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From: DONNA WESTBY Date: 4 Aug 05
 Re: Revised #506, 515 Pages: Header + 10
 AMC-0149
 CC: JMTTC-R1A

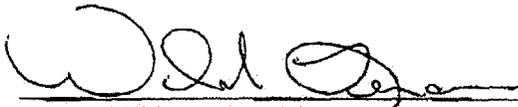
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Draft Deliberative Document — For Discussion Purposes Only
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Data Certification

The attached changes required to Data Call #1 data for Rock Island Arsenal are certified as accurate and complete to the best of the certifier's knowledge and belief.



WILLIAM M. LENAERS
Major General, USA
Commanding

4 AUG 2005

Date

508
S15

Deliberative Document - For Discussion Purposes Only
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Data Review Certification

The attached response from Rock Island Arsenal - Joint Manufacturing & Technology Center for revised question 506, revised question 515, and revised Technical question 0149 is certified as accurate and complete to the best of the certifier's knowledge and belief.



TIMOTHY N. BOLYARD
Deputy Commander, Rock Island Arsenal Mfg Ctr

3 August 05
Date

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DOD #515 - Armaments Production Workload by Armament Commodity

Commodity Family	FY03 (DLH(K))	FY04 (DLH(K))	FY05 (DLH(K))	FY09 (DLH(K))
Other Products	186.086	318.584	242.821	201.129

Revised data to include HMMWV Armor Kits, manu of M45 Recoil mech, manu of M37A1 cylinders, rods and pistons.
 DLH transferred from question 506 to 515 as numbers were not depot maintenance.
 Revised - 3 Aug 05

DOD #506 - Funded and/or programmed workloads by Depot Commodity Group and Fiscal Year

Depot Level Commodity Groups	FY03 Quantify Total Organic Depot Maint Workload (DLH(K))	FY04 Quantify Total Organic Depot Maint Workload (DLH(K))	FY05 Quantify Total Organic Depot Maint Workload (DLH(K))	FY09 Quantify Total Organic Depot Maint Workload (DLH(K))
Tactical Vehicles	0.040	1.239	1.200	1.200
Combat Vehicles	33.600	31.490	20.122	36.143
Other Equipment	9.900	20.000	45.000	4.000
Other	0.010	5.000	20.000	33.000

Data reported originally included non-depot maintenance work (HMMWV Armor kits, manu of M45 Recoil mech, and manu of M37A1 cylinders, rods and pistons.)
DLA's transferred to question 515.

Revised - 3 Aug 05

7.1.1 How many personnel are engaged in supply functions directly supporting depot or shipyard maintenance and production?		Do not include personnel who perform supply functions supporting the installations or other base tenants. Express numbers of personnel in "full-time equivalents" (FTEs) based on 2080 hours annually. For this question, supply functions include material ordering, receipt processing, inventory storage, material handling, kitting, and issuing. Break out the personnel FTEs by government or civilians, military, and contractor as shown below:	
TYPE OF PERSONNEL	FTE	Government	Civilian
Government	0.9703	0.9703	
Civilian	0.9703		0.9703
Military	0		0
Contractor	0		0
Justification for correction:			
Manpower number is restated to correct previously reported numbers. Previous reporting mistakenly included New Manufacturing and Supply Depot Operation supply support manpower along with depot maintenance/overhaul supply support. Revised number is only depot maintenance/overhaul supply support.			
The recommendation was made by the supply and storage JCSG to "eliminate redundant supply and storage functions at industrial installations" and storage functions. RIA-JMTC responded to the applicable data calls IAW HQ guidance. Supply and storage support to the manufacturing fabrication/emitl mission consisting of requisitioning, receiving, storing, issuing, kitting, and material handling was categorized as depot maintenance support. No alternative was available to more properly capture this support.			
DLA does not currently have, nor have they ever had, a supply and storage activity at Rock Island Arsenal.			
Therefore, the redundancy in support found at depots does not exist here. This action, identified after the fact as an "oversight", should not apply at RIA-JMTC where support to depot maintenance is negligible and will be non-existent if the BRAC recommendation is approved.			

7.1.3 Provide the amount of square feet of storage space in use for supply functions directly supporting depot or shipyard maintenance and production. Do not include space used to support the installation or other base tenants. Break out space as shown below:																					
TYPE OF SPACE	USED SQ FT																				
Administrative Space and Space Used for kitting and Assembly	0																				
Covered Storage	0																				
Outside Storage	0																				
Specialized Storage Space (i.e. chill/freezer, secure, etc.	0																				
Justification for correction:																					
Storage space at JMTC-FI is used nearly exclusively in support of new manufacturing mission and the supply depot operations mission. The same space is utilized minimally to support the small amount of depot maintenance/rebuild workload and is, therefore, not separately identifiable.																					

