Points:

- A comprehensive BRAC process involves comparing facilities conducting similar functions across DoD without regard to size.
- Reviews of the recommendations by the President and Congress are restricted to accepting the recommendations on an "all or none" basis. Below threshold actions would otherwise receive no such extensive review nor would they receive "all or none" acceptance.
- In most instances, a below threshold action would never be contemplated outside of BRAC because there is no compelling force to bring smaller activities under a single microscope for review.

DoD Position: When Congress authorized the BRAC 2005 round, it provided DoD with a singular opportunity for supporting the Department's transformation inside the United States. The Secretary directed the Department to conduct a comprehensive infrastructure rationalization examining a wide range of options for stationing and supporting forces and functions.

Integrating below threshold activities into the BRAC process provides several benefits. First, a comprehensive BRAC process involves comparing facilities conducting similar functions across DoD without regard to size. The "big picture" perspective provides DoD with a better assessment of the functions and facilities needed to meet mission capabilities.

A second significant benefit is the independent review by a commission charged with ensuring the DoD's analyses followed prescribed, publicly reviewed, criteria and accommodated future force levels. Subsequent reviews by the President and Congress are restricted to accepting the recommendations on an "all or none" basis. Below threshold actions would otherwise receive no such extensive review nor would they receive "all or none" acceptance. This allows DoD to rebalance its force structure and infrastructure based on Defense-wide strategies rather than in sub optimized pieces. In most instances, a below threshold action would never be contemplated outside of BRAC because there is no compelling force to bring smaller activities under a single microscope for review.

Finally, property disposal under BRAC is focused on community redevelopment and reuse. Where below threshold actions would require disposal of property, these actions

would have to be implemented pursuant to the Federal Property and Administrative Services Act, which does not provide a preference for the local community nor any requirement to dispose of the property in accordance with the local community's plans for redevelopment. The local community would stand in line for the property behind some social beneficiaries, and potential public benefit recipients, and would then have to pay fair market value for the property.

The best analysis of DoD's resources results when all facilities are included – a precedent firmly established in the previous BRAC rounds.

Impact on DoD: Without including smaller activities within the BRAC process, DoD would be sub optimizing its ability to rationalize its infrastructure.

FORCE STRUCTURE PLAN

Issue: Is the Department's Force Structure Plan based on a threat assessment covering a 20-year period?

Key Points:

- The threat assessment, entitled "Probable Threats to National Security" can be found at pages 7-10 of the classified force structure plan.
- During the development and coordination process of the Force Structure Plan, the Defense Warning Office within the Defense Intelligence Agency (DIA) reviewed and approved the included threat assessment.
- The statute requires that the Commission find that the Secretary deviated substantially from the Force Structure Plan and/or the selection criteria in making a change to the Secretary of Defense's recommendations.
- While some communities have tried to cast doubt on certain recommendations by questioning the validity of the Force Structure Plan, this is outside the analysis prescribed by the statute.

DoD Position: The Joint Staff was assigned the responsibility for developing the Force Structure Plan. During the development and coordination process of the Force Structure Plan, the Defense Warning Office within the Defense Intelligence Agency (DIA) reviewed and approved the included threat assessment. On March 15, 2005, the Department provided Congress with a revised Force Structure Plan containing a classified threat assessment and force levels for the 2005-2025 time period. This same classified Force Structure Plan was provided to the BRAC Commission on May 13, 2005. The threat assessment, entitled "Probable Threats to National Security" can be found at pages 7-10 of the classified force structure plan. The Department prepared an unclassified version of this Force Structure Plan (including the threat assessment) which was incorporated into Volume I, Chapter 2, of its Base Closure and Realignment Report. Other than the previous version of the Force Structure Plan provided to Congress in 2004, the Department neither prepared nor used any other Force Structure Plan or threat assessment in its analysis.

It is critical to note that the statute requires that the Commission find that the Secretary deviated substantially from the Force Structure Plan and/or the selection criteria in making a change to the Secretary of Defense's recommendations. While some communities have tried to cast doubt on certain recommendations by questioning the validity of the Force Structure Plan, this is outside the analysis prescribed by the statute.

Impact on DoD: DoD will either retain excess capacity or eliminate necessary capacity if the relationship between the Force Structure Plan and the recommendations it supports is severed.

DOD USE OF MULTIPLE SHIFT OPERATIONS

Issue: Should capacity for DoD maintenance depots be evaluated on more than a one shift operation?

Key Points:

- The Industrial Joint Cross-Service Group (IJCSG), using the DoD guidance, increased the future planned depot capacity for peacetime operational tempo to 1.5 shifts, keeping a 74 percent utilization per shift.
- The increase, from 1 shift to 1.5 shifts provides better utilization of DoD capacity and allows more work in a smaller infrastructure footprint.
- The planned capacity utilization of 74 percent is conservative. Average industry is 80 percent. This approach is more consistent with Industry, which uses 2nd and 3rd shifts to optimize capacity utilization, equipment and facility capital expenditures.
- Working at a 1.5 peacetime operational tempo reduces risk to our warfighters by providing a separate trained second shift should a surprise workload be driven by a technical failure or contingency requirement – responsive to surge requirements.

DoD Position: DoD depot maintenance capacity is used to measure the infrastructure's ability to meet repair, overhaul, and maintenance requirements. To ensure a common and consistent measurement of capacity, the Industrial Joint Cross-Service (IJCSG) used the DoD 4151.18-H, "Depot Maintenance Capacity and Utilization Measurement Handbook". The handbook measures capacity using a single shift, 40-hour week. Capacity utilization is planned to be no higher than 74 percent for a single 40-hour work week (1,615 annual productive hours times 95 percent availability factor divided by 2,080 total annual available hours)[1].

The IJCSG, using the DoD guidance, increased the future planned depot capacity for peacetime operational tempo to 1.5 shifts (keeping 74 percent utilization per shift). The increase, from 1 shift to 1.5 shifts provides better utilization of DoD capacity and allows more work in a smaller infrastructure footprint. Furthermore, the IJCSG's planned capacity utilization of 74 percent is conservative. Average industry is 80 percent. This approach is more consistent with Industry, which uses 2nd and 3rd shifts to optimize capacity utilization, equipment and facility capital expenditures.

To ensure wartime surge capacity is retained, the Department increases the tempo from a 40 hour week peacetime operational tempo to a 60 hour week wartime (surge) operational tempo. This is accomplished by allowing each shift to change to a 6 days per

[1] Chapter 2 and Chapter 3, DoD 4151.18-H, "Depot Maintenance Capacity and Utilization Measurement Handbook"

week/10 hours per day operations tempo. The IJCSG group used this approach for sizing the capacity for wartime (surge) operations across 1.5 shifts. This approach for surge operations uses only the existing personnel on hand at a depot. Additionally, working at a 1.5 peacetime operational tempo reduces risk to warfighters by providing a separate trained second shift should a surprise workload be driven by a technical failure or contingency requirement.

The IJCSG sized the retained depot maintenance infrastructure to be able to complete the larger of either the programmed workload or projected core requirement through FY2025. The IJCSG also assessed the relationship between the force structure plan and the proposed post BRAC capacity and capability and found no areas of concern. The IJCSG approach retains sufficient capacity for unknown requirements.

Commercial Industries Use Multiple Shift Operations:
Federal Reserve Board constructs estimates of capacity and capacity utilization for industries in manufacturing, mining, and electric and gas utilities. The Department of Commerce Economics and Statistics Administration U.S. Census Bureau recognizes multiple shift operations. Their instructions for reporting capacity utilization include multiple shift operations for a 2nd and 3rd shift.[2] Measurements under the Federal Reserve Board index of capacity utilization find that 72 percent of plants operate two or more shifts per day.[3] According to the Federal Reserve[4] the average industry capacity utilization is approximately 80 percent.

According to the "Macroeconomic Implications of Variation in the Workweek of Capital", Brookings Papers on Economic Activity, in overall manufacturing about 25 percent of all production workers are working late shifts.[5]

The Department of Labor in July 1, 2005 stated almost 15 percent of full-time wage and salary workers usually worked an alternative shift in May 2004. Over half of those working alternative shifts were doing so because it was the "nature of the job."[6]

The Harbour Report states that "the vast majority of plants operate two 8-hour shifts per day and 235 days a year. This shift pattern is what is referred to as normalized capacity in the Harbour methodology. This method uses a minimum of two shifts because generally plants plan and facilitize for two shifts of production."[7] Harbour Consulting,

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[2] http://www.census.gov/ftp/pub/cir/www/mqc1i_04.pdf
[3] Andreas Hornstein. *Toward a Theory of Capacity Utilization: Shiftwork and the Workweek of Capital.* Economic Quarterly – Federal Reserve Bank of Richmond. Richmond, VA. Spring 2002. Vol 88, Issue 2, pg. 65 (22 pages).
[4] 'http://www.federalreserve.gov/releases/G17/Current/table12.htm
[5] Mathew D. Shapiro. Macroeconomic Implications of Variation in the Workweek of Capital. Brookings Papers on Economic Activity. Spring, 1996. pg. 79.
[6] *Workers on Flexible and Shift Schedules in May 2004.* United States Department of Labor, Bureau of Labor Statistics. July 1, 2005.
[7] The Harbour Report North America 1998. Troy MI: Harbour and Associates, Inc. 1998. pg. 16.

Inc. is a manufacturing and management consulting firm focused on improving the overall competitiveness of manufacturing companies.

GAO report "Military Bases" (GAO-05-785) on BRAC 2005 stated private sector frequently uses two or two and a half shifts operations. Additionally, the report stated that a capacity utilization based on a single shift is a conservative projection of capacity. Also, GAO report "Army Depot Maintenance" (GAO/NSLAD-96-201) stated that the private sector uses two or two and a half shifts operations.

Impact on DoD: If the BRAC recommendations are not approved for depot maintenance activities, the Department will not be able to realize the critical dollar savings needed to provide critical capabilities to the warfighter. The Department will be required to retain excess depot infrastructure and continue to run the depot activities in a less efficient and more costly manner. The combined 20-year Net Present Value of the four maintenance depot recommendations which used this 1.5 shift calculation is $290M.

Potential Commission Addition – Naval Air Station Oceana, VA

Issue: The Commission is examining adding NAS Oceana to the BRAC list. The Commission identified six additional scenarios for review, above and beyond the four DON analyzed in the BRAC process.

- Three of the Commission scenarios involve mitigating Oceana's noise impact through partial realignment actions: moving the FRS to NAS Kingsville; moving two additional F-18 squadrons to Cherry Point; build an OLF at Fort Pickett.
- Three Commission scenarios involve moving all existing aviation assets to the following: NAS Kingsville (after moving aviation training assets to Meridian); build new Master Jet Base (MJB) on an unimproved site yet to be determined; and reestablish the former NAS Cecil Field.

Key Points:

- DoD investigated four possible Oceana/MJB realignments and rejected all the alternatives. None of the alternatives provided as good or better operational characteristics as Oceana and incurred significant costs (almost $500M for Moody AFB as an example).
- Although noise concerns have impacted training patterns, encroachment at Oceana is manageable and Oceana meets current minimum operational training requirements with the level of encroachment that exists today.
- None of the scenarios being reviewed by the Commission offer the Navy a better operating alternative or are cost effective within the BRAC window.
- Oceana remains the best choice for the east coast MJB.

DoD Position: COBRA runs performed by DON for the six scenarios proposed by the Commission are as follows:

Scenario	Elim	Moved	MILCON	One-Time Costs	Steady-State Costs/Saving	Payback Years	20 Year NPV
14 VFA move	0	1,190	79.4	115.5	4.0	Never	164.5
15 2 F/A-18E/F	0	434	384.2	388.1	4.8	Never	428.2
16 OLF Pickett	0	0	50.9	119.6	4.1	Never	137.6
17 MJB (New)	0	11,210	1,461.2	1,859.8	-5.1	100+	1,660.2
18 UPT Meridian MJB Kingsville	327	11,167	691.7	873.2	-59.8	17 (2028)	97.4
19 NAS Cecil MJB	0	11,210	1,024.9	1,636.3	-27.6	100+	1,191.1

None of the first three scenarios that simply realign some assets to relieve the level of operations at Oceana result in any effective measure of improvement.

None of the three scenarios to realign all aviation assets to new locations either improve operations or are executable within the BRAC window.

- NAS Kingsville – location from operational areas
- New Base – costly and difficult to execute within BRAC window
- Cecil Field
  - Any operational benefits are not outweighed by the cost, impact to current operations, and existing encroachment (although less than Oceana, still problematic)
  - Requires a contingency recommendation since current property is not within DoD control
- DoD did not include future state expenditures in its analysis, as this information is highly speculative and the use of it would likely pit receiver states against the current location.

Impact on DoD: DON continues to believe that analyses to date, both performed by DON and as requested by the Commission, do not support any action to close /realign NAS Oceana. No alternative has demonstrated operational and/or cost effective improvements to the current operations at NAS Oceana.

Potential Commission Addition - Professional Development Education

Issue: Consolidating the Air Force Institute of Technology (AFIT), Wright Patterson AFB, OH, the Defense Language Institute (DLI), Monterey, CA, and the Naval Postgraduate School (NPGS), CA, to create a consolidated professional development education center in either CA or consolidating post graduate education in OH .

Key Points

- The Department considered consolidation of the Naval Postgraduate School and Air Force Institute of Technology (but not the Defense Language Institute (DLI)) at Monterey.
- Maintaining graduate education is a core competency of the Department.
- In recognition of the quality of language training currently provided by DLI, the Department decided to retain DLI at Monterey in its current configuration.

