July 14, 2005

Follow-on to July 8, 2005 Letter to Chairman Prinicpi
(In Response to San Antonio Regional Hearing)

In their defense to fight closure the Red River/Texarkana, TX Community has put forth three arguments:

1. Capacity
2. Unique Capabilities
   a. Rubber Facility
   b. Bradley Transmission
3. Military Value

1) Capacity:

RRAD Assertion:

(1) There is not enough capacity to close a depot.

(2) The use of a 1.5 shift analysis is contrary to DOD policy and "creates artificial capacity."

Response:

(1a) During a March 21, 2005 Infrastructure Executive Council (IEC) meeting they were briefed on the closure of Barstow and Red River Army Depot. Meeting attendees included:

Infrastructure Executive Council Meeting
March 21, 2005

Attendees

Members:

- Mr. Paul Wolfowitz, Deputy Secretary of Defense
- Gen Richard B. Myers, Chairman, Joint Chiefs of Staff
- ADM Vern Clark, Chief of Naval Operations
- Gen Michael Hagee, Commandant of the Marine Corps
- Mr. Michael W. Wynne, Acting Under Secretary of Defense (AT&L)
- GEN Peter. J. Schoomaker, Chief of Staff of the Army
- Mr. Peter B. Teets, Acting Secretary of the Air Force
- Hon Francis J. Harvey, Secretary of the Army
- Hon Gordon R. England, Secretary of the Navy

Library Routing Slip 2005 BRAC Commission Materials
Title of Item: Anniston Community Info
Installation or Community: Anniston Army Depot
Source: Anniston Community
Certified Material? _____ yes ✓ no
Analyst / Provider Liz Bieri Date Received: 7/14/05

Attendees were informed:

- **After executing both recommendations, DoD will have enough capacity to meet known and projected worse case requirements for ground vehicle maintenance.**
- **Additional data provided by Army and Marine Corps surge requirements have been incorporated into both recommendations.**
- **All depots have been performing well during the current surge period but there is still excess capacity in DoD.**

Capacity and surge requirements are addressed at the March 21 IEC meeting and illustrated on Exhibit 1 or can be viewed by clicking this icon.

C:\Documents and Settings\Nathan.CHA

(1 b) Exhibit 2 is a letter from Mr. Geoffrey Prosch, Principal Deputy Assistant Secretary of the Army Installations & Environment. It states the movement of RRAD mission to ANAD and LEAD meets the needs of the peacetime Army in both short term and long term future. It also states the recommendation retains a sufficient industrial base performing depot maintenance for ground and missile systems to meet 2025 Force Structure requirements. This letter was is specific response to an inquiry by General Hill.

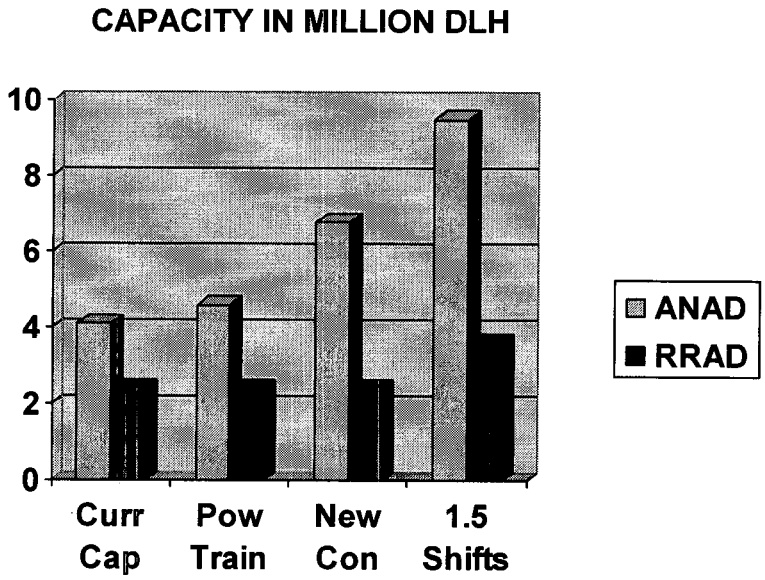
(1 c) The capacity that will remain at LEAD and ANAD is more than sufficient to meet the most aggressive projections for the reset of all ground combat vehicles for the Army & Marine 20 Year Force Structure.