Rock Island meeting
challenge 3 issues

22 July 2005
11:00 a.m.

- DCOM
 - CPAC
 - manufacturing
-

DCOM

- costs - net cost to move to Detroit of \$57M
- building & parking lots
- no room in Detroit to build on the Arsenal
- 740 v 1100 current staffing

PM Combat Systems is the only PM that would benefit from having the DCOM ACALA folks in Detroit

- PM Soldier Weapons in Picatinny
- PM Mortars are in Picatinny
- PM Howitzers in Picatinny
- PEO GSS in Picatinny

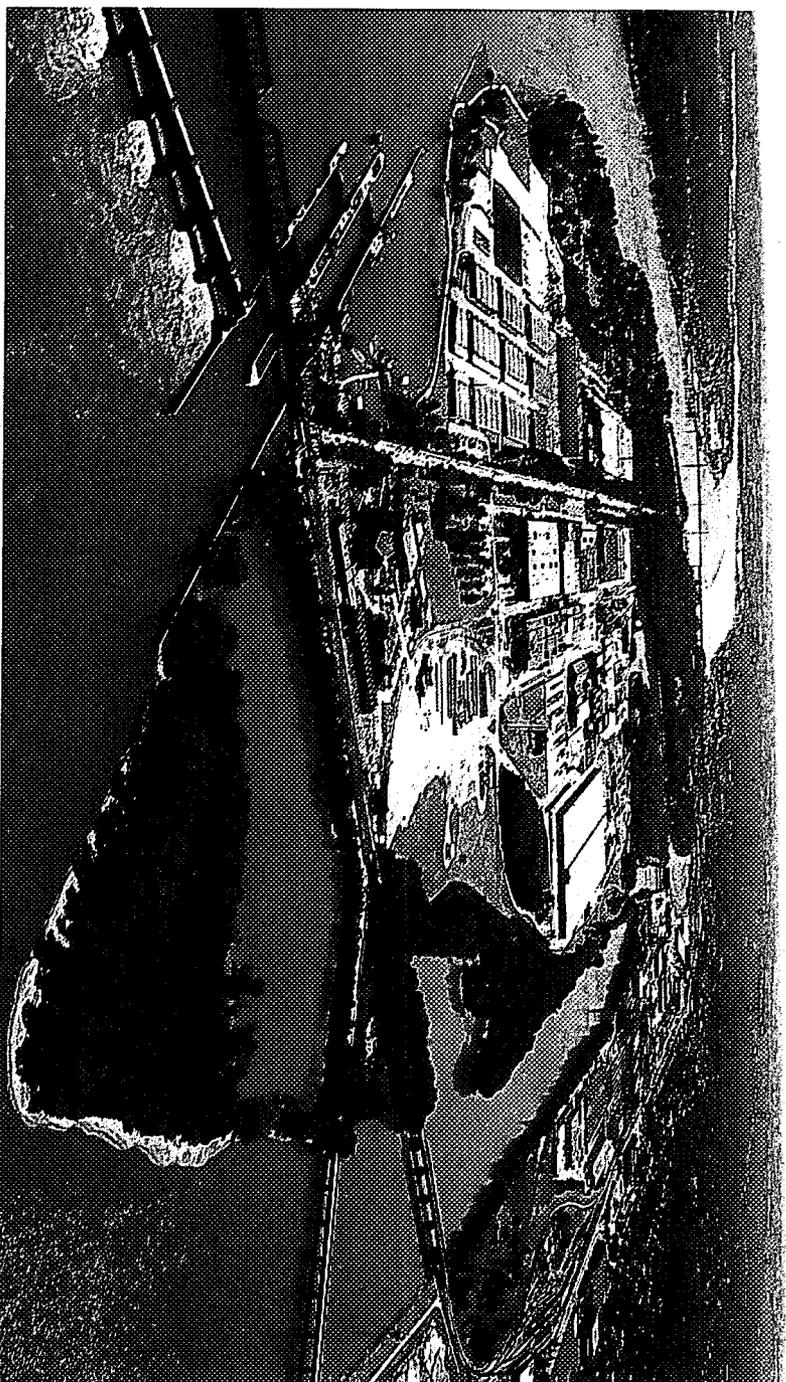
⇒ no real savings from being in Detroit

- ACALA systems are platforms on vehicles not the vehicles themselves

MFG

- provide details of all work load that was submitted as depot maintenance
 - \$, source of funds

