

Commissioner Talking Points:

Red River Army Depot, Texas (Army #16, Closure):

- Missions on RRAD:
 - overhaul or conversion of tactical wheeled vehicles (HMMWV, HEMTT, trucks), construction equipment (forklifts, SEE, M88, cranes), and Bradley/MLRS and associated support and secondary items
 - certification of Patriot and Hawk missiles
 - rubber product operations - M1 road wheel new production, and track shoe reclamation and vulcanization (new rubber adhered to the track)
- Tenants on RRAD. With the exception of the DLA and Munitions Center, all tenants are relocated to Base X in COBRA. No disposition for any tenants is mentioned, so all moves will be discretionary as to where the organizations will relocate:
 - DLA Defense Distribution Red River Texas (DDRT)
 - Munitions Center
 - DRMO/DRMS
 - TMDE support laboratory
 - ALLC - former intern school
- Voting options:
 - Vote to approve the recommendation as written
 - Vote down the recommendation in its entirety
 - Vote to realign selected portions of the work
 - Tactical missiles
 - munitions storage
 - combat vehicles
 - tactical vehicles
 - DLA
- COBRA issues:
 - MILCON for Anniston and Letterkenny were included as one time costs
 - Anniston - \$141.1886M - 2.2M DLH of combat vehicle capacity
 - Letterkenny - \$17.591M - .4M DLH of combat vehicle capacity
 - maintenance personnel move in 2007 but most MILCON for Anniston is in 2008
 - COBRA rerun put MILCON in 2006 - no change in 4-year payback
- Issues raised and responses:
 - **Potential interruption to the repair of critical HMMWV, Bradley, construction equipment and rubber facility operations (C1)**
 - COBRA plans the maintenance move for 2007
 - all missions can move, the timing of those moves and the MILCON at gaining installations would need to be very closely monitored
 - Bradley work can be integrated with other combat vehicle programs at ANAD
 - if the decision is to close RRAD, would recommend moving the maintenance and rubber facility moves out to 2010/2011 instead of 2007
 - HMMWV RECAP workload extends through 2018
 - The FY06 President's Budget for this program, sent to Congress in Feb 05, identifies the following funding profile for HMMWV RECAP by dollar and by quantity:
 - FY06 - 32.8 M for 676 vehicles
 - FY07 - 34.3 M for 692 vehicles
 - FY08 - 131.3 M for 2629 vehicles
 - FY09 - 134.0 M for 2631 vehicles
 - FY10 - 45.6 M for 869 vehicles
 - FY11 - 46.6 M for 870 vehicles

- FY06-11 TOTAL - 424.6 M for 8367 vehicles
- HMMWV RECAP has received supplemental funding resulting in total FY05 funding of \$231.6 M for 4399 vehicles.
- VCSA has stated his intent to obtain funding to procure a target 11,121 RECAP vehicles in FY06
- Outyear program quantities and funding are not yet finalized.
 - TWV strategy identifies an unconstrained requirement for 6554 vehicles each year through 2018. The constrained requirement (i.e., in view of probable funding availability) is 4550 vehicles per year through 2018. Currently, only \$32 million for FY06 has been funded. The remainder of the requirements will be submitted in the FY07-FY11 POM this fall.
 - In fact, the base quantity, as reflected on the attached chart, has a quantity of 4126 vehicles from FY07-11, but accelerates to over 10,000 vehicles per year after FY11 (the end of the current POM). This compares to the steady state ideal quantity of 6654-6655 vehicles per year thru FY18. While the two profiles total to a similar overall quantity and end in approximately the same timeframe, the ideal strategy benefits the Army by significantly accelerating the program within the current POM.