(2 a) The use of 1.5 shifts or 60 hours per week in lieu of 1 shift or 40 hours per week was used by the IJCSG as a valid standard for all industrial operations and tracks with the industry standard for computing capacity. This was addressed in the GAO-05-785 Report on Military Bases and considered to be a conservative approach for computing capacity. Quote from page 174 of the GAO report is:

> One issue that the maintenance subgroup dealt with during its scenario development was that the current DOD capacity baseline for its maintenance work was based on a single shift 40 hours per week workload. According to the subgroup, when using the optimization model, it found that existing capacity as measured on this basis would constrain its ability to identify options for achieving more economical operations. Further, recognizing that such a baseline was inconsistent with industry practice, the subgroup modified the capacity baseline to one and a half shifts with a 60 hours weekly workload, thus increasing available capacity at its industrial activities and the potential for consolidating work at fewer locations. As we reported after the 1995 BRAC round, a capacity baseline of a single shift 40 hours per week workload is a conservative projection of capacity because the private sector frequently uses a capacity baseline of two or two and a half shifts.[4] In addition, based on more current information of private sector capacity utilization, we still believe that a single shift is a conservative projection of capacity, since many firms today work multiple shifts.

Mr. Prosch, (Exhibit 2) stated that the use of 1.5 shifts is consistent with the standard methodology of the DOD handbook 4151.18h.

RRAD capacity was certified at 2.4 M DHs (million direct labor hours). Anniston's current capacity was certified at 4.1 M DLH . With BRAC construction of the 2.2 M DLH production capacity and completion of 0.5 M DLH new Power Train Facility, ANAD will have a total production capacity of 6.8 M DLH-- more capacity than the two Depots currently have combined.



Using IJCSG's optimization model of 1.5 shifts, ANAD would have a capacity of 9.45 M DLH after the transfer of the RRAD mission. With the partnering capabilities at Anniston there will be sufficient DLH's to meet surge requirements and accomplish any projected funded workload required in the 20 year Force Structure Plan.

Note: The IJCSG used Fiscal Years 2003, 2004 and 2005 baseline data, the most current available information, to compute capacity requirements.

(2 b) In addition to capacity, ANAD demonstrate efficiency and cost savings. Based on GAO-05-441 RRAD had not performed well in 4 of the last 5 years and thereby may have used more DLH on their products than other Depots. Anniston has operated under budget during that same period and would better utilize their capacity. See the quote from the GAO-05-441 and the attached pages (Exhibit 3).

Method of Allocating Gains and Losses Does Not Provide Incentive For Depots to Set Prices Correctly

In setting future prices to break even, the Army spread depot maintenance reported gains and losses across all depots, rather than allocating reported losses or gains incurred by a specific depot to that depot. While DOD policy does not specify how to allocate gains and losses at the depot level, this practice does not provide the right incentives to the depots to set prices correctly in the budget. If one depot consistently incurred losses, the Army would increase the prices at other depots to help recoup the losses. As a result, the depot incurring the losses is not held accountable for operating on a break even basis. For example, the Red River Army Depot reported an accumulated loss for 4 of the past 5 years, including fiscal years 2002, 2003, and 2004. For these 3 fiscal years, the reported accumulated losses ranged from $18 million to about $48 million, indicating that Red River's customers were not charged enough for the goods and services provided to them. Because of the continual reported losses, the Tank-automotive and Armaments Command—the major subordinate command that directs Red River—sent a team to Red River to determine why the depot reported $29 million of losses during fiscal year 2003. The team found that Red River did not develop accurate budget estimates and underestimated various costs that it incurred including salaries, material, and overhead.

(2 c) An additional item that must be consider in reviewing RRAD capacity and efficiencies of operation is the RRAD requirement to construct a $49 million Maneuver Systems Sustainment Center. The RRAD support documentation for the Milcon project states "If this project is not provided, Red River Army Depot will face an uneconomical situation in supporting soldiers in the joint transformation. The expenses of setting up for short, varied production runs in line space will continue. The expenses of moving vehicles, components, and parts from one building to another will continue."