BRAC COMMISSION STAFF VISIT



**ROCK ISLAND ARSENAL
QUAD CITIES, USA
ILLINOIS/IOWA**

July 22, 2005

TACOM-RI

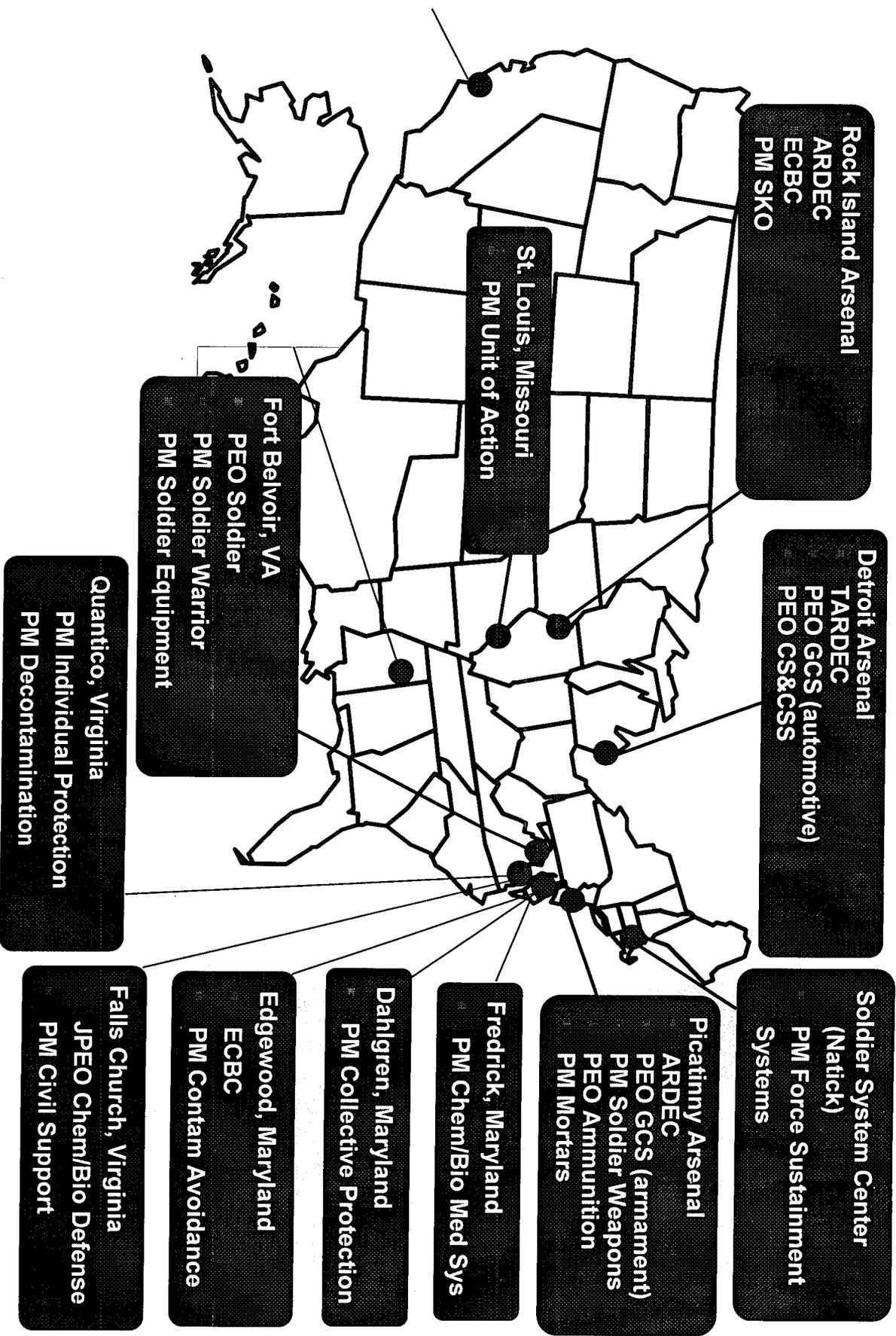
COSTS

	<u>Building(s)</u>	<u>Parking</u>
COBRA	\$21.1	\$3.5
LOCAL	\$50.6	\$16.3
ARMY	\$65?	\$45?

TACOM-RI PM/PEO ALIGNMENT

<p><i>PM Force Sustainment Systems Natick, MA</i></p>	<p><i>PM Aviation Systems Huntsville, AL</i></p>
<p><i>PEO, Combat Support & Combat Service Support Product Manager, TMDE Redstone Arsenal, AL</i></p>	<p><i>PM Cargo Helicopter Huntsville, AL</i></p>
<p><i>PM, Set, Kits, Outfits & Tools Rock Island, Illinois</i></p>	<p><i>PM Utility Helicopter Huntsville, AL</i></p>
<p><i>PEO for Ground Combat Systems Picatinny Arsenal, NJ</i></p>	<p><i>PM Armed Reconnaissance Helicopter, Huntsville, AL</i></p>
<p><i>PEO Soldier Fort Belvoir, VA PM Soldier Warrior</i></p>	<p><i>PM Crew Served Weapons Dover, NJ</i></p>
<p><i>Fort Belvoir, VA PM Soldier Equipment Fort Belvoir, VA</i></p>	<p><i>JPEO Chemical/Biological Defense Falls Church, VA</i></p>
<p><i>PM Soldier Weapons Picatinny Arsenal, NJ PEO Ammunition</i></p>	<p><i>PM Chemical/Biological Medical Systems Fredrick, MD</i></p>
<p><i>Picatinny Arsenal, NJ PM Unit of Action St. Louis, MO</i></p>	<p><i>PM Collective Protection Dahlgren, MD</i></p>
<p><i>PM Light Weight Howitzer Picatinny Arsenal, NJ</i></p>	<p><i>PM Decontamination Quantico, VA</i></p>
<p><i>PM Mortars Picatinny Arsenal, NJ</i></p>	<p><i>PM Contamination Avoidance Edgewood, MD</i></p>
<p><i>PM Apache Helicopter Huntsville, AL</i></p>	<p><i>PM Individual Protection Quantico, VA</i></p>
	<p><i>PM Civil Support Falls Church, VA</i></p>
	<p><i>PM Information Systems San Diego, CA</i></p>

TACOM Rock Island Engineering Support and PEO/PM Locations



CIVILIAN PERSONNEL OFFICE

- **Number 1 in Military Value**
- **Lowest in Variable BOS**
- **Low Cost pay area**
- **Most available space for expansion**
- **Highest level of protection on facility**

MANUFACTURING CENTER

Recommendation:

Move Depot Workload to Depots

Anniston	119 Spaces
Letterkenny	27 Spaces
Efficiencies	<u>35 Spaces</u>
	181 Spaces

Work Performed (Reported in

COBRA Data):

Combat Vehicles	101 People
Tactical Vehicles	22 People
Other Equipment	<u>12 People</u>
	135 People

MANUFACTURING CENTER

Actual Workload

- **Combat Vehicles**
 - HMMWV Armor Kits 80%
 - Gun Mounts & Recoil Mechanisms 18%
 - (New production order)*
 - **Tactical Vehicles**
 - Flat Racks
 - **Other Equipment**
 - Demil of Ton Containers
- Surge handled with Term/Temp Employees

Bottom Line-

- Work was directed to JMTC by Army
- Work is not Depot Maintenance work
- Equipment needed for new work
- Temps/Term employees used

DFAS-RI

- **Number 1 in Military Value**
- **Room to expand- 2000 without building**
- **Low cost pay area**
- **Secure facility**
- **Gov't owned buildings- excellent condition**
- **High level of accountants**
- **Unique process- working capital fund**

**ADDITIONAL INFORMATION CONCERNING
ROCK ISLAND ARSENAL
QUAD CITIES, USA
ILLINOIS/IOWA**

The local community submits the following information in addition to that provided at the St. Louis Regional Hearing on June 20, 2005.

GENERAL STATEMENTS-

1. Language in the BRAC Bill-

**SEC. 2903. PROCEDURE FOR MAKING RECOMMENDATIONS FOR
BASE CLOSURES AND REALIGNMENTS**

(c) DoD RECOMMENDATIONS.

(3)(A) In considering military installations for closure or realignment, the Secretary shall consider all military installations inside the United States equally without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department.

2. GAO REPORT-

"Sizeable savings were projected from efficiency measures and other actions, but underlying assumptions have not been validated and could be difficult to track over time."

"Furthermore, about \$500 million of the net annual recurring savings is based on business process reengineering efforts, but some of the assumptions supporting the expected efficiency gains have not been validated; while savings are likely to be realized, the precise magnitude of savings is uncertain."

"Further, DOD focused on the military value selection criteria as the predominant decision-making factor, including legislatively mandated

emphasis for this BRAC round on such elements as homeland defense and surge capability."

"We identified various issues regarding DOD's BRAC recommendations, as well as candidate recommendations that were not included on DOD's final list that may warrant further attention by the BRAC Commission. These issues include instances of **lengthy payback periods**, which is the time required to recoup up-front investment costs for closing or realigning a facility or function; **inconsistencies in formulating cost and savings estimates**; uncertainties in estimating total costs to the government for implementing recommended actions; and potential impacts on communities surrounding bases that are either losing or gaining large numbers of personnel."

3. BRAC COMMISSION LETTER to SECRETARY of DEFENSE-

DEFENSE FINANCE ACCOUNTING SERVICE

DFAS Buckley Annex, CO

DFAS Columbus, OH

DFAS Indianapolis, IN

ISSUE:

Why were keeping DFAS Buckley Annex, CO, DFAS Columbus, OH, and DFAS Indianapolis, IN, open and closing the remaining DFAS sites **the only scenario considered**? Why did DoD not consider other options, which could have avoided military construction costs and possibly produced a more cost effective option?

ISSUE BACKGROUND:

Closing or realigning these installations may reduce operating and sustainment costs, balance mission and strategic redundancy requirements, eliminate excess capacity and avoid closing other DFAS installations that provide a **lower locality pay and have an existing infrastructure for expansion without military construction or additional leasing.**

ASSOCIATED DOD RECOMMENDATION:

HSA-37: Defense Finance & Accounting Service

SPECIFIC RECOMMENDATIONS FOR ROCK ISLAND ARSENAL

1. TACOM-RI REALIGNMENT

COSTS

The costs of building facilities to house incoming personnel are likely understated in even the local community numbers projected numbers. The likely cost of buildings and parking structures is likely to approach \$115 million if the TACOM plans call for more than one administrative building and parking structure. The BRAC numbers were \$21.0 million and \$3.5 million respectively. The return on investment was negative even using the COBRA data, this will make the negative return on investment even larger.

LIFE CYCLE MANAGEMENT COMMAND

The statement that the move of TACOM-RI to Detroit Arsenal would "preserve Army Life Cycle Management" is again questioned. A move to Detroit Arsenal does not enhance Life Cycle Management. Senator Levin in testimony before the BRAC Commission in St. Louis stated that "transferring the ground vehicle acquisition positions from the Rock Island Arsenal in Illinois to the Detroit Arsenal will increase efficiency. These positions that we'll be moving or proposed to be moved are mostly logistics acquisition and technology experts who are responsible for armament parts and equipment that the Army has retained active design control over. From weapon systems to on-vehicle weapon control systems, these specialists work closely with the engineers at TARDEC right now. They have to regularly meet with, talk to, work with those engineers that are at Detroit Arsenal, to insure those systems continue to operate successfully."

Senator Levin quotes MG Lenaers the Commander of TACOM as saying "It's all about speed and agility now, rapidly changing your systems to meet the current needs in the field. There's a lot more communications with the acquisition guys and acquisition guys and the engineers can sit face to face and can discuss things and get back out and work on it. I think there will be a lot of improvements."