DoD Position: The Education & Training (E&T) JCSG analyzed a full set of scenarios for all three institutions, including closure (privatize the functions), consolidation, and realignment.

The Infrastructure Executive Council (IEC) decided to maintain the existing professional development configuration in recognition of the value provided by having military postgraduate education facilities that: (1) recognize the uniqueness of professional military education; (2) acknowledge the importance of sustaining a world class educational facility as a component of our military structure; and (3) recognize the long-term benefits achieved from having a dedicated military campus that attracts future military leaders from other countries. Additionally, disrupting the center of excellence for language training (DLI), given current and future requirements for military personnel training in foreign languages, would negatively impact operational readiness.

Impact To DoD: Consolidation of NPGS and AFIT into a single location would possibly reduce the effectiveness of the service-centric education currently provided by both institutions. Moving DLI out of the Monterey area will significantly affect language training pipelines that are needed to support the nation's global war an terrorism.

Potential Commission Addition - Joint Medical Command Headquarters

Issue: Creating a Joint Medical Command Headquarters, through co-location or consolidation of disparate Department of Defense Surgeons General, at the National Naval Medical Center, Bethesda, MD, or other available space in the NCR.

Key Issues:

- Joint Medical Command was not considered but co-location was.
- Co-location is not cost effective.

DoD Position:

The Medical Joint Cross-Service Group determined that consideration of a Joint Medical Command, with its complex command and control ramifications, was outside the scope of its charter. The Medical JCSG approach, approved by the Infrastructure Steering Group, was to focus on medical capacity and efficiencies. The Headquarters and Support Activities Joint Cross-Service Group addressed co-location of the Medical Headquarters functions in the National Capital Region. Due to the complexities of instituting Joint Command and Control structures, no recommendation instituting a Joint Command Structure was developed.

The H&SA JCSG developed several scenarios for co-location of medical headquarters functions within the National Capital Region. These scenarios included co-location into space made available by the candidate recommendation to close the Uniformed Services University of Health Sciences (USUHS), as well as building space at Ft Belvoir, VA, and Bethesda, MD. The financial analysis of these scenarios is detailed below. The IEC decision to retain USUHS, the only financially viable receiving location, eliminated further discussion on the collocation of medical headquarters in the National Capital Region.

	To Ft Belvoir	To Bethesda	To USUHS
One Time Costs	**$94.3M**	**$107.3M**	**$51.5M**
Net Implementation Costs	**$77.1M**	**$89.0M**	**$29.4M**
Annual Recurring Savings	**$6.2M**	**$6.6M**	**$5.0M**
Payback Period	**19 Years**	**20 Years**	**6 Years**
NPV at 2025	**$10.2M (Cost)**	**$17.0M (Cost)**	**$47.4M (Savings)**

Additionally, the Department of Navy needs to retain the Potomac Annex to accommodate other relocating organizations.

Impact To DoD: Service culture, central to the healthcare delivery process, would be compromised by either consolidation or co-location. Reductions in manning on already lean Service staffs would compromise ability to deliver high-quality healthcare to DoD beneficiaries. Centralizing HQ functions could make interactions with the Pentagon center more difficult, reducing ability to match healthcare delivery to war-fighter needs.

Potential Commission Addition - Close Broadway Complex

Issue: The Commission is considering the closure of the Navy Broadway Complex, San Diego, CA, based on a perception that Navy has not actively pursued existing legislation authorizing redevelopment and that sale of the property could both meet Navy's requirement and provide a benefit to the City.

Key Points:

- Broadway Complex is not excess to DON needs.
- Legislative authorities outside of the BRAC process provide better mechanisms for the redevelopment.
- Navy and the City of San Diego are committed to aggressively pursuing an acquisition strategy within the framework of the executed Development Agreement.

DoD Position: The primary functions that reside at the Broadway Complex (Commander, Navy Region Southwest and Fleet and Industrial Supply Center, San Diego) were reviewed during the DoD BRAC process. None of the functional reviews resulted in movement from the Broadway Complex.

Navy has determined that the property is not excess to our needs in the San Diego area. Current operational installations in San Diego are already densely developed and other actions (BRAC action to move minesweeps and introduction of LCS) only increase density of operational installations. Navy would require building approximately 500K of new administrative space for the current residents of the Broadway Complex and a few other Commands residing in leased space in the San Diego metropolitan area.

Special Legislation enacted in 1987 (Public Law 99-661, Sec. 2732), allows for the redevelopment as part of a long-term lease arrangement. A Development Agreement negotiated with Centre City Redevelopment Corporation outlines a redevelopment concept between the City and Navy. It was originally signed in 1992 and currently expires in 2007. Active effort put on hold pending BRAC process review.

Navy has committed to establishing with the City a steering committee in September 2005 to actively review progress of the redevelopment as well as update the existing Development Agreement by January 2006 to account for current market conditions and requirements, e.g. allowance of residential development and Navy AT/FP requirements as part of redevelopment. Navy is committed to an aggressive acquisition strategy that targets the January 2007 expiration date of the existing Development Agreement.

Impact on DoD: The disposition of the Broadway Complex is better addressed through ongoing negotiations between the City of San Diego, local developers and the DON outside the BRAC process. Navy firmly believes that seeking redevelopment outside of the BRAC process will lead to the best solution for national defense.

Potential Commission Addition - Galena Airport Forward Operating Location (FOL), AK

Issue: The Commission is considering relocating and merging the missions of Galena FOL, AK, at Eielson AFB, AK.

Key Points:

- Air Force BRAC analysis did not develop a scenario (no force structure to move).
- Alert Mission (support) would move to Eielson AFB, AK

DoD Position: The Air Force did not consider moving the operational support mission from Galena Airport to Eielson AFB, which is over 300 miles from Galena. Galena FOL has no permanently assigned force structure or DoD employees and, therefore, was not on the list for consideration at any time. Initial BRAC inputs made by the Combatant Commander through the Joint Staff did not include Galena or other FOLs to be considered for closure. However, based on the Commission's July 1, 2005 letter, the Joint Staff contacted the Combatant Commands for their comments concerning the potential operational impact were the Galena FOL to be closed and its mission moved to Eielson, AFB, AK. The Combatant Commanders determined it will not create unacceptable risk to North American Aerospace Defense Command (NORAD)/U.S. Northern Command (USNORTHCOM) mission accomplishment.

There are 40 contractors who maintain 34 "warm" facilities at a total annual cost of approximately $13M. The installation can support 150 people with 24 hours notice, and can be fully operational within 7 days.

Impact To DoD: None

Realign NAS Brunswick to a Naval Air Facility

Issue: The Commission is examining modifying the recommendation by closing rather than realigning NAS Brunswick. The Commission expressed concern that keeping the base "warm" (as a Naval Air Facility) is an undesirable option since it prevents the community from gaining any economic benefit from reuse of the property.

Key Points:

- The DoD recommendation saves slightly more than one quarter of a total closure scenario.
- DoD's decision to keep NAS Brunswick "warm" for future strategic presence requirements and surge capability is in the best interests of national defense.

DoD Position: Summary of the recommendation to realign to NAF and the Commission option to close is as follows:

Option	Billets Elim.	Billets Realigned	1 time costs	Annual Savings	ROI years	20 year NPV
Recommendation	403	1,975	$147.16M	$34.87M	4	-$238.77M
Close NAS	968	2,307	$193.12M	$88.68M	2	-$797.86M

Closing NAS Brunswick leaves the northeast without an active duty air station north of McGuire AFB in New Jersey.

Keeping NAS Brunswick at status quo does not generate savings or allow DON to gain both cost savings and operational efficiencies through single siting Maritime Patrol aircraft on the East Coast.

The realignment of NAS Brunswick into a Naval Air Facility provides the Department with an active full-service operational air station in the northeast to respond rapidly to homeland defense and other emergent requirements, should they arise, and surge operations.

Impact on DoD: While closing NAS Brunswick would provide additional savings to the Department, it would significantly affect DoD's strategic operational capability in the Northeast region of the U.S. The savings were not considered worth the loss of a vial military capability. The recommendation as issued does provide the logistic and maintenance efficiencies of single siting the Maritime Patrol community on the Navy's highest military value air station, while saving $238 million dollars over twenty years.

Potential Commission Expansion - Pope Air Force Base, NC

Issue: While DoD recommended realigning this installation, the Commission added Pope AFB to the closure list to examine the need to station an airlift unit at Pope AFB/Fort Bragg, NC.

Key Points:

- Supports Army plan for relocation of U.S Army Forces Command (FORSCOM).
- Maintains airfield capability for Army presence and Air Force force structure.
- Allows efficient consolidation of installation management functions.
- Existing operational relationships will continue.
- Army will continue to support tenant C-130 (16 PAA)
- Additional operational and training synergies will emerge from new relationships.

DoD Position: The Air Force recommendation to realign rather than closed Pope AFB was made to support the Army recommendation to relocate U.S. Army Forces Command and U.S. Army Reserve Command. It also allowed the Army to close Fort McPherson and Fort Gillem, GA, and Atlanta leased space. All Air Force property and facilities will be administratively transferred to the Army including the runway and airfield. The financial analysis included expected recurring expenses paid by the Air Force to the Army as a result of the remaining Air Force presence.

As a part of the coordination between the Army regarding a tenant Air Force presence on an expanded Fort Bragg, the Army indicated that it would allow a tenant C-130 unit with a maximum size of 16 PAA (911th Airlift Wing, AFRC). Other Air Force functions that currently exist at Pope AFB will remain at Fort Bragg to continue the present operational relationships; they include: 3rd Aerial Port Squadron; 18th Air Support Operations Group; 14th Air Support Operations Squadron; Det 1 of the 373rd Training Squadron; and 43rd Aeromedical Evacuation Squadron. Additionally, new opportunities for on-going joint operations at Fort Bragg will continue with planned deployment of air assets to Fort Bragg/Pope for joint training with the Army.

The Pope recommendation also includes the transfer of A-10s to Moody AFB, GA. Operational and training synergies will occur with new relationships between the A-10 unit at Moody and Army units at Ft. Benning, GA, the recommended location of the Army's Maneuver Training Center (consolidation of Infantry and Armor schools).

Locating Air Force A-10s near this consolidated Army training will lead to new opportunities of realistic close air support training for the Army and the Air Force and

potential joint training between the Battlefield Airmen at Moody, the Maneuver Center of Excellence and east coast CSAR training capability with CSAR helicopters and A-10s.

Impact To DoD: Removing the 16 PAA C-130 unit from the recommendation would hamper the efficient and effective utilization of the unit in support of Fort Bragg and the 18th Airborne Corps operations. Will disrupt the Army move of FORSCOM Headquarters and the United States Army Reserve Command to Pope AFB as part of the Fort McPherson closure. The 20-year Net Present Value of this recommendation is a savings of $2,515.4M.

Potential Commission Expansion - Defense Finance Accounting Service (DFAS)

Issue: Consider closure of the three remaining DFAS sites (Columbus, Denver, Indianapolis) to determine if there is a better alternative to the number and specific sites selected by DoD.

Key Points:

- Optimization Model was used to develop Best Value solution. All results similar: concentrate business lines at 2-4 primary sites.
- Three site combination is most efficient and cost effective from a DFAS business operation and risk analysis perspective.
- Identified sites offer higher than average military values.
- Recommendation does not require Military Construction.
- Altering recommendation will result in lose of opportunities to maximize benefits – leveraging of economies of scale and cross-utilization of skills, and creation of centers of excellence.
- DFAS is now burdened with excess infrastructure, which is diverting scarce resources.
- Economic impact considered in Criterion 6. Only Limestone approached 1% impact.

DoD Position: The Headquarters and Support Activities (H&SA) JCSG followed an iterative process that reviewed all DFAS locations as potential gaining locations. The analysis led the JCSG leadership to conclude that the three-location combination, DFAS-Denver, DFAS-Columbus, and DFAS-Indianapolis, represented the best value solution for DFAS by maximizing military value. The Optimization Model was used to develop the best value solution for DFAS, from both facilities and business operations perspectives. Within the optimization model the following constraints were applied against the 26 DFAS locations: (i) Maximize military value, (ii) Minimize number of locations, (iii) Minimum of two locations – to support strategic redundancy, (iv) Minimize military construction, and (v) Retain anchor locations for business operations integrity. The model resulted in the best value solution, and the economics (cost/savings) of the solution were then developed using the Cost of Base Realignment Actions (COBRA) model.

The DFAS recommendation does **not** include costs for new construction. It does include an estimate for possible reactivation of building #11, reported as in good condition, at Defense Supply Center-Columbus (DSC-C), OH. Lack of detailed cost information resulted in use of the COBRA renovation option (29% of new construction costs).

The recommendation allows consolidation of the DFAS mission in the most efficient and effective manner; leverages economies of scale and cross-utilization of skills; and maximizes potential for reducing costs to DoD. Adjustment of the real estate segments of the recommendation changes operational capability. Closing any of the three identify Central operating locations and adding much smaller field locations reduces DFAS's ability to affect consolidation and leverage all possible benefits.

Impact On DoD: Altering the existing DFAS recommendation will jeopardize the Department's ability to efficiently and effectively consolidate DFAS and require the Department to maintain excess infrastructure, which diverts scarce resources. The three site combination of Columbus, Denver and Indianapolis is most efficient from a DFAS business operation and risk analysis perspective. Adding or changing the identified gaining locations (Columbus, Denver, and Indianapolis) will cause the department to lose the opportunity to maximize all benefits associated with consolidation of DFAS's mission workload and personnel – i.e., leveraging of economies of scale and cross-utilization of skills, and the creation of centers of excellence -benefits that lead to reductions in unit cost to the Department.