TWV Transformation Summary

(Base and Ideal)

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	TOTAL
FMTV (M35/809/939 Replace)	2793	3920	4104	3707	4450	3705	712	1361	1362	1362	1315	1315	1315	3142
Ideal Qty	4815	4815	4815	4815	4815	4815	4815	4815	4815	4815	4815	4815	4825	5779
HMMWV Recap Qty	4556	4126	4126	4126	4124	4134	10580	10525	10525	10524	10580	10580	10580	8927
Ideal Qty	6654	6654	6654	6654	6654	6654	6654	6655	6655	6655	6655	6655	6601	8545
M916/920 Replace Qty	100		96	94	92	90	133	133	133	132	132	132	132	139
Ideal Qty		246	246	246	246	246	246	246	246	246	245	245	245	294
HEMTT Recap Qty	441	382	333	335	337	374	675	675	675	675	675	675	675	732
Ideal Qty	699	698	699	698	699	698	699	698	699	698	699	698	699	908
Trailers Qty	1817	1867	3054	3174	3174	3224	3283	3312	3312	3400	3400	3400	3397	3981
Ideal Qty	1990	4720	5278	5219	5160	4950	4680	4205	1920	1502	180			3981
HET Recap Qty							100	100	100	100	100	100	100	70
Ideal Qty							248	248	248	248	248	248	248	173
M917 Replace Qty							59	59	59	59	58	58	58	41
Ideal Qty		146	146	146	146	146	146	146	146	147	147	147	147	175
M915A1 Replace Qty							476	476	476	476	476	476	476	333
Ideal Qty		281	281	281	281	281	281	282	282	282	282	282	282	337
PLS Recap Qty							309	309	309	308	308	308	308	215
Ideal Qty							498	498	498	498	498	498	497	348

Notes: New procurement shown in black. Recap in green. Ideal qty in blue

Data as of: 31 May 05

Rubber workload for all products is as follows:

	FY05	FY06	FY07	FY08	FY09	FY10
GRAND TOTAL Rubber Products (DLH)	249,970.1	316,690.9	261,302.4	135,978.5	161,036.3	28,515.6

- **2.6 million DLHs of capacity are built at LEAD (.4) and ANAD (2.4) (C2)**
 - MILCON is in 2008 for combat vehicle capable facilities at both installations
 - receiving installations can build the required facilities and execute the programs
 - the built facilities will be able to accommodate any BRAC moves and future workload
 - LEAD will not receive any combat vehicle workload from any recommendation
 - the capacity built at ANAD will exceed any requirements for workload that would transfer from RRAD
- **JCSG used 60-hour instead of 40-hour work week for capacity calculations (C3)**
 - DOD Handbook 4151.18 "Depot Maintenance Capacity and Utilization Measurement Handbook" bases capacity on a 40-hour work week
 - Workload is executed on a 40-hour schedule at the depots
 - LEAN/Six Sigma have resulted in significant process and maintenance improvements at each of the maintenance depots
 - Some functions are 24/7 by exception (cleaning, paint booth, etc.)
- **The Army is surging - there is no excess capacity - RRAD is operating at twice FY03 levels (C3)**
 - things have dramatically changed for the Army and its maintenance depots
 - overall depot FY04 execution was 12 million DLHs
 - FY05 execution is planned for 19M DLHs
 - FY06 execution is planned for 25M DLHs.
 - LEAN/Six Sigma have resulted in significant process and maintenance improvements at each of the maintenance depots
- **Costs will be greater, savings will be less, Army will not achieve the expected 30% savings in overhead (C5)**
 - There will be efficiencies with the collocation of like programs and functions
 - Timing of maintenance move in 2007 is risky
 - BRAC staff moved all MILCON to 2006 for gaining sites
- **This will cause a 14% unemployment rate (C6)**
 - Economic impact will be a loss of 6.15% of area jobs
 - Staffing has greatly increased since the 2003 datacall, impact will now be greater
 - **Recommendation states 2,500 people**
 - 4 officers
 - 5 enlisted
 - 2,491 civilians
 - 2,019 position transfers
 - 472 eliminations
 - 54 for storage, demil and munitions maintenance
 - 195 from DLA operations
 - 220 for depot maintenance operations
 - 3 from error report
 - **current staffing as of 30 June 2005 - 3,379**
 - Red River Army Depot 2,641
 - 2 officers
 - 1 enlisted
 - 2,638 civilians
 - 1,545 permanent
 - 521 temps
 - 572 terms