This proposed logic is in error, and reflects a lack of understanding of the TACOM-RI armament and chemical/biological Inventory Control Point (ICP) and National Maintenance Point (NMP) functions.

The facts are that the logistics, acquisition and engineering folks all sit at the same site now. TACOM-RI receives armament-engineering support from the U.S. Army, Armament, Research Development and Engineering Command (ARDEC) Headquarters located in Picatinny, New Jersey. There is also an ARDEC component co-located on Rock Island Arsenal. This co-located ARDEC office provides acquisition and sustainment engineering support to TACOM-RI.

The ARDEC Headquarters in Picatinny is the armament and ballistic engineering portion of the Army's newly formed Research, Development and Engineering Command (RDECOM) which also provides system development, technical data services, configuration control and weapon system engineering support to TACOM-RI components.

Likewise, the TACOM-RI chemical/biological defensive equipment mission receives engineering support from the Edgewood Chemical Biological Center (ECBC) Headquarters located in Edgewood, Maryland. There is also a co-located ECBC office at Rock Island Arsenal that provides acquisition and sustainment engineering support to TACOM-RI.

The ECBC Headquarters in Maryland also supplies system development, technical data services, configuration control and chemical/biological system engineering support to TACOM-RI.

None of the engineering support needed for armament and chemical ICP and NMP exists at Detroit Arsenal. Moving the TACOM-RI ICP and NMP functions to that site does not enhance an alignment with its engineering support elements. Further, neither the National Automotive Center (NAC) nor any major commercial automobile manufactures have any relevant expertise with chemical/biological defensive equipment, weapons, cannon tubes, recoils, ballistic armor or other components of modern armament systems. The TACOM Warren ICP and NMP automotive functions at Detroit

Arsenal are already aligned with their TARDEC automotive engineering and regional industrial partners.

Additionally, relocation of TACOM RI ICP and NMP functions to Detroit Arsenal will do little to better align them with their respective PEO/PMs.

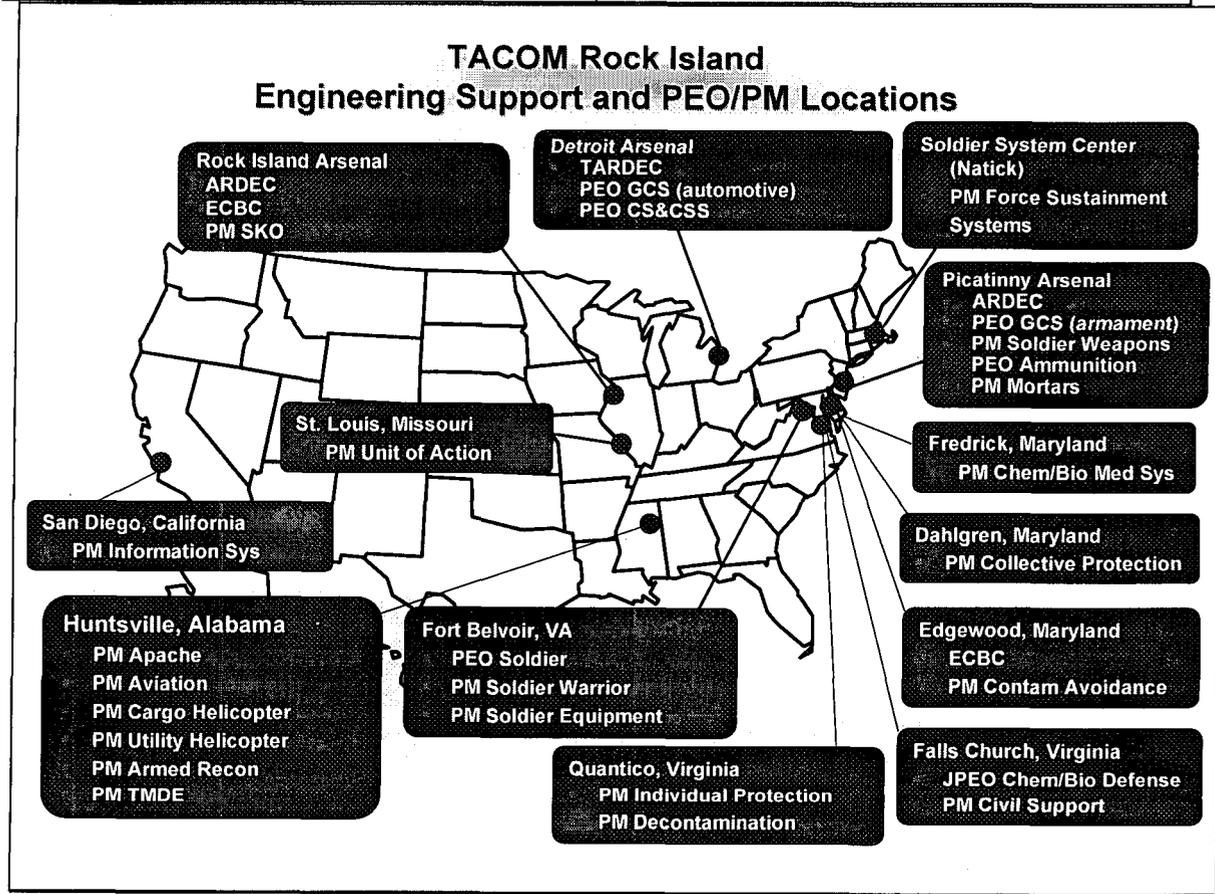
For example, while the Program Executive Office for Ground Combat Systems (PEO GCS) does have an office located on Detroit Arsenal, that office is for automotive related efforts, not armament issues. The PEO GCS maintains an office located on Picatinny Arsenal in New Jersey for armament support functions. Therefore, relocation to Detroit Arsenal does not serve to align the TACOM-RI ICP and NMP functions with its supporting PEO elements.