Over the past decade, finance and accounting execution changes have resulted in personnel and space requirements decreases. Changes and improvements in the field will continue. Since DFAS is already burdened with excess infrastructure, changes to this recommendation will only serve to hold the Department hostage to the ever increasing expenses of excess infrastructure. We need the support of BRAC – as it is historically proven that closures of DFAS locations outside of BRAC are impossible. Finally, this recommendation represents a significant savings to the Department -- 20-year Net Present Value savings is $1,313.8M.

Fort Monmouth, NJ

Issue: Potential for the Commission to retain Fort Monmouth based upon:

- The Technical Joint Cross Service Group (TJCSG) ranked Monmouth number one in military value (MV) analysis in various technical capabilities such as Information Systems and Sensors, Electronics, and Electronic Warfare (EW).
- The loss of intellectual capital and the costs associated with training a replacement workforce. There is no gain by moving these activities to Aberdeen Proving Ground (APG), MD.
- Physically co-locating and consolidating Research, Development and Acquisition, Test and Evaluation (RDAT&E) activities into Centers of Excellence impedes the healthy competition that naturally occurs when activities are dispersed at different sites/installations.

Key Points:

- The DoD recommendation to close Ft Monmouth is linked to the movement of the Ordnance School from APG and makes use of vacated buildings.
- The Military Value of APG is higher than Ft Monmouth as rated by the Army. Both the Technical JCSG and the Army determined the APG is the best site for the land C4ISR Center.
- The history of BRAC has taught us that intellectual capital loss is a temporary manageable problem. We have moved other activities successfully and will work closely with the commands, communities, and personnel involved to conduct this move effectively and efficiently.
- APG has existing research and test facilities that accommodate the consolidation of Army research at APG and the Baltimore area.

DoD Position: Transforming DoD Research, Development, Acquisition, Testing and Evaluations (RDAT&E) organizations into Joint Centers of Excellence is a high priority for both DoD and the U.S. Army. The synergy between private industry and the Aberdeen Proving Ground (APG), MD, is yielding new technology and systems that are protecting our troops during the Global War on Terrorism. The Army needs a consolidated Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Center of Excellence. Aberdeen Proving Ground, MD, has the right characteristics and capacities to support the consolidation.

Through careful analysis of the various courses of action, both the Army and the TJCSG determined Aberdeen Proving Ground, MD, was the best site for the land Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Center. While Fort Monmouth may score higher on selected technical capabilities than APG using the Technical JCSG's military value assessment, the military

value of APG using the criteria contained in the Army's holistic military value assessment, is significantly higher than Fort Monmouth because it has the multi-functional qualities, and capabilities and capacity (which is lacking at Fort Monmouth) that make it the best site for the Army's C4ISR RDAT&E Center of Excellence and other activities as well.

The loss of intellectual capital is expected in every realignment; however, it is a temporary setback which can be recovered from the local workforce. There is a nationally recognized science and technology (S&T) workforce concentrated in and around Harford County, host to the APG. Nearly half a million professionals working in the management, business, computer and mathematics, science and engineering sectors live within a 90 minute drive of APG.

According to the U.S. Department of Labor, Maryland ranks first among the states with the highest percentage (24%) of professional and technical workers in the state's labor pool. The U.S. Department of Commerce found in 2003 that Maryland is statistically tied with Massachusetts as the top state in the nation for educational attainment. Nearly 38% of Maryland's population 25 years of age and above have earned a bachelor's degree or higher. Maryland offers a high quality workforce and hosts several companies that support both current C4ISR activities at Fort Monmouth and APG-based operations. Historically, the state of Maryland and its affected communities successfully consolidated 16 geographic locations into a single integrated Research, Development, Acquisition, Technology and Evaluation (RDAT&E) center at the Patuxent River Naval Base during implementation of BRAC 1993 and 1995 recommendations.

Co-locating testing and evaluation facilities with program managers and researchers is a key part of the TJCSG strategy -- to create full spectrum RDAT&E centers where feasible. APG supports this strategy while Fort Monmouth does not. Three Program Executive Offices (PEOs) -- including the Joint PEO for Chemical/Biological Defense -- and their subordinate program managers also will be located at APG. It is essential to have a consolidated RDA center focused on land C4ISR bringing together the Communications-Electronics Research Development and Engineering Center (CERDEC) from Fort Monmouth, NJ, and the Night Vision and Electronic Sensors Directorate (NVESD) from Fort Belvoir, VA, and the information systems research assets already at APG and personnel from Fort Knox, KY, who perform human systems research in networks. Leaving NVESD out of this recommendation and moving only the Fort Monmouth functions will keep the Army's sensors research and engineering functions geographically isolated from the parent command assigned this critical mission.

With the BRAC recommendation to close Fort Monmouth, the level of activity in research and engineering at APG will be expanded to include communications, electronics, night vision, and chemical/biological defense, in addition to the existing

activities in Army Research Laboratory's Weapons and Material Research, and Human Research Engineering Directorates as well as the HQ, Army Research, Development and Engineering Command (RDECOM).

The Test and Evaluation capabilities that exist at APG today and the BRAC 2005 recommendation to consolidate the Army Test and Evaluation Command (ATEC) Headquarters at APG are complementary and can be readily expanded to provide direct support to additional C4ISR programs while in the early development stages of acquisition.

Impact To DoD: Maintaining the status quo will prevent the Army from establishing an important RDAT&E Center of Excellence sacrificing $1.02 billion in NPV savings and retaining redundant infrastructure.

Close Red River Army Depot, TX

Issue: Potential for the Commission to retain Red River Army Depot based on:

- DoD needs Red River Army Depot to accomplish surge requirements for combat and tactical wheeled vehicles (including companion "rubber products") for the Global War on Terrorism (GWOT).
- Proposed gaining installations (i.e., Anniston Army Depot, AL and Letterkenny, PA) have understated military construction (MILCON) requirements.
- The Industrial Joint Cross Service Group (IJCSG) methodology was flawed (i.e., the methodology over-inflated the available capacity at Anniston, AL; Letterkenny, PA; Tobyhanna, PA; and Albany, GA by allowing them to operate one and a half shifts -- instead of the "traditional" one shift -- at maximum capacity).
- Red River's Military Value (MV) score does not recognize Red River as a defense "complex" that includes an Army depot, ammunition plant and a munitions center as well as a Defense Logistics Agency (DLA) distribution center.

Key Points:

- There is presently excess Depot maintenance capacity and DoD will more than retain sufficient capacity after the BRAC 05 recommendations are enacted (with the closure of Red River) to meet all known DoD requirements through 2025.
- This recommendation saves money and consolidates workload / functions at depots with higher military value that are presently centers of industrial and technical excellence.
- The IJCSG consistently used one and a half shifts (60 hours weekly workload) against all depot reporting activities to characterize long-run surge capacity. This is a conservative estimate that compares favorably to industry.

DoD Position: The recommendation to close Red River Army Depot, TX, allows DoD to consolidate Army combat and tactical wheeled vehicle workloads (the majority of the depot maintenance work performed at Red River) within installations with higher military values and into existing centers of industrial and technical excellence. Doing so will save more than $500 million in net present value. Even with the closure of Red River Army Depot, DoD will retain sufficient depot maintenance capacity to meet all known DoD and estimated surge requirements. Additionally, the recommendation eliminates excess capacity, reduces redundancy, and increases overall military value to DoD. The receiving depots will have greater maintenance capability, higher facility utilization, and greater opportunities for inter-service work loading.

The Department's recommendation provides sufficient capacity (the total retained and supplemental maintenance capacity sufficient to meet projected workload through FY

2025) and includes the Marine Corps facilities at Barstow, CA, and Albany, GA; and Army capacity at Anniston, AL; Letterkenny, PA; and Tobyhanna, PA.

The current workload is 12.2 million direct labor hours (DLH). Surge requirements from both Army and the Marine Corps would increase the workload to 18.4 million DLH. Maximum capacity (computed at 1.5 shifts, the industry standard adopted by BRAC for analysis) is 27.6 million DLH which exceeds a potential surge requirement by 50%. Maximum capacity computed on multiple shifts – or on a 24/7 basis in a response to an emergency requirement -- is 55.2 million direct labor hours or twice the capacity needed to surge comfortably at facilities other than Red River Army Depot.

The DoD recommendation includes a certified, estimated one-time cost to relocate Red River's rubber products capability to Anniston, AL. This cost is included in the Cost of Base Realignment Actions (COBRA) estimates.

Impact To DoD : The net present value savings of this closure is $539M and eliminates excess Depot capacity, reduces redundancy and consolidates workload at Depot Maintenance centers of excellence. A essential step in DLA's transformation.

Close Submarine Base New London

Issue: The Commission has requested that we review issues raised by the Connecticut delegation regarding the closure recommendation, to include: (1) the cost effectiveness; (2) whether loss of the New London piers will limit Navy's submarine force structure; (3) the potential loss of synergy in breaking up this underwater warfare center of excellence.

Key Points:

- The DoD recommendation saves $1.58B in the next 20 years.
- Two SSN ports are retained on the East Coast.
- Even after implementation of the recommendation, DON can accommodate more SSNs than we have today.
- The "loss" of synergy was considered in the Navy's analysis and was deemed both manageable and acceptable given the projected savings.

DoD Position: The large savings associated with the closure of New London is realized from the ability to close a large installation and accommodate the forces at other existing installations. DON is confident that the costs included in COBRA are a fair representation of the full cost of closure.

Basing SSNs on the east coast at two locations, Naval Station Norfolk and SUBASE Kings Bay, accommodates the desire for strategic dispersal of the submarine assets.

The analysis used to develop the recommendation was based on the 20-year Force Structure Plan (FSP) submitted in 2004, which had 55 SSNs in 2024. The revised 20-Year FSP, updated in 2005 as allowed by the BRAC legislation, reduced the numbers of SSNs to 45 in 2024. Therefore, even with a force structure of 55 submarines, there was enough excess capacity at DON surface/subsurface installations to allow for the closure of SUBASE New London. The update to the force structure, which reduced the number of submarines projected for 2024, only validated the determination that sufficient capacity existed to accommodate the 20-year force structure plan.

The synergies between New London and Electric Boat are recognized; however, the overall cost savings of the recommendation cannot be ignored.

Impact on DoD: The closure of Submarine Base New London maintains a viable nuclear attack submarine presence and dispersal on the East Coast, reduces costs and revitalizes infrastructure. Sufficient capacity exists in remaining ports to

accommodate existing and projected submarine force structure requirement. The Department of Defense strongly supports the recommendation to close SUBASE New London.

Close Naval Shipyard Portsmouth, Kittery, ME

Issue: The Commission is considering retention based on perceived Force Structure and capacity issues presented by Congressional and community representatives regarding perceived risks associated with the Portsmouth closure: risk that the force of the future will change from the one that we foresee; risk that emergent work cannot be absorbed; risk that the capacity measurement is not exact; and risk that the skill base will not be adequate at the remaining shipyards.

Key Points:

- The DoD recommendation eliminates excess capacity and retains strategically placed shipyard capability.
- The DoD recommendation is based on the 20-year force structure plan.
- DoD remains committed to Portsmouth closure.

DoD Position: The focus of BRAC capacity analysis is measuring the capability of the infrastructure to support the maintenance requirements of the force structure. Capacity data was based on a single 40-hour shift per DOD 4151.18H – a facilities-based approach to measuring capacity. Approach does not measure additional capacity, available through overtime or additional shifts, that is routinely employed to accommodate changes in workload. In the analysis, excess capacity increases each year as workload requirement decreases throughout the closure period. In FY09, aggregated excess capacity will be greater than 17% overall in three remaining shipyards.

"Human capacity" was not a component of the formal capacity analysis, although it was addressed in the military value analysis. Based on experience in prior BRAC rounds and in the day-to-day management of the shipyard workforce, the Department of the Navy is confident that sufficient "human capacity" either already exists or can be developed to execute the recommendation. CNO previously chartered a Human Capital Strategy to ensure appropriate actions are taken to proactively address sufficiency in workforce (both military and civilian). NAVSEA uses a variety of tools to shape the workforce such as hiring, training, reassignment, SIP/VERA, attrition, and incentives for critical skills. These are the same tools that have been used successfully in past shipyard closures.

The Navy's input to the 20-year Force Structure Plan reflects current national security requirements, defense strategy, Global War on Terrorism and Homeland Security demands, and was a product of a year-long threat assessment. The Force Structure Assessment determined through campaign analysis and optimization modeling that a range of ships, including 45 submarines, can meet all warfighting and presence requirements. The results of the analysis were incorporated into the March 2005 updated Force Structure Plan.

Impact on DoD: It is the judgment of leadership that any risk inherent in the recommendation is manageable and more than offset by the risk of not closing the facility, thereby obligating the Department to significant future costs that consume taxpayer resources that need to be applied to higher priorities. The Department of Defense strongly endorses the current recommendation to close Portsmouth Naval Shipyard.

Navy Supply Corps School, Athens, GA

Issue: The Commission is examining modifying the recommendation by relocating the Navy Supply Corps School (NSCS) and Center for Service Support (CSS) to NAS Oceana (Dam Neck) or FT Eustis, VA vice Newport, RI, based on the following:

- The Commission suggested Dam Neck because of its low cost of living and proximity to the Fleet.
- The FT Eustis community suggested to the Commission that if the Transportation School were relocated from the base, then NSCS and CSS could be moved to FT Eustis.
- Commission analysts believe the costs of BAH and per diem in the original COBRA are understated.