Anniston not only has the Capacity, they are fully capable of accepting all missions from RRAD and being the DoD Center of Industrial Technical Excellence for Combat Vehicles. ANAD was the recipient of significant workload and combat vehicles in the BRAC 95 process. The Depot received all the light combat vehicle work from RRAD except the Bradley and MLRS carrier. This included the M113 A3 conversion program that was being performed in a partnership with United Defense Limited Partnership (UDLP), which is now BAE Systems. They also received all the self propelled and towed artillery work from LEAD. The work from LEAD included the Paladin which was being worked in partnership with UDLP. All the vehicles and related workload transitioned to Anniston seamlessly to include the workload under partnership with UDLP with no impact on the Warfighter or readiness. Exhibit 4 Memo from BAE Systems. Transitioning the Bradley and MLRS from RRAD to ANAD will again be done seamlessly with no impact on the Warfighter or readiness.

2) Unique Capabilities

RRAD Assertion:

a. Rubber Plant:

Red River Community contends the rubber facility is unique, particularly the M-1 road wheel production and remanufacturing, and cannot be replicated with out impact on the Warfighter. Specific assertions made at the San Antonio hearing were:

1) New construction of Rubber Plant at Anniston will cost $49M and will take 3 years if permits are obtained.
2) Environmental planning, permitting, and compliance will cost $23.8M.
3) RRAD is the only source of supply for M1 Roadwheels.
4) Three commercial sources have tried but failed to be certified for production of M1 Roadwheels.
5) It will take 5 years for ANAD to mature skill base for rubber products.

Response:

Production will not stop at RRAD until the production at ANAD is certified. There is no impact on the Warfighter.

1) New construction of a rubber plant will cost $29M. Construction funding will not be available until FY07; therefore, applying a conservative estimate of two years for site preparation and construction, the plant should be ready in early FY09.

2) The Alabama Department of Environmental Management (ADEM) has reviewed current permits held by RRAD and, after evaluation, they see no reason why permits will not be granted in a timely manner for Anniston to construct and operate a duplicate plant. Environmental planning, permitting, and compliance will cost an estimated $350K-$400K for **all** construction projects and operations related to BRAC implementation.

3) ANAD will use the same rubber compound formula as RRAD. The technical data is government property and can be duplicated in a new rubber production facility.

4) RRAD is currently the only supplier of M1 Roadwheels because there is no financial incentive for private industry to invest in that capability. No information could be obtained on why the three commercial sources failed or lost interest in becoming certified, but we suspect the small volume of workload and low demand are the reasons.

5) Gadsden, Alabama is home to a Goodyear Rubber Plant, which has laid off a number of skilled workers in the recent past. Required skills are available in the local market for rubber plant workers. ANAD recently hired an engineer with 12 years of rubber manufacturing plant supervisory experience. The private industry company he worked for manufactured rubber products several orders of magnitude greater than the amount ever produced at RRAD. ANAD plans to relocate/hire personnel as soon as

practicable to work alongside current rubber plant workers to gain knowledge and experience prior to certification at ANAD. COBRA data indicates a plus up of 7.5 percent in personnel for gaining installations beginning in the first year of transition and ending after two years.

b. Bradley Transmission :

The RRAD community asserts that the Bradley transmission repair is so difficult and tolerances are so restrictive that it cannot be moved to Anniston.

Response:

The Bradley transmission (HMPT 500 Series) is a Hydromechanical Crossdrive Transmission similar to the X1100 transmission for the M-1 tank currently worked at Anniston. Anniston possesses all the skills necessary to do the transmission and will be able to accomplish that mission when the equipment is transferred from RRAD. Exhibit 5 is an information paper on the Bradley that identifies worst case cost in moving the equipment from RRAD. The critical tolerance reference relates to ball bearings that are not available in the supply system and are currently having to be precisely measured when recovered to match existing bearings. Anniston has experience in working with and reclaiming intricate bearings from work on the M-1 turbine and other related combat vehicles. While the transfer on the bearing measurement from RRAD there will be no problem in performing the work on the Bradley transmission.

3) Military Value

Assertion

RRAD assets that they scored higher than ANAD in two military value categories, Armament and Structures and in Depot Fleet/Field Support.

Response:

Anniston is a leader in Depot Fleet/Field support among all Depots as evidenced by Exhibit 6 memo.