Only PM Combat Systems and PM Tactical Vehicles reside at Detroit Arsenal, and only PM Combat systems interacts on a routine basis with the TACOM-RI. Twenty-six of the 28 Project Managers TACOM RI interfaces with on a routine basis are located somewhere other than Detroit Arsenal.

These other armament and chemical/biological related PEO/PMs are located elsewhere throughout the country as shown below:

<i>PM Force Sustainment Systems Natick, MA</i>	<i>PM Aviation Systems Huntsville, AL</i>
<i>PEO, Combat Support & Combat Service Support Product Manager, TMDE Redstone Arsenal, AL</i>	<i>PM Cargo Helicopter Huntsville, AL</i>
<i>PM, Set, Kits, Outfits & Tools Rock Island, Illinois</i>	<i>PM Utility Helicopter Huntsville, AL</i>
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<i>PM Soldier Warrior Fort Belvoir, VA</i>	<i>JPEO Chemical/Biological Defense Falls Church, VA</i>
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<i>PEO Ammunition Picatinny Arsenal, NJ</i>	<i>PM Decontamination Quantico, VA</i>

<p><i>PM Unit of Action</i> St. Louis, MO</p> <p><i>PM Light Weight Howitzer</i> Picatinny Arsenal, NJ</p> <p><i>PM Mortars</i> Picatinny Arsenal, NJ</p> <p><i>PM Apache Helicopter</i> Huntsville, AL</p>	<p><i>PM Contamination Avoidance</i> Edgewood, MD</p> <p><i>PM Individual Protection</i> Quantico, VA</p> <p><i>PM Civil Support</i> Falls Church, VA</p> <p><i>PM Information Systems</i> San Diego, CA</p>
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This move will not bring the TACOM armament or chemical/biological defensive ICP and NMP functions any further into alignment with its Research and Development organizations, with private industry, or with supporting PEO/PMs. This move would relocate the TACOM RI armament and chemical/biological defensive ICP and NMP functions to Detroit Arsenal but would leave the supporting ARDEC and ECBC engineering functions behind at Rock Island Arsenal.

2. REGIONAL CIVILIAN PERSONNEL OFFICE (CHRA)

Based on the Defense Base and Closure Act Section 2903 (c) (3) (A) "the Secretary shall consider all military installations inside the United States equally". That was not the case of the Regional Civilian Personnel Office. The Civilian Personnel Office- Rock Island was not considered as a receiving site in contradiction to the statute.

In OSD BRAC Clearinghouse Tasker O282- Subject: Common Support Functions & Civ. Pers. Offices, the BRAC Commission stated that Rock Island Arsenal is not closing, is not in leased space and ranked #1 with military value of .843. It asked OSD why the Rock Island CPO is relocating to Ft. Riley and Aberdeen? The answer back from the Army was that "Rock Island Arsenal was initially identified for closure. All alternative Civilian Personnel scenario analyses conducted by HAS JCSG included the closure of Rock Island Arsenal." "The Army decided not to close Rock Island Arsenal in the final stages of the BRAC process. That, along with other changes directed by the IEC for the Civilian Personnel recommendation, did not allow sufficient time to reanalyze the recommendation." This failure to look at utilizing the #1 rated organization in DoD with room to expand because of a time constraint should be rectified.

The Army letter also points to the issue of "enabling servicing offices to be located near their customer bases". This is not one of the BRAC criteria and flies in the face of the whole concept of providing regionalized personnel service. In addition, the BRAC recommendation does nothing to enhance the posture of the regional personnel offices by placing them in a greater geographic proximity to the existing customer base.

We would offer further discussion on the efficiencies for the regional Civilian Personnel Offices. The only way that there can be a savings in this scenario is the reduction of personnel and it was pointed out in the For Record Document presented at the St. Louis hearing that it was arbitrary and not agreed to by the services. Also see the comment concerning projected savings from the GAO report: "Sizeable savings were projected

from efficiency measures and other actions, but **underlying assumptions have not been validated** and could be difficult to track over time."

The differences between populations serviced by the services are due more to what each service performs at that level than efficiencies. In the Army letter, reference is made to "balanced office staffing levels." This BRAC recommendation will not further balance staffing levels. The differences in servicing ratios (population served) between the DoD components in their regional personnel offices are due more to the types of personnel work that each component performs at the regional level than it is due to efficiencies. Even using the methodology used by the HAS JCSG provides efficiencies up to double the baseline (reductions occur up to 247 personnel serviced per personnelist). The standard servicing ratio used by Army prior to the BRAC recommendations was 144 (BRAC data shows Rock Island also at 144) it is highly unlikely that Fort Riley, at 112 (BRAC data), will be able to handle the additional workload at a service ratio of 174. The only savings in this move are the efficiencies that are generated by this methodology.