Key Points:

- Original recommendation of relocating NSCS and CSS to Naval Station Newport, RI, is still cost effective and takes advantage of available excess capacity at Newport.
- Recommendation supports the intent to collocate and consolidate schools while fostering an educational "Center of Excellence" in Newport.

DoD Position: A comparison of the COBRA results for each of the receiver sites is below. The differences in costs are largely the result of differences in the cost of living in different areas of the country.

Receiver Site	1 time costs	Annual Savings	ROI years	20 year NPV
Newport	$23.79	$3.54	7	$21.80
Dam Neck	$30.21	$5.52	6	$40.32
FT Eustis	$18.08	$6.32	3	$61.73

A revised COBRA to reflect increased BAH and per diem costs at Newport show an annual savings of $1.59M, an ROI of 18 years, and a 20 year NPV of $1.35M. However, a more comprehensive analysis would likely reveal additional savings (government messing is available at Newport, not in Athens, and was not credited), which offsets the higher BAH and per diem costs.

The focus only on the costs of the recommendations obscures the intent of this recommendation, which is to utilize available excess capacity at Newport, close a single function fenceline, and create a concentrated center for officer training and education.

Impact on DoD: Although other receiver sites may appear more financially attractive, the Department of the Navy continues to support the original recommendation to relocate

the Navy Supply Corps School and Center for Service Support to Naval Station Newport. We believe there are synergies created by collocation of several schools and that our original recommendation is in the best interests of the Navy.

Officer Training Command

Issue: The Commission is examining modifying the original recommendation by consolidating Officer Accession Training (OTC) at Naval Air Station Pensacola, FL, rather than Naval Station Newport, RI.

- Commission analysts believe the difference in military value between NAS Pensacola and NAVSTA Newport is the result of scoring flaws and is insignificant.
- They also believe that NAS Pensacola has sufficient capacity to absorb OTC Newport.

Key Point:

- DON continues to support the original recommendation because it takes advantage of available excess capacity at Naval Station Newport, RI, and supports DON's objective to consolidate like schools and create a Center of Excellence for officer education and training in Newport.

DoD Position: Capacity and military value analysis clearly shows NAVSTA Newport as the best location for consolidating OTC.

Receiver Site	Current Classroom Capacity (NSF)	2004 Classroom Requirement (NSF)	Military Value
Newport	44,223	10,332	53.35
Pensacola	18,439	15,111	51.13

COBRA analysis also supports the recommendation. Certified data reveals that Pensacola requires significant MILCON to bring the student barracks up to current P-80 standards.

Receiver Site	1 time costs	Annual Savings	ROI years	20 year NPV
Newport	$3.57	$0.91	4	$10.0
Pensacola	$19.22	$1.61	15	$3.39

Impact on DoD: Consolidation of Officer Training Command Pensacola and Officer Training Command Newport will increase effectiveness through reductions in facilities requirements, personnel requirements (including administrative and instructional staff), and excess capacity. This action also supports the Department of the Navy initiative to create synergies at Naval Station Newport and focus its mission as a Center of Excellence for officer education and training.

Ellsworth AFB, SD

Issue: The Commission is considering retaining Ellsworth AFB, SD, to avoid single siting the B-1 fleet.

Key Point:

- By consolidating B-1s at the best (of the two) remaining B-1 bases, the Air Force streamlines training, deployment, and support, achieving substantial savings and creating economies of scale for B-1 operations and maintenance.

DoD Position: The B-1B fleet is relatively small (only 54 primary aircraft) and consequently expensive to operate from two locations. To consolidate the B-1B fleet, the Department recommends closing Ellsworth AFB, SD and relocating the 24 assigned B-1Bs to Dyess AFB, TX, which can accept and operate all 54 aircraft. This creates economies of scale for logistics and maintenance by streamlining supply chains and eliminating redundant maintenance overhead. It will also create operational and training efficiencies and reduce PCS and TDY costs.

Using the Air Force's Mission Compatibility Index (for bombers), Dyess ranked 20th overall (with a score of 56.70), while Ellsworth ranked 19 spots lower at 39th overall (with a score of 50.81). Additionally, detailed capacity analysis revealed that Ellsworth AFB could not bed down the entire B-1B fleet, but Dyess AFB could. Finally, there is ample precedent for operating all of a certain type of aircraft from a single location. For example, the Air Force operates all F-117s from Holloman AFB, NM, all B-2s from Whiteman AFB, MO, all U-2s from Beale AFB, CA, and all E-8s from Robins AFB, GA. These basing decisions currently provide efficient pipelines for operations, training, and maintenance—greatly benefiting the Air Force and the warfighter.

The Department believes continuing to operate such a small fleet from two large and relatively remote bases wastes resources that the Department should be using to recapitalize, modernize, and transform.

Impact on DoD: The 20-year Net Present Value of this recommendation is a savings of $1,853M, which represents 12.7% of the savings for all the Air Force recommendations. Reversing this recommendation would substantially reduce savings and limit the Air Force's ability to transform and confront the new challenges of the 21st Century.

Air National Guard - Consultation

Issue: Were the Adjutants General and Governors of the States consulted in the re-allocation of aircraft, personnel, facilities and missions from their states?

Key Points:

- The Department's recommendations affecting the National Guard satisfy all applicable legal requirements and are consistent with prior BRAC actions.
- The Office of Legal Counsel has concluded that the Department has the authority under the BRAC Act to make and implement recommendations affecting the Air National Guard without obtaining the consent of state governors.
- The Air National Guard and Air Force Reserve general officer representatives were full partners at every Base Closure Executive Group deliberative session. They voted not only on ANG and Reserve decisions but also on all Active Component decisions.
- The Chiefs of the Air National Guard, Air Force Reserve, and National Guard Bureau were apprised of the Air Force's progress throughout the BRAC process.

DoD Position: The Air National Guard is an integral part of the Total Force and the Air Force is committed to its continued relevance and vitality. The Air Force recommendations affecting Air National Guard installations enable Total Force transformation, accommodate declining force structure, and create more optimally-sized squadrons while preserving the best combination of bases supporting the warfighter. As a changed security environment creates new and emerging missions, the Air Force will rely on the contributions of the skilled and experienced members of the Air National Guard.

As Air Force force structure declined over the past 10 years, the active component accommodated this drawdown by reducing the total number of squadrons to maintain effectively sized squadrons (in terms of aircraft assigned). Conversely, during the same period, the Air National Guard retained essentially the same number of squadrons, but reduced the number of aircraft in each squadron. In addition, during four previous BRAC rounds, 82% of the adopted recommendations affected only active installations. Since 1988, only 3 recommendations have affected Guard bases, while 38 recommendations were made for active bases over the same period. Balancing the Total Force requires that this BRAC round redress the resulting inefficiencies.

The force structure assumptions used in BRAC 2005 continue to reduce Air Force inventory for most weapons systems. This ongoing drawdown in planned force structure, combined with the need to restore Guard units to more effective sizes resulted in recommendations that create fewer, larger, Air National Guard squadrons—essentially

reprising the realignment the active duty went through during the 1990s. However, underlining the continued importance the Air Force places on its relationship with the Guard, the apportionment of forces between the active duty and Air National Guard remains nearly unchanged after the Air Force BRAC recommendations take effect. The active / Air National Guard mix *status quo ante* was 70% active / 23% Guard (with the remainder in the Reserves). The mix after the Air Force recommendations are complete will be 72% active and 21% in the Guard. In addition to flying organizations, the Air Force requires Agile Combat Support (ACS) to create, effectively deploy, and sustain US military power. Twenty percent of all Air Force ACS forces reside in the Guard, normally at Guard bases where flying units operate. These ACS forces, such as security police, medics, civil engineers, and communications specialists, are also very useful to the state in their Title 32 role. Consequently, the Air Force recommendations retain many ACS organizations (albeit with a reduced footprint) at bases where a flying mission is being realigned. These units not only fulfill vital Air Force needs, but they remain viable connections to the local community.

The Air Force briefed the Adjutants General (TAGs) on the force structure assumptions, organizational initiatives, and military value factors that were the foundation of the Air Force analysis. Specifically, in December 2003 senior active duty and Guard officers briefed the TAGs during their meeting in Baltimore. This session discussed the force structure and squadron size assumptions that were part of the Air Force analysis. In July 2004, senior Air Force staff provided the TAGs feedback on senior military value discussions that included the Director, Air National Guard and the Chief, Air Force Reserve. Finally, in April 2005, the Guard representative to the Base Closure Executive Group (BCEG) briefed the Chief, National Guard Bureau on the final phase of the Air Force deliberations.

The Department's recommendations affecting the Air National Guard satisfy all applicable legal requirements and are consistent with prior BRAC actions. The Department of Justice issued an opinion concluding that the Department has authority under the BRAC Act to make and implement recommendations affecting the Air National Guard without obtaining the consent of state governors. The Total Force transformation directed by the Secretary of Defense, and required to meet new and asymmetric threats, requires the active participation of all components.

Impact on DoD: By ignoring the Air National Guard in its recommendations the Air Force would be abdicating its responsibility to preserve and enhance the Guard as a viable member of the Total Force. The Air National Guard's relevance is put at risk by well meaning but shortsighted attempts to maintain the status quo. The combined 20-year Net Present Value of these Air Guard recommendations is a savings of $1,639M, which represents 11.2% of the savings for all the Air Force recommendations. Reversing this recommendation would substantially reduce savings and limit the Air Force's ability to transform and confront the new challenges of the 21st Century.

Air National Guard – Homeland Defense

Issue: What impact does the realignment of the Air National Guard units have on the homeland defense and homeland security missions?

Key Points:

- Homeland Security, Air Sovereignty, and Civil Support are fully supported.
- These recommendations do not create an unacceptable risk to the accomplishment of our homeland defense or defense support of civil authorities.

DoD Position: In 2002, the President and Congress established US Northern Command (USNORTHCOM) as a geographic combatant command headquartered in Colorado Springs. USNORTHCOM conducts military operations in the homeland under the Chairman of the Joint Chiefs of Staff execution order NOBLE EAGLE. The North American Defense Command (NORAD) is the functional combatant command responsible for air defense of the continental US, Alaska, Canada, the Virgin Islands, and Puerto Rico (US Pacific Command is responsible for Hawaii and Guam). As part of its responsibility for air defense, NORAD has identified a requirement for a number of Air Sovereignty Alert (ASA) sites in the U.S. These sites must meet certain response criteria stipulated by USNORTHCOM. Today, the Air National Guard (flying F-15 and F-16 aircraft) operate most of these sites using a combination of permanently based and rotational aircraft to meet all NOBLE EAGLE taskings. The Air Force BRAC recommendations affected four ASA sites: Ellington, TX; Duluth, MN; Portland, OR; and Otis, MA. All except Otis will continue their ASA mission in place, but shifting to rotational aircraft. The Otis ASA commitment will move to Bradley AGS, CT. These realignments allow the Air Force to realize overall savings from consolidating and relocating flying missions. In his letter dated May 4, 2005, Admiral Keating, Commander US NORTHCOM, stated, "Following a thorough review, we find that they (the draft 2005 BRAC recommendations) do not create an unacceptable risk to the accomplishment of our homeland defense or defense support of civil authorities."

In addition to air sovereignty, the Air Force considered support to civil authorities. Air National Guard combat support forces, such as security police, medics, civil engineers, and communications specialists, are also very useful to the state in their Title 32 role. The AF recommendations retain Expeditionary Combat Support (ECS) units in twenty "enclaves" to continue support of local authorities. The Air Force believe both aspects of homeland security, air sovereignty and civil support, are successfully addressed in the Air Force recommendations. These units not only fulfill vital Air Force needs, but they remain viable connections to the local community and civil authorities.

Impact on DoD: Homeland Security missions are tailor-made for Air National Guard forces. The Air Force and Air National Guard fully support NORTHCOM taskings using

both permanently stationed and rotational aircraft. The Air Force BRAC recommendations are designed to enhance the Guard's ability to execute NORTHCOM missions with newer aircraft in optimally sized and sited units. The combined 20-year Net Present Value of these Air Guard recommendations is a savings of $1,639M, which represents 11.2% of the savings for all the Air Force recommendations.

Establish Joint Center of Excellence for Culinary Training

Issue: Potential for the commission to delete this recommendation, based on:

- Fort Lee, VA presented the Commission a memorandum (dated July 22, 2005) stating $18.5 million in military construction (MILCON) costs are required to support this recommendation, versus the certified $4.018 million COBRA estimate.
- Fort Lee's MILCON estimates do not yield a payback; therefore, the recommendation generates a NPV cost not a savings

Key Points:

- The DoD recommendation is based on certified data, deviation from this methodology is contrary to BRAC procedures and will result in inaccurate analysis. Locally produced DD1391s not reviewed by the Army leadership are outside of the BRAC process.
- Establishing Joint Centers of Excellence for training is a key DoD goal and supports the train as you fight concept.

DoD Position: DoD is required to use certified data in preparing financial analysis. The calculations used in the Cost of Base Realignment Actions (COBRA) analysis are based on standard BRAC techniques, and we stand by those estimates. Non-certified data provided by others has not been validated and is not a sufficient basis to question the certified cost estimates. Final MILCON requirements will be determined during the implementation phase of BRAC.

The Commission's concern about the financial viability of this recommendation is based on non-certified data and therefore misplaced.

Impact To DoD: DoD will lose an opportunity to establish a Joint Center of Excellence and sacrifice $16.1 million in NPV savings.

Aviation Logistics School

Issue: Potential for the commission to retain the Aviation Logistics School at Ft Eustis, VA and not consolidate it with the Aviation Center and School at Fort Rucker, AL.