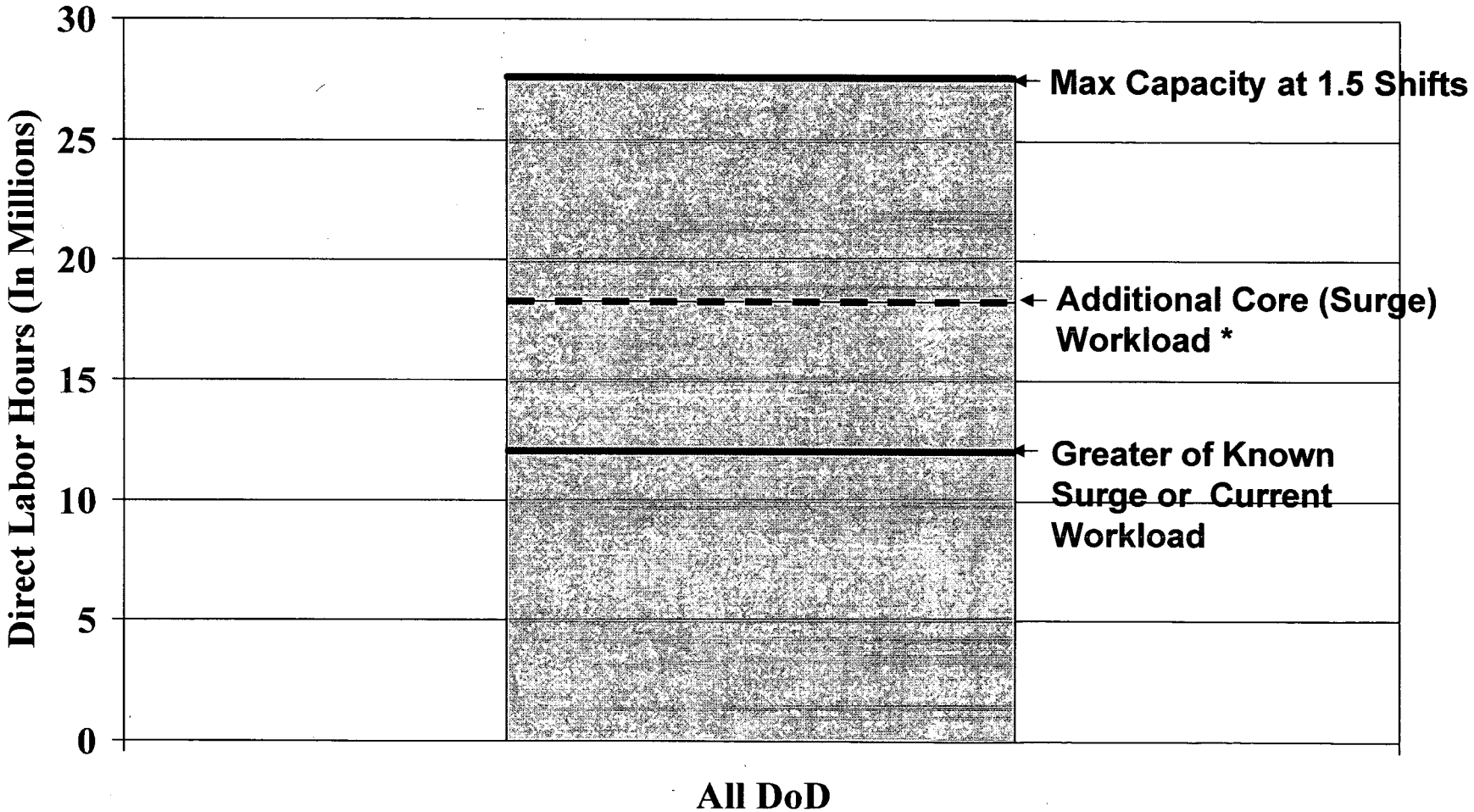
Anniston is the highest ranked Depot. ANAD is in fact the highest rated Industrial Installation in the Army, ranking at 25th, in the top 25% of all Army installations. The two most pertinent factors under military value for ground combat vehicles are Combat vehicles and Engines/transmissions where ANAD ranked higher than any other installations.