Chart H-1 also shows that Rock Island has the lowest Variable Base Operating Support ratio of any of the locations. This was captured to relocate on facilities that are less costly! The Rock Island VBOS is .17195 while Ft. Riley is 1.21979 and Aberdeen is 7.69897. Moving to these locations with a higher VBOS is counter to the BRAC criteria.

Additionally, Aberdeen is a high cost area and the COBRA data shows that the net Base Operations Support (BOS) costs are higher after a move of workload from Rock Island to Aberdeen and Ft Riley. In other words the reduction in BOS at Rock Island is less than the increase in BOS at Aberdeen and Ft Riley. This action will not save money which is contrary to the BRAC criteria.

The Military Value for the Army CPOC facilities was originally .685. With the closure of Rock Island and Ft. Richardson the Military Value is .708. Keeping Rock Island open increases the Military Value to .735. If Ft. Riley were closed instead of Rock Island, the Military Value would increase to .753. DoD deviated substantially by closing the Rock Island Arsenal CPOC.

In the Capacity Analysis of HSA JCSG, it shows that Rock Island has a maximum capacity of 47,278 sq. ft. and a current usage of 50,000 sq ft. This current usage is calculated at 200 sq. ft. per person. This means that the Rock Island site is not using more sq. ft. than what they should be using. In Chart H-1 of Vol. VII there is a category of Vacant SF. The number for Rock Island is 8 which is the largest number of any of the facilities. This means that Rock Island has more space available for expansion than any other site.

3. MANUFACTURING FACILITY (JMTC-RI)

Because only a summary of the Manufacturing Facility issues were presented at the BRAC Hearing in St. Louis, the For the Record Statement is repeated.

The BRAC recommendation for the Joint Manufacturing & Technology Center- RI (JMTC-RI) is to relocate the depot maintenance of Combat Vehicles and Other to Anniston Army Depot, AL, and the depot maintenance of Other Equipment and Tactical Vehicles to Letterkenny Army Depot, PA.

There recommendation is to put depot workload only in depots and provided for centers of excellence. The workload moved is 181spaces; 119 spaces to Anniston Depot; 27 spaces to Letterkenny Depot and efficiencies of 35 spaces. There may be an issue of what category that JMTC-RI applied these hours against. The data called for work against Depot Maintenance workload. It appears that the bulk of this work is not Depot Maintenance workload and may have been misreported.

Recently the Ground Systems Industrial Enterprise (GSIE) was formed to provide oversight and direction to the 5 TACOM Arsenals and Depots. Its purpose was to operate as a business unit, tear down barriers between arsenals and depots and obtain financial and legal changes that would allow these changes to be made. Rather than operate as competitors, the intent was to operate as partners in an enterprise. Work was to be subcontracted from other partners when appropriate and duplication of facilities was to be avoided in most cases. 10 USC 4544 was enacted in order to clarify previous legislation concerning depots and arsenals. The intent was to make them

operate within limits like commercial entities. This BRAC recommendation will defeat the intent of recent legislation and put up the walls between depots and arsenals again.

Within the COBRA data the community has not been able to track any workload data to the 181 equivalent man-years of effort. The closest that appears to be similar data is current FTE for various types of workload that were answers to data questions. The answers are to questions 2121, 2122, 2146. They show that for FY04 about 101 man years of effort is in the Combat Vehicle category, about 22 man years of effort is in the Tactical Vehicle category and about 12 man years of effort is in the Other Equipment category.

The Combat Vehicle workload is made up of predominately HMMWV Armor Kits (about 80%). These are kits manufactured at JMTC-RI. The workload distribution was determined by GSIE with both commercial and government facilities. This production schedule was the most important factor. JMTC-RI obtained a portion of the work because they had the capability and ability to make these critical parts for the effort in Iraq. Although the workload may have been reported in the wrong category, this is not Depot Maintenance work.

The bulk of the remaining Combat Vehicle workload is for Gun Mount and Recoil Mechanism rebuild. This work is performed at Rock Island because they are the original manufacturer and have the specialized equipment for the work. JMTC-RI recently received a new production order for Howitzers and the same equipment used for the rebuild work is used for new production. If this equipment is moved to a depot, then there will have to be a capital investment for purchase of duplicate equipment. This would not be economical to set up duplicate facilities.

The bulk of the Tactical Vehicle workload was work performed on Flat Racks. These are ammo racks on flat beds that fit on the PLS truck. JMTC-RI has been the manufacturer of the Forward Repair System (FRS). It is on a frame that fits on the PLS. Because the Flat Racks are similar to the FRS frame, the Program Manager asked JMTC-RI to provide some work on the Flat Racks. The Program Manager felt that there were economies to be realized because of the similar work that was done on FRS frames.

Other Equipment is primarily demilitarization of Ton Containers. These Ton Containers have had chemical agent stored in them and have been demilitarized at one of the chemical demilitarization facilities. They have been rendered a 3X status but in order to make them completely safe, they are melted in the foundry and made into ingots. This takes them a 5X status and the metal can be sold on the market. There is not a foundry capability at any of the depots.