- The move of the U. S. Army Aviation Logistics School (USAALS) to Fort Rucker requires significant up-front investment in military construction (MILCON).
- The payback period for the recommendation using the Commission's MILCON cost data exceeds 100 years vice the DoD data for a payback period after 13 years

Key Points:

- This recommendation consolidates all Army aviation training and doctrine in one location.
- Due to an error in determining personnel savings the recommendation resulted in producing an NPV costs vice NPV savings.

DoD Position: The consolidation of USAALS with the Army Aviation Center and School at Fort Rucker, AL, completes the consolidation of all Army aviation training and doctrine development at a single location. The consolidation enables Active, National Guard and Reserve aviation specialties (attack and lift pilots, medical evacuation, logisticians, and maintenance personnel) to train together, build cohesion and better simulate the environment seen during wartime. The consolidation directly supports the Army's aviation transformation to a modular design and the stabilization of Soldiers and their families by further integrating institutional training functions on the same installation, key objectives outlined in the Army Campaign Plan. This recommendation allows the Army to consolidate aviation doctrine, organizations, training, materiel, leadership and education, personnel, and facilities (DOTMLPF) at one installation. This will enable a continuous cycle of innovation, experimentation, experience, and change to improve capabilities and provide dominant land power to the Joint force now and in the future.

The recommendation produces a $7.7 million a year savings after the implementation period. The savings are an additional benefit of a recommendation whose value to the military is not economic, but truly transformational.

Impact to DoD: The recommendation will enhance Army Aviation doctrinal development, training standardization, training proficiency and training management for all aviation specialties. Deletion of this recommendation by the commission will negate those gains.

Consolidate Army Test and Evaluation Command (ATEC) Headquarters

Issue: Potential for the commission to change the receiving site for ATEC from Aberdeen Proving Ground, MD to Ft Belvior, VA. based on:

- ATEC has daily contact with the Pentagon and desires to be in close proximity.
- FT Belvoir will provide ATEC direct, timely access to the Pentagon/NCR based Army/DoD agencies.

Key Points:

- The BRAC 2005 recommendation will co-locate ATEC Headquarters and two of its three major subordinate commands. Currently, about 20% of ATEC is located at APG.
- Relocation to Fort Belvoir, VA, will be much more costly with an estimated one-time moving cost of $51.0 million versus an estimated one-time cost of $7.1 million to move to APG.
- A review of responses to contacts metrics shows that ATEC has significantly less than average contacts with DoD senior leaders (127 versus average of 421) and Members of Congress than other organizations located within the NCR. Clearly they are eligible to be relocated from the NCR.

DoD Position: There is existing space available at Aberdeen Proving Ground, MD, and the new synergies expected by the consolidation of the Army Test and Evaluation Command (ATEC) headquarters with its components at Aberdeen Proving Ground will improve the military value of Army installations. One time costs will be $43 million less than a move to Fort Belvoir, VA. In addition, transforming DoD Research, Development, Acquisition, Testing and Evaluations (RDAT&E) organizations into Joint Centers of Excellence is a high priority for both DoD and the U.S. Army. The Army needs a consolidated land Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Center of Excellence. Aberdeen Proving Ground, MD, has the right characteristics and capacities to support the consolidation. The Army has successfully moved other activities in previous BRAC rounds and will work closely with the commands, communities, and personnel involved to conduct this move effectively and efficiently. The synergy between private industry and the Aberdeen Proving Ground (APG), MD, is yielding new technology and systems that are protecting our troops during the Global War on Terrorism.

Impact To DoD: This recommendation creates a net present value (NPV) savings of $125.7M by using existing excess space at APG and is linked to the establishment of the Army's C4ISR Center of Excellence recommendation. A modification will create a ripple effect through multiple DoD recommendations, most notability at Ft Belvior and APG.

Consolidate Defense Information Systems Agency and Establish Joint C4ISR D&A

Issue: Potential for the Commission to change the receiving site for DISA consolidation from Ft Meade, MD to Arlington Service Center. The Commission is also examining co-locating the Joint Spectrum Center located in Annapolis, MD, with DISA headquarters, and keeping the Slidell, LA facility open, based on:

- DISA has expressed interest in consolidating at Arlington Service Center, VA, or alternatively to Fort Belvoir, VA, versus Fort Meade, MD.
- DISA wants personnel associated with DISA's personnel loss (loss of intellectual capital) forecasted at 70% with recommended DISA move to Fort Meade, MD.
- Joint Spectrum Center may be a "good fit" co-located with DISA headquarters
- Slidell's operating costs are quite low and building is AT/FP compliant.

Key Points:

- The Arlington Service Center does not have available buildable acres for MILCON to support the DISA relocation without the demolition of Navy facilities.
- The Navy intends to backfill Arlington Service Center with activities currently occupying approximately 200K square feet that are now located in FOB 2 (slated for demolition) and leased space.
- The Ft Meade receiving site is cost effective, creates synergy between DISA and the Intelligence community, and offers better construction options.
- Operations at Slidell are considered by DISA to be excess; all operations can be absorbed by NCR area offices.
- A key objective is to consolidate DISA activities from multiple locations to an AT/FP compliant location.
- The Joint Spectrum Center is not a headquarters function, and according to DISA BRAC representatives, it is best left situated near its ancillary operations in the Annapolis, MD, area.

DoD Position: The Arlington Service Center (ASC) does not have available land for MILCON to support DISA consolidation without demolition of existing Navy warehouses that support DISA operations. Further, this option is not supported by the Navy because of the impact on other recommendations; they are relocating personnel displaced from the Navy Annex and NCR leased space to ASC. The alternate option, Fort Belvoir, VA, has higher costs due to mission military construction and needed support facilities expansion. In addition, the net present value (NPV) savings to move DISA to Fort Meade, MD, is $50 million more than moving to Fort Belvoir. The recommendation also creates beneficial operational synergies among DISA personnel and

activities located at Fort Meade. DISA's mission is closely tied to that of the National Security Agency (NSA), Fort Meade's major tenant. DISA and NSA are the technical eyes and ears of U.S. intelligence. To ensure that intelligence is accurate and timely, leaders of the intelligence community argue that DISA and NSA must work more closely together to enable them to organize around DoD's new priorities: counter-terrorism, counter-intelligence and counter-proliferation.

The loss of intellectual capital is expected in every realignment; however, it is a temporary setback which can be recovered from the local workforce. According to the U.S. Department of Labor, Maryland ranks first among the states with the highest percentage (24%) of professional and technical workers in its labor pool. The U.S. Department of Commerce found in 2003 that Maryland is statistically tied with Massachusetts as the top state in the nation for educational attainment. Nearly 38% of Maryland's population 25 years of age and above have earned a bachelor's degree or higher. Maryland offers a high quality workforce and hosts several companies that support intelligence operations at Fort Meade and in the National Capital Region. Historically, the state of Maryland and its affected communities successfully consolidated 16 geographic locations into a single integrated Research, Development, Acquisition, Technology and Evaluation (RDAT&E) center at the Patuxent River Naval Base during implementation of BRAC 1995 recommendations.

Frankly, with the rapid onset of technology, and quest for new ideas in the DISA area of expertise, and the improved intellectual ability coming from the universities, DISA may find some turnover to be advantageous.

The Joint Spectrum Center is not a headquarters function, and according to DISA BRAC representatives, it is best left situated near its ancillary operations in the Annapolis, MD, area.

Impact to DoD: The net present value (NPV) savings of this recommendation is $491.2M. DISA Headquarters' numerous leased location consolidation on a secure installation is required to meet force protection standards. Modifying this recommendation will increase cost and decrease security and eliminate capacity the Navy is counting on to absorb personnel displaced in the Washington, DC area.

Consolidate Civilian Personnel Offices

Issue: The Commission is examining modification of the recommendation by keeping the Rock Island Arsenal Civilian Personnel Operations Center (CPOC) open and by relocating the Civilian Personnel Center at HRSC-Northeast (Philadelphia) to HRSC-Southeast at Stennis Space Center, MS based on the following:

- The Rock Island Arsenal was #1 in military value for all Army CPOCs.
- Assumptions regarding leased space at Stennis were incorrect

Key Points:

- For Army – the DoD recommendation reduces CPO excess capacity and redefines the Army CPO service coverage into four geographical quadrants.
- The DoD recommendation to realign HRSC-SE to the Naval Support Activity in Philadelphia allows for a better utilization of DoD-owned space.
- Realigning HRSC-NE to HRSC-SE at Stennis is likely more expensive, and senior DoD leaders made a qualitative judgment in favor of Philadelphia.

DoD Position: The Army has excess capacity and needs to reduce from six to four Civilian Personnel Operations Centers. Rock Island Arsenal was originally considered for closure by the Army. As a result, there was no HSA analysis conducted for keeping Rock Island open in light of the Army's proposed closure. The Army Personnel leadership reviewed final recommendations in light of Rock Island Arsenal remaining open and still supports the Secretary's recommendation.

Navy Civilian Personnel offices average 42 percent excess space. It is clear a consolidation of sites from six to four is necessary. The overarching intent of the BRAC process is to provide more efficient utilization of DoD installations. Installations that are completely DoD-owned typically cost less to operate and generally speaking provide a better force protection posture.

This is an area of overhead where we need to optimize savings, as these slots will most likely not be re-allocated.

Impact to DoD: This recommendation has a net present value savings of $196.7M. Modifying this recommendation will have an adverse effect on efficient Civilian Personnel operations.

Consolidate Correctional Facilities into Joint Regional Correctional Facilities

Issue: Potential for the Commission to delete the recommendation, based on:

- The NPV is a small savings of $11.2 million; with a relatively long payback of 15 years.
- If military personnel reductions are discounted, the NPV is a cost of $272 million and the recommendation never pays back.
- This action can be done outside of BRAC.
- The Military Departments already perform many functions "jointly" via inter-service agreements.

Key Points:

- Enhances Correctional facility operations, reduces costs per inmate, and allows for efficient consolidation of management functions.
- Achieving Joint centers of excellence is a key DoD goal.
- This Joint Cross Service Group action would be difficult to execute outside of BRAC and produces a small NPV savings.
- The 11 corrections facilities that are being closed/realigned average 120 inmates per facility. They are small and less economical to operate than the larger facilities that will remain.
- The average age of the 11 closing/realigning facilities is 32 years. The National institute if Corrections estimates the useful life of a prison to be 30 years.

DoD Position: This recommendation reduces the number of DoD service centric correctional facilities from 16 to 5 Joint regional sites. The low NPV savings generated by the recommendation is due, in part, to the cost of renovation and/or new prison construction. Notwithstanding the disposition of this recommendation, the existing military prison facilities will require extensive renovation or new construction in the future. The Joint, regional correctional facilities will reduce total number of prisons requiring renovation or new construction, thereby reducing and/or eliminating future costs to the Department that are presently not captured in the recommendations. The recommendation will enhance correctional facility operations, reduce costs per inmate, and allow for efficient consolidation of correctional facilities management functions. In addition, it will create common platforms from which to project highly-trained, joint, experienced guards to operate worldwide detention facilities. This complex multiple service consolidation would be nearly impossible without the BRAC structure.

Impact to DoD: There is significant potential for increased efficiency, effectiveness, and standardization in DoD correctional operations. It will enhance existing correctional facility operations, reduce duplicate infrastructures, and encourage joint standardized

training and management. The expected result will provide lasting improvements within the military correctional community.

Joint Basing

Issue: Potential for the Commission to delete this recommendation that consolidates Installation Management, at 12 sites that share installation boundaries or are in close proximity to each other based on:

- Commission staff does not concur with approach for determining projected savings. Commission staff position is that savings estimates should be derived from a functional analysis derived from workload requirements.
- Commission staff member has informally expressed concern regarding implementation challenges for Department. This concern appears to mirror the concern presented in the GAO report.
- Commission staff believes this recommendation can be accomplished outside of BRAC.

Key Points:

- The recommendation creates efficiencies by consolidating installation management across service lines that would not happen outside of BRAC.
- The DoD has a substantial expertise in the implementation of BRAC recommendations and is confident in its ability to solve Joint basing issues
- The recommendation has a net present valve savings of $2.34B

DoD Position: COBRA savings estimated for this recommendation are considered conservative and achievable. The range of estimated savings for each group of installations included in this recommendation represents an average of 4.2 percent of the consolidated BOS/sustainment budgets. Using an A-76 functional analysis approach to determine the most efficient organization as preferred by the commission staff has historically achieved savings in the range of 20%. The Department's top down approach using an economy of scale analysis has at worst case underestimated real potential for savings. Full potential for savings will ultimately be achieved through a detailed functional analysis that will be an integral part of the implementation process.

The Military Departments worked with the Headquarters and Support Activities Joint Cross Service Group (HSA-JCSG) to identify reasonable eliminations and savings. Consolidation of installation management functions between installations with common boundaries or in near proximity will achieve efficiencies through elimination of redundancy by reduction of overall manpower and facilities requirements. DoD's costs and savings are based on Cost of Base Realignment Actions (COBRA) techniques reviewed and supported by the GAO. Consolidation of back-office and housekeeping activities has been beneficial to industry, and will be beneficial for the Department.

There may be implementation challenges, however, these challenges are of a policy nature and are already being worked by OSD and the military services. While these joint basing actions could potentially be accomplished outside of the BRAC process, changes of this magnitude are slower and more difficult without a forcing function such as BRAC to effect the change. DoD supports achieving transformational objectives though the BRAC process which provides the analytical process for military value (MV) and cost analysis that have been directed by the Congress and the BRAC authorities to enhance executions and transformation.