- Munitions Center 111 civilians
 - DLA facility 626 civilians, 1 officer
- The closure of RRAD combined with the closure of Lone Star Army Ammunition Plant will have a very negative impact on the surrounding rural towns
- **The Army did not want to close Red River**
 - 11 March 2005, Mr. Wynne memo to SECDEF Rumsfeld, Subject, BRAC Update
 - "Red River Army Depot. Closes this facility to eliminate excess capacity. Army opposes due to its current workload (working on the war). Capability and capacity exists elsewhere to meet these requirements."
 - 15 March 2005 SRG #34 meeting minutes
 - "On Red River, Dr. College noted that the IEC approved relocation of the functions with the condition that 2.6M DLH of capacity be added to the other Army depots. The SRG approved submitting an Army candidate recommendation to close Red River given the collection of JCSG recommendations that move activities out of Red River."
 - 22 March 2005 SRG #35 meeting minutes
 - "On Red River, Dr. College reported the IEC decision to close Red River, and build additional capacity at Anniston Army Depot and Letterkenny Army Depot."
 - JCSG and Army had to have been exploring scenarios prior to this in order to come to a decision on the recommendation to close Red River
 - prior to March 1995, the Army did not want to close any depots
 - National Defense, May 2005, Sec Harvey....to keep up with equipment repair workloads, the Army is not in a position to close any of them (depots), even as a round of base closures looms...
- **GAO Comments on RRAD closure recommendation**
 - In summary, there were no conclusive statements by GAO regarding the Red River closure recommendation and its associated workload transfers.
 - Use of a 60-hour work week instead of a 40-hour work week
 - Enabled the IJCSG to consider depot closures
 - IJCSG officials noted that the use of more than one shift is a common private industrial better business practice
 - IJCSG noted that the 'expanded shift' concept was only a sizing or planning tool to examine ways to increase depot capacity. It would be up to the depot as to whether or not it would work at the one or one and a half shifts.
 - No policy change would implement the expanded one and a half shift concept.
 - Transfer of combat vehicle workload to Anniston
 - Anniston stated that with the planned additional construction that would be built, they would accommodate the workload without difficulty at a one-shift operation
 - GAO notes that no substantive transformational changes occur with the closure of Red River
 - Transfer of munitions to McAlester
 - Red River concerns over whether the storage capacity at McAlester was sufficient to handle all of the Red River's munitions.
 - Red River noted that available excess storage capacity at McAlester has decreased since RAC data was gathered.
 - Red River questioned the availability of CAT 1 and CAT II storage capacity that existed and was available at McAlester
 - There is no planned MILCON at McAlester to accommodate the Red River munitions storage
 - IJCSG officials stated that McAlester will demilitarize much of its munitions freeing up space to accept the Red River munitions
 - Given that some diversion of demilitarization funds for other purposes in recent years, this raises questions as to the extent of the demilitarization that will occur
 - The demilitarization in place issue is not a concern to the IJCSG.
 - GAO noted that there was not time for them to resolve this issue.

- Replication of the rubber facility at Anniston
 - Red River raised concerns about the complexities associated with replicating its rubber production capability
 - This is not an easy process to produce, including obtaining the required certification associated with the rubber production capability and processes that must be qualified through rigorous testing
 - Anniston echoed these concerns and expected a long certification process, and noted that this is their most serious challenge in the Red River workload transfers
 - There was Red River concern over the potential interruption of the M1 road wheels and warfighter sustainment and readiness
 - Red River suggested that it would be best to replicate the rubber facility at Anniston, prove it out, and then cease operations at Red River in order to mitigate risk
 - The IJCSG noted that commercial sources were available to purchase rather than repair these assets