This workload has been viewed as surge workload and as such has been accomplished by primarily temporary and term employees. These employees are not permanent employees and as such will be released when the workload is reduced. Reduction of permanent spaces from JMTC-RI would be double elimination of manpower.

It is recommended that the recommendation that Depot Maintenance work be realigned from JMTC-RI be reversed. It is counter to legislative intent, it is not typical depot maintenance workload and the equipment if moved would require capital investment of duplicate equipment.

4. DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS)

Although not challenged previously by the community, it is clearly evident that many communities and the BRAC Commission itself has questioned the lack of scenarios other than the one of realigning to the current, three, large DFAS facilities. The BRAC language in SEC. 2903. (c) (3) (A) states that "the Secretary shall consider all military installations inside the United States equally.....". Although the context is prejudice against installations that were previously on the BRAC list, it is clear that the intent is to treat every installation with the same consideration. Without ever considering the Rock Island site as a receiving site, it does not meet the intent of the BRAC statute. Just as the Civilian Personnel Organizations we not utilizing Rock Island Arsenal as a receiving location because Rock Island Arsenal was initially on the closure list, the Defense Finance and Accounting scenarios did not include Rock Island Arsenal. The DFAS Rock Island site is rated number 1 in military value of all 26 DoD DFAS sites.

The community realizes that there can be savings in realignment and consolidation up to a certain point. When organizations get too large they lose their identity and the people become strictly workers and not a part of the organization. In addition, when a significant number of sites are realigned, there is a significant part of the organization that does not move with the mission. There will be a substantial learning curve in order to get back to "normal" and there will be a significant loss in effectiveness with these realignments. There may be efficiencies developed (arbitrarily assigned- see GAO Report) because of the realignment, but the customers will suffer until the new hires are fully functional and exactly where the efficiencies can be found. There will be a very steep learning curve.

DFAS today does not have a reputation of having great customer service (although the Rock Island DFAS organization has always ranked high in customer support). They do repetitive work and they tend to have lower graded personnel working at their sites. The work that they perform is time sensitive and extremely accuracy dependent. DFAS makes payments to government and military individuals and also to contractors. Contractor payments need to be timely and when not there is a penalty associated with the lack of payment. The risk is high that there may not be enough fully trained personnel for some time during this realignment. Besides the realignment of DFAS facilities being closed, there is also realignment between the 3 remaining facilities. This exacerbates the situation even more than before.

There is also risk in taking over 15,000 employees at 26 locations and moving them to 3 locations. Even though the realignment isn't to one facility, it does significantly increase the consequences if there is a natural disaster, a terrorist incident or a power/computer outage. There are some unique processes also such that there is risk in moving that process, particularly when there are many unique processes that are being consolidated. Rock Island is the only facility that processes the Army Working Capital Fund transactions. By using the Capacity Chart in Vol. VII that shows the Total Authorized Personnel and the COBRA numbers for personnel in and out of Columbus, Denver and Indianapolis the following gives an indication of the significant movement of personnel and the concentration of workload.

Columbus Denver Indianapolis

Total			
Authorized	2328	1746	2712
Spaces out	<u>951</u>	<u>1200</u>	<u>100</u>
Subtotal	1377	546	2612
Spaces in	<u>2288</u>	<u>1557</u>	<u>3570</u>
Total	3665	2103	6182

There would be less risk of there were 6 or 8 installations instead of realigning to 3 installations. Rock Island Arsenal has space for an additional 2000 employees without building or major renovations. The BFAC Commission vote on July 19, 2005 confirmed that it believes that 3 sites are too few and Columbus, Indianapolis and Denver may not be the best locations.

Questions (Chart on page M-1 of Vol. VII) that need to be answered are:

Columbus: The Facility Condition is RED. Why would DoD move to a facility that has a RED assessment, particularly from a facility that is rated GREEN? This substantially deviates from Criteria 1 and 2.

Why would DoD move to a "high cost area" for pay when ample space is available in a "rest of the U.S." location? This substantially deviates from Criteria 4 and 5.

Indianapolis: The Terrorist Threat Assessment is Low/Moderate and the facility is a leased facility. Why would DoD move to a facility that has a higher risk assessment and a leased building particularly when DoD states that BRAC allows them to get out of leased facilities and move toward more secure facilities? This substantially deviates from Criteria 2 and 4.

Indianapolis also has operating costs per sq. ft. that are significantly higher than Rock Island Arsenal and most other DFAS facilities. This substantially deviates from Criteria 4 and 5.

The H&SA JCSG recommended consolidating the 26 sites into 3 sites in Indianapolis, Columbus, and Denver. At all three of these "gaining" locations, the potential for growth is greatly hampered by urban sprawl and encroachment being in large metropolitan areas. This clearly contradicts Criteria 2 and 3.

There are excellent undergraduate and post-graduate institutions in the Quad Cities region to educate or retrain the numerous accountants and technicians needed by DFAS. Local universities and colleges have also promised to expand their accounting programs to accommodate the additional need for certification and executive programs. Both the State of Illinois and the State of Iowa have pledged to continue accounting educational opportunities in the Quad City area to attract and retain accountants for DFAS.

We certify that the above information is accurate and true to the best of our knowledge.

Mark Schwiebert

Chairman, RI Arsenal Task Force

Mayor, City of Rock Island, IL



Jim Bohnsack

County Board Chairman

Rock Island County, IL