Impact to DoD: The net present value (NPV) savings for this recommendation is $2.34B. These savings and the efficiencies for the impacted installations would be lost.

Leased Space Recommendations Specific to MILDEPs and OSD

Issue: Delete components of four recommendations that move Army, Navy, Air Force and OSD staff elements in leased space in the NCR to DoD-owned space in the NCR based on the following:

- AT/FP influenced military value such that all leased space fell to the bottom of the MV model.
- Relocation does not enhance ability of activities to perform mission; distance from the Pentagon may negatively impact performance of mission.
- The Commission is reviewing the legality of BRAC recommendations dealing with leased space.
- DoD should work with the Commonwealth of Virginia and the private sector outside of the BRAC process to arrive at solutions that were not possible within the strictures of the BRAC process.
- Can be accomplished outside of BRAC.

Key Points:

- All previous BRAC rounds have moved organizations located in leased space within the NCR to owned space within and outside the NCR/DC area.
- In all instances, the movement from leased space to owned space envisioned in these recommendations improves the affected organization's force protection posture.
- Distance from the Pentagon has no impact on mission performance -- the large variety of organizations located within and outside of the NCR perform superbly.
- Analysis shows these BRAC 2005 moves should save the DoD $112.9M annually.

DoD Position: There is ample precedent within BRAC to move organizations located in leased space within the NCR to DoD-owned installations. Further the BRAC statute specifically addresses leased space. Examples include the large movement of Navy organizations from leased space in Crystal City to Pax River and other locations in BRAC 93. While some may claim that AT/FP, not MV, drove these four leased space recommendations, this is incorrect because AT/FP was properly accounted for as a consideration of MV -- -- it was one or 20 metrics (weighted at 10% of total) considered in development of these recommendations.

These leased space recommendations address implementation of the new DoD AT/FP requirements as outlined in UFC 4-010-01 as one of many factors used to determine military value. In all instances, the movement from leased space to owned space envisioned in these recommendations improves the affected organization's force protection posture. Additionally, the future requirement that all DoD organizations must

reside in AT/FP compliant leased space will require either numerous relocations to DoD owned space or acquisition of leases that provide facilities that meet DoD standards. The latter will likely force further dispersion of organizations to locations outside the beltway where there is more abundant space to achieve adequate stand off. Now is the perfect time to alleviate the necessity for this type prescription by taking advantage of the one-time provisions of BRAC 2005 to backfill to available DoD owned space. During the recent House Government Reform Committee hearing on the new DoD AT/FP standard, two local congressmen (Representatives Davis and Moran) voiced their opinion in sworn proceedings that DoD should not count on receiving such funding through normal channels.

The Commission should not, therefore, conclude that these leased space recommendations have substantially deviated from the selection criteria. A clear lesson learned from previous BRAC rounds is that leased space can be dealt with successfully under the BRAC umbrella.

A BRAC goal is to maximize operational value and minimize cost. The Secretary emphasized in his 16 May testimony to the Commission that "it clearly makes sense to do all that one can do to identify and remove whatever excess exists to be better able to address those pressing needs to help the warfighter." HSA JCSG identified substantial excess administrative space on DoD owned installations and has recommended that many activities now occupying expensive leased space be moved to fill this excess. Implementation of the recommendations will eliminate substantial inherent costs such as high urban real estate/property taxes, building insurance and security protection services which are currently hidden in commercial lease rates. GAO has repeatedly noted that MILCON is cheaper than leasing commercial office space over the long term. The Comptroller General specifically expressed this GAO position in his testimony to the Commission.

The four recommendations in question collectively save the DoD $112.9M annually. There may be additional savings generated once implementation is complete and organizations find they can consolidate common support functions. Additionally, the requirement that in the future all DoD organizations must reside in AT/FP compliant leased space will require either relocation to DoD-owned space, or acquisition of leases that provide facilities that meet the DoD standards. The latter will likely disperse organizations to locations outside of the Beltway where there is abundant land to achieve adequate stand off.

In the case of the military departments, most organizations should be able to occupy existing excess administrative space. Some renovation of facilities may be required; however, elimination of excess space is what BRAC is all about. In addition, the OSD leased space recommendation accounts for the 5000 people that will not be able to get

back in the Pentagon when the renovation is complete. No one has programmed for this requirement and it is very appropriate to accommodate the requirement within BRAC.

Impact to DoD: If these recommendations are deleted DoD will lose a significant opportunity to realign its administrative space, gain organizational efficiencies and cut costs. Additionally, DoD employees will remain in less secure, non-AT/FP compliant work space until new, higher cost AT/FP compliant leases are acquired or military construction is programmed to accommodate organizations on DoD-owned installation. The 20-year Net Present Value of this recommendation is a savings of $1,052M.

Co-locate Miscellaneous OSD, Defense Agency, and Field Activity Leased Locations

Issue: DoD recommended moving the Defense Contract Management Agency (DCMA) from leased space in Alexandria, VA, to Fort Lee, VA. The Commission is considering moving DCMA to Fort Belvoir, VA, or remaining in leased space instead of Fort Lee, VA, based on:

- Possible disruption due to lack of close proximity to a major metropolitan airport and concern about high-level customers in the National Capital Region (NCR).
- Concern that DCMA's space requirements have changed since their response to the Scenario Data Call (SDC).
- Concern that the actual costs of the move to Fort Lee, VA, are not accurately reflected by algorithms in the COBRA model.

Key Points:

- The needs of DCMA were thoroughly considered.
- Keeping DCMA in leased space does not improve its military value. It reduces overall BRAC savings and does not improve the AT/FP posture of the organization.

DoD Position: During the course of the BRAC process, senior representatives of the Headquarters & Support Activities (H&SA) JCSG met with the DCMA Director on several occasions to discuss DCMA's requirements. The H&SA JCSG consistently followed its standard analytical methodology and deliberative approach in making this recommendation. DCMA was provided every opportunity to update all relevant information under the BRAC guidelines. The JCSG believes that the Richmond International Airport provides sufficient commercial airline service to meet the agency's needs and the relationships with customers in the NCR will not compromised by this move. The data used in developing cost estimates for relocating DCMA to Fort Lee was provided by DCMA. The algorithms and standard factors in the Cost of Base Realignment Actions model were audited by DoD audit agencies and reviewed by the Government Accountability Office. The move to Fort Lee, VA, will not compromise DCMA's ability to conduct business as usual.

Impact on DoD: Retaining DMCA in its current location or moving to Fort Belvoir will prevent the Department from efficiently using existing capacity on military installations. The 20-year Net Present Value of this recommendation is a savings of $258M.

Co-locate Missile and Space Defense Agencies

Issue: DoD recommended moving several Missile Defense Agency (MDA) activities to Redstone Arsenal, AL. The Commission is considering adding the Program Executive Office Missile Systems, in leased space in Huntsville, AL, to this recommendation and increasing the size of the MDA Headquarters contingent remaining in the NCR from 150 to 300.

Key Points:

- Adding PEO Missile Systems to organizations relocating onto Redstone is beneficial to enhance mission synergy and reduces additional leased space.
- Increasing MDA liaison staff levels in the NCR is inconsistent with the certified data provided by MDA and would be an inefficient use of resources.

DoD Position: The Department does not oppose adding the PEO Missile Systems organization to those being located onto Redstone Arsenal (although this would appear to expand the scope of the Secretary's recommendation). However, we do not agree that the number of personnel being retained in the NCR to support a MDA liaison office should exceed the 150 identified in the Secretary's recommendation. The Department has other organizations maintaining liaison functions within the NCR and they have been able to conduct their mission with far fewer personnel. Retaining 300 personnel in a liaison office is not an efficient use of DoD personnel or resources.

Impact on DoD: Retaining an additional 150 personnel to support a MDA liaison office is an inefficient use of DoD resources. The 20-year Net Present Value of this recommendation is a savings of $359M.

Consolidate Transportation Command (TRANSCOM) Components

Issue: DoD recommended consolidating three locations of the Army Surface Deployment & Distribution Commands (SDDC), a TRANSCOM component, into Scott AFB, IL. The Commission is concerned about possible Continuity of Operations (COOP) issues and is considering consolidating SDDC activities at Ft. Eustis, VA, vice Scott AFB, IL, based on:

- Placing all TRANSCOM headquarters functions on a single installation puts them at excessive risk to terrorist attack or natural disasters.
- Cost savings are still possible when Army components are relocated and consolidated at Ft. Eustis, VA (vice Scott AFB).
- Effective consolidation and integration of TRANSCOM management functions is possible even when organizations are not co-located.

Key Point:

- Consolidation of SDDC at Scott AFB, IL offers cost savings through personnel reductions and streamlined business processes
- Consolidation achieves BRAC objectives establishing Joint operations

DoD Position: Over the last 15 years, the Department has taken actions to integrate TRANSCOM and Air Mobility Command (AMC) headquarters elements and to reduce personnel levels appropriately and created more efficient Joint operations. Without the SDDC consolidation at Scott AFB, we believe there are no further independent actions that would garner additional efficiencies. The Department's strategy with respect to this recommendation is to integrate TRANSCOM's management structure to address inter-modal/multi-modal transportation issues that the current management configuration does not support. This consolidation would enable streamlined business processes for greater transportation system efficiency and increased effectiveness of Joint interoperability. The cost savings identified in DoD's recommendation result from consolidating numerous functions across the various headquarters staffs at a single location, which contributes to substantial personnel reductions.

TRANSCOM and AMC have developed contingency plans and responses for potential terrorist and natural threats and will continue to develop these capabilities with the integration of SDDC components at Scott AFB.

Bringing SDDC to Scott AFB will realize the greatest savings and foster effective management and protection of the Defense Transportation System. This recommendation is supported fully by the TRANSCOM Commander.

Impact on DoD: The proposed change maintains the status quo and permits few if any manpower savings. Consolidation of SDDC at Ft. Eustis is a marginal strategy that fails

to provide functional integration and efficiencies for the desired inter-modal/multi-modal transportation management system and would require additional resources to maintain separate facilities. The 20-year Net Present Value of this recommendation is a savings of $1,278M.

Lima Army Tank Plant, OH

Issue: Potential for the Commission to delete this recommendation and retain all of the Lima Army Tank Plant's current capacity.

Key Points:

- In its analysis, the Department determined that Lima Tank plant has excess capacity, even after considering the future mission requirements in support of the Expeditionary Force Vehicle (EFV) (Marine Corps), Future Combat System (FCS) (Army), and M1 Tank recap programs.
- The Department must remove excess capacity

DoD Position: The Army identified future requirements at Lima Tank Plant to support the Future Combat System (FCS) and the Marine Corps identified future requirements for the Expeditionary Force Vehicle (EFV). In its analysis, the Department determined that Lima Tank plant has excess capacity, even after considering these new mission requirements. The decision was made, therefore, to retain some capacity at Lima but remove the excess.

The Department does not need to retain industrial capacity excess to requirements. Building 147 is the major production facility and cannot be closed, but it can be reconfigured to be more efficient and house all manufacturing. Synergy and efficiency can be created through the inclusion of production (for DoD and FMS customers), recap, reset, welding school (allowing on the job experience), common areas that can service more than one commodity, shipping and receiving, test and acceptance, and office space in the same facility. This will more fully utilize building 147 and allow the complete closure of peripheral non-weapons manufacturing buildings.

Impact on DoD: If this recommendation is not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. The 20-year Net Present Value of this recommendation is a savings of $22M.

Desert Chemical Depot, UT,
Newport Chemical Depot, IN
Umatilla Chemical Depot, OR

Issue: The Commission is considering retaining these three chemical depot installations because of a concern about the Department's ability to complete the demilitarization of chemicals prior to 2011.

Key Points:

- All chemical depots recommended for closure under BRAC 2005 are scheduled to complete their demilitarization of chemical weapons before 2011, that is, within the BRAC window of completion.
- DoD is committed to applying the resources necessary to complete the mission at these three plants within the six-year implementation period required by the BRAC statute.
- The Department did not recommend the closure of any chemical depot if the certified date indicated the closure could not be completed within the statutory timeline.

DoD Position: Accomplishment of the demilitarization of chemicals is dependent upon variables that include funding and safety concerns. While these factors affect the DoD's ability to accomplish the demilitarization mission within the BRAC timelines, the Department intends to close Chemical Depots at Deseret, UT, Newport, IN, and Umatilla, OR, within the BRAC implementation timeline.

The Department's certified data indicates that all the chemical depots that the Department has recommended for closure can complete their respective missions within the statutory timeframe. The Department did not recommend the closure of any chemical depot if the certified data indicated otherwise. In fact, the Department specifically rejected a candidate recommendation to close Pueblo Army Depot when the certified data indicated a mission completion date of "to be determined." The remainder of the Chemical Depots were recommended for closure based on certified data which indicated mission completion within the BRAC window. The Department does not have any certified data indicating that its chemical demilitarization recommendations cannot be implemented within the statutory timeframe. Additionally, the United States is bound by treaty to complete the mission no later than 2012.

Impact on DoD: If these recommendations are not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. The combined 20-year Net Present Value of these recommendations is a savings of $1,473M.

Lackland AFB, TX

Issue: Potential for the Commission to modify the recommendation by retaining the Cryptologic Systems Group at Lackland AFB, TX.

Key Points:

- The offices of the Director of National Intelligence (DNI), Central Intelligence Agency (CIA), and the National Security Agency (NSA) all support the Lackland recommendation.
- Tobyhanna Army Depot (TYAD) performs work for NSA and has the capacity, depot maintenance skill sets, knowledge base, and technologies to perform this workload.
- TYAD military value score is DoD's highest; almost 2 times higher than Lackland for all commodities being realigned.
- DoD achieves synergy and savings by consolidating maintenance. Inventory Control Point, Technical management, and storage realignments achieve savings and technical synergies.
- Leaving Lackland in place sub-optimizes for a single customer.

DoD Position: The Lackland AFB consolidated its depot maintenance, inventory control point functions, and supply and storage functions in 1990s. The consolidation achieved savings through a formal competition. However, the funding for Lackland's workload has been from operations and maintenance appropriations instead of the Defense Working Capital Fund. As a result, the true cost of this work has been understated and the savings achieved by the competition may be overstated. Discussions with the Air Force revealed that the Air Force intends to bring the funding for this workload into the Defense Working Capital Fund.

This recommendation achieves additional savings for DoD by consolidating the depot workloads at a DoD center of industrial and technical excellence (Tobyhanna competed for this work and was found to be technically competent). More savings and synergies are achieved by consolidating ICP functions with similar technologies across DoD (does not sub-optimize for a single Agency).

The Supply and Storage, Industrial, and Technical JCSGs have met with representatives of NSA, DNI, and DoD intelligence to discuss the recommendation to realign Lackland. The representatives agreed to the following:

- There is no reason to believe the certified data used by the JCSGs is incorrect.
- There are no known operational impacts. During the implementation phase, the Department will ensure there will be no operational impact to national security.

- Tobyhanna is technically capable of accepting the workload.
- No reason to suspect any degradation in quality.
- NSA representatives expressed no concern regarding crypto commodity workload and comfort with assurances on turn around time for SIGINT.
- There may be increased costs for NSA, but an overall reduced costs for the DoD.

The depot maintenance realignment moves an average of 147,000 direct labor hours to TYAD across all the commodity groups performed by Lackland. The Crypto portion is 23,000 direct labor hours and equates to 1.4% of the entire electronics related work performed at TYAD. This recommendation has a three year payback and saves approximately $3 million dollars annually by eliminating excess capacity and providing synergies by consolidating technical expertise with similar work.

Impact on DoD: If this recommendation is not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. Equally important, the Department will miss an opportunity to improve its depot maintenance efficiency and effectiveness through the synergy associated with consolidating technical expertise with similar work at one site. The 20-year Net Present Value of this recommendation is a savings of $28M.

Hawthorne Army Depot, NV

Issue: Potential for the Commission to delete this recommendation because it is the largest employer in Mineral County, NV (13.63 percent of the economic area employment), it is the largest demilitarization facility in the U.S., there is concern about handling 507 short tons (STONS) of munitions returning from Korea, and, finally, because Hawthorne offers significant Afghanistan-like training opportunities for DoD combat units.

Key Points:

- Although Hawthorne is the largest demilitarization installation in the United States, its capacity can be absorbed by other installations that are more multifunctional and have a greater military value to perform all munitions related missions: production, demilitarization, maintenance, and storage and distribution.
- There is sufficient Army capacity to store and to demilitarize these munitions within CONUS without the Hawthorne Army Depot.
- On a significantly larger scale than Hawthorne, there is high-altitude desert training at Fort Irwin, CA, and rugged, mountainous terrain training at both the Dugway, UT, and Yuma, AZ, proving grounds.

DoD Position: The Industrial Joint Cross-Service Group (IJCSG) recommended the closure of Hawthorne Army Depot based on responsiveness to global support to readiness of operational forces via a powerful projection platform network, military readiness in support of the Pacific Theater, and retention of a multi-functional and agile munitions depot. While impacts on the local community are important considerations, Military Judgment was the primary consideration.

Hawthorne Army Depot is a single-purpose installation which predominately stores and demilitarizes munitions. The goal of the Army is to have multi-functional Munitions Centers of Excellence which can produce, maintain, store, and demilitarize all types of munitions. Although Hawthorne is the largest of the army depots, its capacity is easily provided by other installations with greater MV.

Regarding returning munitions from Korea, current projections are that only 20 percent or 100K STONS of munitions from Korea will be returned to CONUS. These munitions will be positioned at installations that have available capacity to store and to demilitarize them and the Army retains sufficient capacity without the Hawthorne Army Depot.

Regarding Afghanistan-like training, on a significantly larger scale than at Hawthorne, there is high-altitude desert training at Fort Irwin, CA, and rugged, mountainous terrain training at both the Dugway, UT, and Yuma, AZ, proving grounds. Additionally, an

urban operations site that can be used to simulate an Afghan Village already exists at Fort Irwin, CA. Additionally, joint training for Special Forces is performed at the Naval Air Station Fallon, NV, and Fort Hunter-Liggett, CA; these facilities offer more robust joint training environments with larger maneuver areas and significantly greater range capability than Hawthorne. Each of these (Army or joint) installations ranked higher than Hawthorne in MV.

Hawthorne Army Depot is a single purpose installation with a minimal training capacity. The goal of the Army is to transform its installations that deal with munitions into multi-functional installations that can produce, maintain, demilitarize, and store and distribute munitions to all services in the Army's role as the single manager for conventional ammunition. Hawthorne Army Depot does not have this capability.

Impact on DoD: If this recommendation is not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. Equally important, the Department will miss an opportunity to transform its installations that deal with munitions into multi-functional installations that can produce, maintain, demilitarize, and store and distribute munitions to all services. The 20-year Net Present Value of this recommendation is a savings of $778M.

Kansas Army Ammunition Plant, KS

Issue: The Commission proposes closing the Kansas Army Ammunition Plant (AAP) and privatizing it in place versus moving equipment to Army ammunition plants in Iowa; McAlester, OK; Milan, TN; and Crane, IN, because privatization retains necessary production capability and preserves jobs in the region.

Key Points:

- Kansas Army Ammunition Plant currently has a 5 percent utilization rate.
- If the Department agrees to privatize in place, the outcome will only change ownership (from government to private industry) while leaving the industrial base and the workload the same.
- The Department's recommendation retains sufficient capacity through consolidation into multi-functional capabilities (especially for reconstitution requirements), while reducing DoD overhead and footprint.

DoD Position: The munitions industrial base has substantial excess capacity, as demonstrated by very low utilization rates, from a low of 0 percent at Mississippi Army Ammunition Plant to a high of 30 percent at Iowa Army Ammunition Plant. Low utilization rates are representative of the absence of workload. Kansas Army Ammunition Plant currently has a 5 percent utilization rate. Privatization does not reduce capacity, infrastructure or overhead - it only changes site ownership. The Department would be required under law to workload the plant and pay its overhead; thereby negating the net present value savings expected from closure. The costs to the government remain the same.

The closure of the Kansas AAP moves the workload to multi-functional sites (performing production, demilitarization, storage, and maintenance) with 10 percent to 30 percent production utilization rates. If the Department is forced to implement a recommendation to privatize this facility in place, the outcome will only change ownership (from government to private industry) while leaving the industrial base and the workload the same. The Department will continue to pay the same amount of overhead. This recommendation retains sufficient capacity through consolidation into multi-functional capabilities (especially for reconstitution requirements), while reducing overhead and footprint.

Impact on DoD: If this recommendation is not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. The 20-year Net Present Value of this recommendation is a savings of $101M.

Lone Star Army Ammunition Plant, TX

Issue: The Commission proposes closing the Lone Star Army Ammunition Plant (AAP), TX, and privatizing it in place versus moving equipment to Iowa; McAlester, OK; Milan, TN; and Crane, IN, because privatization retains production capability and preserves jobs in the region.

Key Points:

- Lone Star Army Ammunition Plant currently has a 5 percent utilization rate.
- If the Department agrees to privatize in place, the outcome will only change ownership (from government to private industry) while leaving the industrial base and the workload the same.
- The Department's recommendation retains sufficient capacity through consolidation into multi-functional capabilities (especially for reconstitution requirements), while reducing overhead and footprint.

DoD Position: The munitions industrial base has substantial excess capacity, as demonstrated by very low utilization rates, from a low of 0 percent at Mississippi Army Ammunition Plant to a high of 30 percent at Iowa Army Ammunition Plant. Low utilization rates are representative of the absence of workload. Lone Star Army Ammunition Plant currently has a 5 percent utilization rate. Privatization does not reduce capacity, infrastructure or overhead - it only changes site ownership. The Department would be required under law to workload the plant and pay its overhead; thereby negating the net present value savings expected from closure. The costs to the government remain the same.

The closure of the Lone Star AAP moves the workload to multi-functional sites (performing production, demilitarization, storage, and maintenance) with 10 percent to 30 percent production utilization rates. If the Department is forced to implement a recommendation to privatize this facility in place, the outcome will only change ownership (from government to private industry) while leaving the industrial base and the workload the same. The Department will continue to pay the same amount of overhead. This recommendation retains sufficient capacity through consolidation into multi-functional capabilities (especially for reconstitution requirements), while reducing overhead and footprint.

Impact on DoD: If this recommendation is not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. The 20-year Net Present Value of this recommendation is a savings of $164M.

Riverbank Army Ammunition Plant, CA

Issue: The Commission proposes closing Riverbank Army Ammunition Plant (AAP), CA, and privatizing it in place versus moving equipment to Rock Island Arsenal, IL, because privatization retains necessary production capability and preserves jobs in the region.

Key Points:

- Riverbank Army Ammunition Plant currently has a 5 percent utilization rate
- If the Department agrees to privatize in place, the outcome will only change ownership (from government to private industry) while leaving the industrial base and the workload the same.
- The Department's recommendation retains sufficient capacity through consolidation into multi-functional capabilities (especially for reconstitution requirements), while reducing overhead and footprint.

DoD Position: The munitions industrial base has substantial excess capacity, as demonstrated by very low utilization rates, from a low of 0 percent at Mississippi Army Ammunition Plant to a high of 30 percent at Iowa Army Ammunition Plant. Low utilization rates are representative of the absence of workload. Riverbank Army Ammunition Plant currently has a 5 percent utilization rate. Privatization does not reduce capacity, infrastructure or overhead - it only changes site ownership. The Department would be required under law to workload the plant and pay its overhead; thereby negating the net present value savings expected from closure. The costs to the government remain the same.

The closure of the Riverbank AAP moves the workload to Rock Island Arsenal, IL, a multi-functional (performing production, demilitarization, storage, and maintenance) site with a utilization rate of 72 percent if the Department is forced to implement a recommendation to privatize this facility in place, the outcome will only change ownership (from government to private industry) while leaving the industrial base and the workload the same. The Department will continue to pay the same amount of overhead. This recommendation retains sufficient capacity through consolidation into multi-functional capabilities (especially for reconstitution requirements), while reducing overhead and footprint.

Impact on DoD: If this recommendation is not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. The 20-year Net Present Value of this recommendation is a savings of $53M.

Convert Inpatient Services to Clinics

Issue: DoD recommended disestablishing the inpatient service at nine installations, converting the hospitals to clinics, and relying on the local civilian medical system. The Commission is considering retention of inpatient services at one location -- Keesler AFB, MS, based on perceived errors found in the Medical JCSG data.

Key Points:

- The errors in the data did not change the Keelser AFB military value score rating to a degree that it would have been eliminated from consideration by the Medical JCSG review of inpatient services.

DoD Position: After the Secretary submitted his recommendations in May 2005, the Commission staff became aware of an inconsistency in the facility data reported by Keesler AFB. Based on this new information, the Medical JCSG re-ran the military value analysis, which adjusted the quantitative score for Keesler Medical Center upwards. In spite of this adjustment, Keesler Medical Center would still have been identified for Medical JCSG review and deliberation for inpatient closure by the optimization model. Closure of the Keesler inpatient mission reduces excess capacity without compromising the ability of the military health care system to meet its mission.

The Keesler recommendation is an evolution of a process that has been on-going in the Department for the past ten years as we've sought, through partnerships with local healthcare facilities, to better balance our workload against local capabilities. *The Keesler recommendation does not require that either the level of care or the Graduate Medical Education at Keesler Medical Center be eliminated or reduced.* If the recommendation is approved, the Air Force will determine the final service levels at Keesler during implementation. The recommendation does propose that the military partner with the local community to allow the inpatient requirements to be addressed within the available local capacity. This proposed partnership presents opportunities for both the military and the local facilities to reduce excess capacity and to enhance the level of healthcare. In addition, our calculations indicate that this would provide $10-20M in revenues to the local hospital system.

Impact on DoD: Retaining Keesler Medical Center inpatient services would require the Department to continued maintaining unneeded facilities; forego $30M in Annual Recurring Savings; leave military providers in locations where clinical currency required to support wartime skill sets may be compromised due to limited numbers of beneficiaries/patients; cause local hospitals to lose approximately $20M in annual cash flow that would benefit both military and local civilian health care; and deny DoD the opportunity to develop a new, more integrated model for civilian/military partnerships for healthcare and medical education that could significantly enhance the medical care in the

Southern Mississippi region. The 20-year Net Present Value of this recommendation is a savings of $818M.

San Antonio Region

Issue: DOD recommended consolidating regional military medical care and enlisted medical and basic specialty training at Fort Sam Houston, TX. The Commission is considering a different receiving site for enlisted medical and basic specialty training from Fort Sam Houston, TX, to Sheppard AFB, TX.

Key Points:

- Three sites were reviewed as potential receiver sites for enlisted medical and basic specialty training - Ft Sam Houston, TX, Sheppard AFB, TX, and NS Great Lakes, MI.
- Ft Sam Houston was considered the optimal location because of the synergy provided by the Regional Medical Facility and the ability of the local infrastructure to adsorb the large volume of students that will attend the schools.

DoD Position: The Medical JCSG considered consolidating the training at Ft Sam Houston, TX, Sheppard AFB, TX, and NS Great Lakes, MI. A review of the costs and the application of military judgment by the Medical JCSG led to the decision to consolidate the training at Ft Sam Houston, TX. The Medical JCSG noted that Ft Sam Houston presented the opportunity to integrate training with the proposed Regional Medical Center, an opportunity not available at Sheppard AFB and NS Great Lakes. The large regional hospital planned for Ft Sam Houston should allow us to transform the training process for our enlisted specialties. Ultimately, we expect this to provide a richer and more robust training environment for our students than can be provided at either Sheppard AFB or NS Great Lakes. In addition, this would allow us to use the regional medical center for follow-on, advanced technician training to the limits of its capacity – reducing the travel burden on our troops. The infrastructure available at Ft Sam Houston and the surrounding San Antonio, TX, area is more capable of supporting the projected growth in students, instructors, and support staff. Of the three options considered, Ft Sam Houston demonstrated the best net present value for the consolidation.

Impact on DoD: Altering the receiving site for enlisted medical and basic specialty training would unnecessarily increase costs to operate and eliminate beneficial synergy with local medical entities. The 20-year Net Present Value of this recommendation is a savings of $476M.

Brooks City Base

Issue: Potential for the Commission to change the receiving site for the USAF School of Aerospace Medicine and the AF Institute for Operational Health from Wright-Patterson AFB,OH to Lackland AFB, or FT Sam Houston , TX, based on:

- Linkage of the School of Aerospace Medicine and Operational Health to the proposed Joint Medical Training Center
- Using existing space and/or local workforce in the San Antonio area.

Key Points:

- Locating USAF School of Aerospace Medicine, the AF Institute of Occupational Health and the Naval Aerospace Medicine Research Labs to Wright Patterson AFB will ensure these organizations maintain the critical links to the center for operational aerospace research, development and acquisition being developed at Wright-Patterson AFB, OH.
- Relocating these organizations within San Antonio will significantly compromise their ability to execute their mission and maintain their operational focus and would compromise education by breaking the strong links between clinical, research and classroom.
- The synergy between the medical and operational forces significantly enhances research efforts and will create a state-of-the-art modern research hub that will attract the best and the brightest employees.

DoD Position: The USAFSAM and AFIOH represent the key components of the operational support elements of the AF Medical Service. These elements have a predominately line support rather than clinical support focus. Historically, USAFSAM and AFIOH were involved in the development of next generation AF weapon system, ensuring the proper inclusion of the human performance aspects in the weapon system designs. The current trend in the Air Force is to reduce the human presence in the systems to an absolute minimum. For example, the crew of a B-2 is now half that of a B-52. With the B-2's vastly greater capability, the performance of the humans in the system becomes even more important. The continued use of exotic materials in our new weapon systems requires an increasingly close cooperation with experts at USAFSAM and AFIOH to mitigate the threats to the operational personnel. As this trend continues, there is a growing need for a robust interaction between the weapon system development community and the experts in human systems integration and system support at USAFSAM and AFIOH. As the Air Force continues to centralize it weapon system research, development and acquisition capability at Wright Patterson AFB, the USAFSAM and AFIOH lose its capability to address key human systems issues in support of the future Air Force.

For an educational platform to be maximally effective the Medical JCSG determined that there needed to be a balance between clinical, educational and research aspect s of that educational platform. In fact, location of the USAFSAM and AFIOH at the former Brooks Air Force Base was initially an attempt to ensure this balance. Overtime the evolution of Brooks AFB to Brooks City Base has moderated this balance and BRAC 2005 proposes to relocate the human systems research aspects of the Air Force Research Laboratories to Wright Patterson AFB to form a national center for Aerospace research, development and acquisition. Finalizing the alteration in the balance of clinical, educational and research balance for the USAFSAM/AFIOH complex that began in BRAC 1995 and making remaining in San Antonio not the optimal.

The USAFSAM does maintain a medical training development function responsible for the training of Air Force medical deployers. This training is now mature and can be transitioned to normal AF training processes operated through the Air Education and Training Command – potentially administered through the 59th Medical Wing. The USAFSAM and AFIOH would transition to their normal role in defining, based on their understanding of the development of AF weapon systems and doctrine, future training syllabus and training platform requirements to support Air Force operational elements.

Impact on DoD: Relocating these organizations within San Antonio will significantly compromise their ability to execute there mission and maintain their operational focus. The 20 year Net Present Value of this recommendation is a savings of $940.7M

Consolidate Extramural Research Program Managers

Issue: DoD recommended relocating the Extramural Research Program Managers from seven separate sites to one location at the National Naval Medical Center Bethesda, MD. The Commission is considering: (1) a different receiving site; and (2) deleting the Defense Advanced Research Projects Agency from this recommendation.

Key Points:

- The recommendation promotes technical research synergy and eliminates leased space.

DoD's Position: This recommendation co-locates the managers of externally funded research at 7 separate locations at one campus. The co-location allows technical synergy by bringing research managers from disparate locations together at one place. The end-state will be co-location of the named organizations at a single location in a single facility, or a cluster of facilities. This "Co-located Center of Excellence" will foster additional coordination among the extramural research activities of OSD and the Military Departments. Further, it will enhance the Force Protection posture of the organizations by relocating them from leased space onto a traditional military installation.

A TJCSG principle underlying the recommendation is efficient operations through consolidation. A Co-located Center of Excellence will foster coordination among the programs of extramural research managers.

With the exception of about 100 personnel currently in North Carolina, the majority of the research managers are currently located within a few blocks of one another. If DARPA is removed from the recommendation, approximately 800 (including contractor) personnel will be separated from the remainder of the DOD research program managers being consolidated by this recommendation.

From the perspective of efficiency and coordination, the status quo is superior to what will result from consolidating the 100 Army personnel from North Carolina while deleting the 800 DARPA personnel from the recommendation.

Impact to DoD: Excluding DARPA from this recommendation will undermine the technical research synergy intended accrue to DoD research activities. It will increase operating costs to the Department by maintaining more expensive leased space versus the efficient use of available property on military installations. The 20-year Net Present Value of this recommendation is a savings of $573M.

Consolidate Maritime C4ISR Research, Development & Acquisition, Test & Evaluation

Issue: DoD recommended consolidating maritime C4ISR sites from 12 to 5. The Commission is considering altering two sub-actions: (1) establishing the East Coast Space Warfare Systems (SPAWAR) Headquarters at Charleston, SC vice Little Creek (Norfolk), VA, and; (2) realigning C4ISR RDAT&E activities currently at Newport, RI and Dahlgren, VA to Charleston, SC vice Point Loma (San Diego), CA.

Key Points:

- The original DoD recommendation sought to create Naval C4ISR Centers of Excellence by consolidating non-fleet specific research, development and acquisition to SPAWAR, San Diego with support co-located with the fleets on both coasts at Norfolk (Little Creek) and San Diego.
- Commission alternatives create a more fragmented research, development and acquisition structure and move the East Coast support headquarters away from the fleet.

DoD Position: There are no significant COBRA differences between the Secretary's Recommendations and the Commission Alternatives. The Secretary's recommendation achieves best end state because:

- Establishing East Coast SPAWAR Headquarters at Little Creek, VA co-locates it with the Network Warfare Command office, with the operational fleet and with Joint Forces Command facilitating rapid operational feedback. Establishing it at Charleston has none of these advantages
- Realigning Dahlgren and Newport C4ISR RDAT&E to San Diego co-locates it with the Submarine Communications Program Office and the primary SPAWAR Research, Development and Acquisition activity. In contrast, the primary competency of SPAWAR Charleston is in-service Engineering and Installation.

Impact to DoD: DoD looses a significant opportunity to achieve centers of excellence. The 20-year Net Present Value for this recommendation is $455.1M.

Defense Research Service Led Laboratories

Issue: DoD recommended realigning and consolidating portions of the Army and Air Force Research Labs. The Commission is considering rejecting the relocation of the Army Research Laboratory from White Sands Missile Range, NM, to Aberdeen Proving Ground, MD, and the relocation of sensors researchers from Rome Laboratory, NY, to Wright-Patterson Air Force Base, OH, based on:

- Potential loss of intellectual capital.
- No synergy with other missions at Aberdeen Proving Ground.
- Overstatement of contractor eliminations at Rome Labs.

Key Points:

- The short history of BRAC has taught us that intellectual capital loss ("brain drain") is a temporary problem.
- Consolidation of sensors work and the resulting contractor savings was based on certified data submitted by Rome as part of scenario data call.

DoD Position: While changes in installation configuration produce turmoil, the Department, no different than industry, must be allowed to balance the impact on intellectual capital with the benefits achieved through reconfiguring its infrastructure. Further, the implementation of BRAC recommendations allows the Department to integrate relocated personnel to produce synergies and obtain new capabilities that actually enhance intellectual capital. Based on the experiences of prior BRAC rounds, we know of no program that has been adversely affected through the loss of intellectual capital. The Department has six years to implement BRAC recommendations, providing ample time for managers to mitigate the impact of personnel turmoil.

There is a nationally recognized science and technology (S&T) workforce concentrated in and around Harford County, host to the Aberdeen Proving Ground. Nearly half a million professionals working in the management, business, computer, mathematics, science, and engineering sectors live within a 90-minute drive of Aberdeen Proving Ground.

According to the U.S. Department of Labor, Maryland ranks first among the states with the highest percentage (24%) of professional and technical workers in the state's labor pool. The U.S. Department of Commerce found in 2003 that Maryland is statistically tied with Massachusetts as the top state in the nation for educational attainment. Nearly 38% of Maryland's population 25 years of age and above have earned a bachelor's degree or higher. Maryland offers a high quality workforce and hosts several companies' APG-based operations.

Historically, the state of Maryland and its affected communities successfully consolidated 16 geographic locations into a single integrated Research, Development, Acquisition, Technology and Evaluation (RDAT&E) center at the Patuxent River Naval Base during implementation of BRAC 1995 recommendations. Overall, high relocation rates of 80% from Crystal City, Virginia, 41% from Trenton, NJ, and 46% from Warminster, PA were achieved. This was due to Southern Maryland's proactive planning efforts and responsiveness to the affected employees. The State of Maryland, and Harford and Cecil Counties, began replication of "the Pax River" model seven years ago with the creation of the Army Alliance, and will expand their preparation for the current round of BRAC.

The two mission components that will be re-located from the Army Research Laboratory to Aberdeen Proving Ground are the battlefield environments (weather prediction and measurement) and the non-test and evaluation portion of the Survivability, Lethality Analysis Directorate (SLAD). The BRAC language provides the Army flexibility to determine the number of personnel to leave at White Sands to support the testing and evaluation mission of White Sands. This number is under review currently within HQDA (DUSA-OR) and Army Research Laboratory. The SLAD portion to move to APG is the portion performing electronic warfare research. This function is appropriately aligned with the missions of Communications-Electronics Research Development and Engineering Center (CERDEC) and PEO Intelligence and Electronic Warfare & Sensors (IEW&S) of Ft Monmouth to be relocated to Aberdeen Proving Ground. This recommendation further consolidates SLAD, much of which is already at Aberdeen Proving Ground. Co-location with the broad range of missions already at APG offers the Army a center of excellence for RDT&E across many scientific disciplines.

The input from the Rome Labs community regarding contractor eliminations contradicts certified scenario data call information provided by the Air Force that recommended elimination of 64 contractor jobs. Not eliminating the contractor positions erroneously reduces savings (contractor eliminations are conservatively calculated as $200K per year per contractor) and affects the payback period. The impact of not realigning the Rome Sensors Directorate to Wright Patterson will mean increased costs and decreased effectiveness of the Air Force Sensors Directorate.

Impact on DoD: The Department will waste resources by retaining redundant facilities and will lose the new intellectual capability that will result from co-locating or consolidating similar functions. The 20-year Net Present Value of this recommendation is a savings of $357M.

Create a Naval Integrated Weapons & Armaments Research, Development and Acquisition, Test and Evaluation Center

Issue: DoD recommended establishing an integrated Weapons & Armaments RDAT&E center at Naval Air Warfare Center China Lake, CA. The Commission is considering modifying the recommendation to retain some personnel at Naval Base Ventura County, CA, (Point Mugu).

Key Points:

- The DoD recommendation supports transformation and economies of scale by creating and strengthening a weapons center of excellence facility at China Lake
- Retaining personnel at Point Mugu to operate the sea range preserves a needed DoD capability.
- Minimal impact on costs and savings and payback period if personnel are retained at Point Mugu—both scenarios would provide approximately $60M in annual recurring savings

DoD Position: This recommendation would create a major Center of Excellence at China Lake, CA, by relocating approximately 1,000 weapons RDAT&E personnel from Naval Base Ventura County, CA, (Point Mugu) to China Lake. The Department of the Navy now indicates that they would need to keep personnel at Point Mugu to continue operating the sea range and target complexes.

Moving the majority of the weapons RDAT&E personnel from Point Mugu to China Lake is consistent with the recommendation's transformational strategy with minimal impact to the estimated costs and savings.

Impact on DoD: Provides the Department with the capability to create a center of excellence for weapons and armaments at China Lake.

COBRA Data Update

Cost/Savings Summary

	DoD Baseline	DoD Baseline w/o MilPers Savings
One Time Cost	$ 24.41B	$ 24.41B
Net Implementation Cost	$ 4.48B	$ 14.01B
20-Year Net Present Value (Savings)	($ 48.78B)	($ 14.39B)