Exhibit 1

Exhibit 1

DCN: 5146

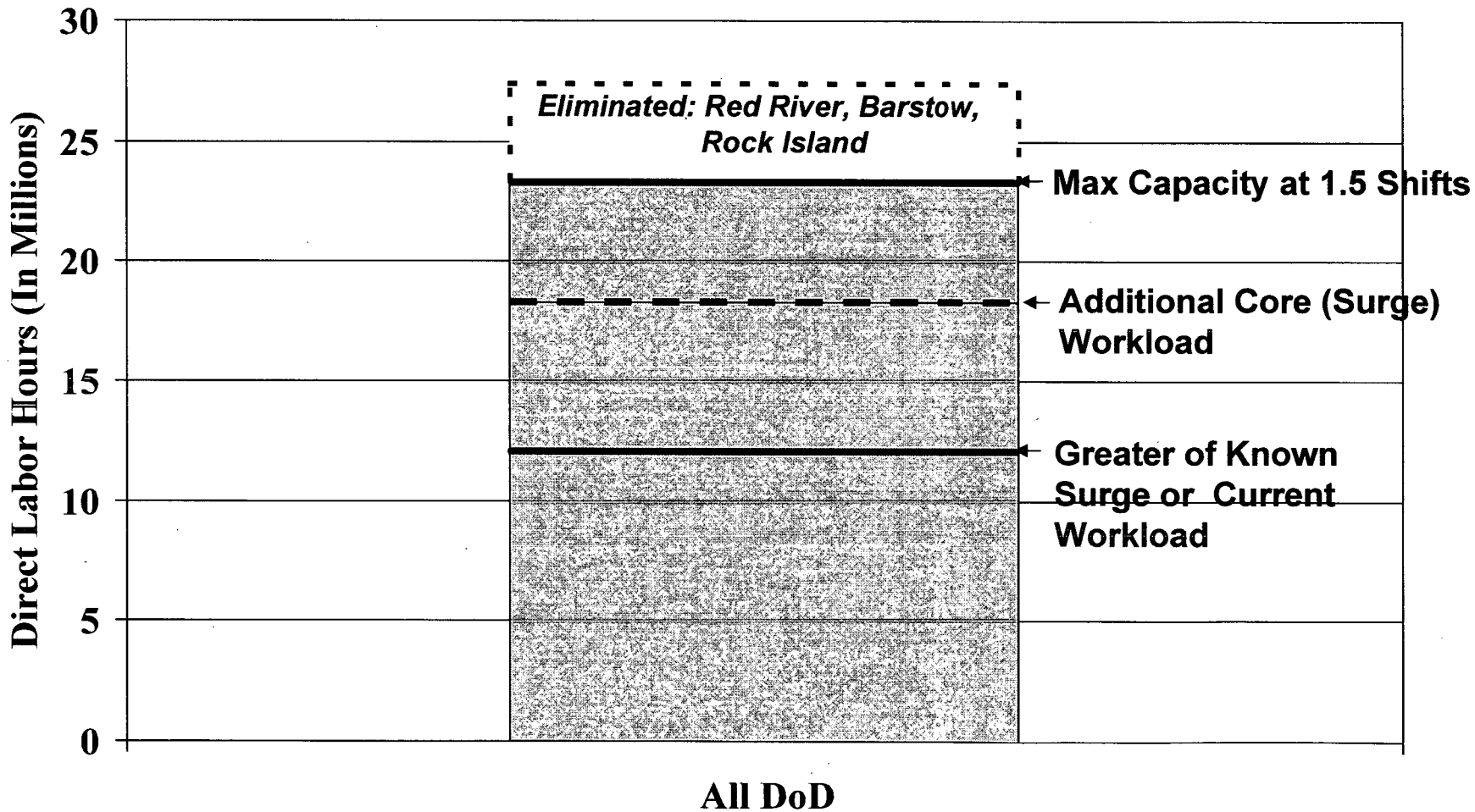
Current Ground Maintenance - Depots Capacity



* Based on uncertified data: 1) Army surge information, workload may increase by approx 4.8M DLHs to an Army total of 15.140 M DLHs; 2) Marine Corps core workload may increase by approx 1.4M DLHs for a total of 3.3M DLHs. Total is approx 18.44M DLHs

DCN: 5146

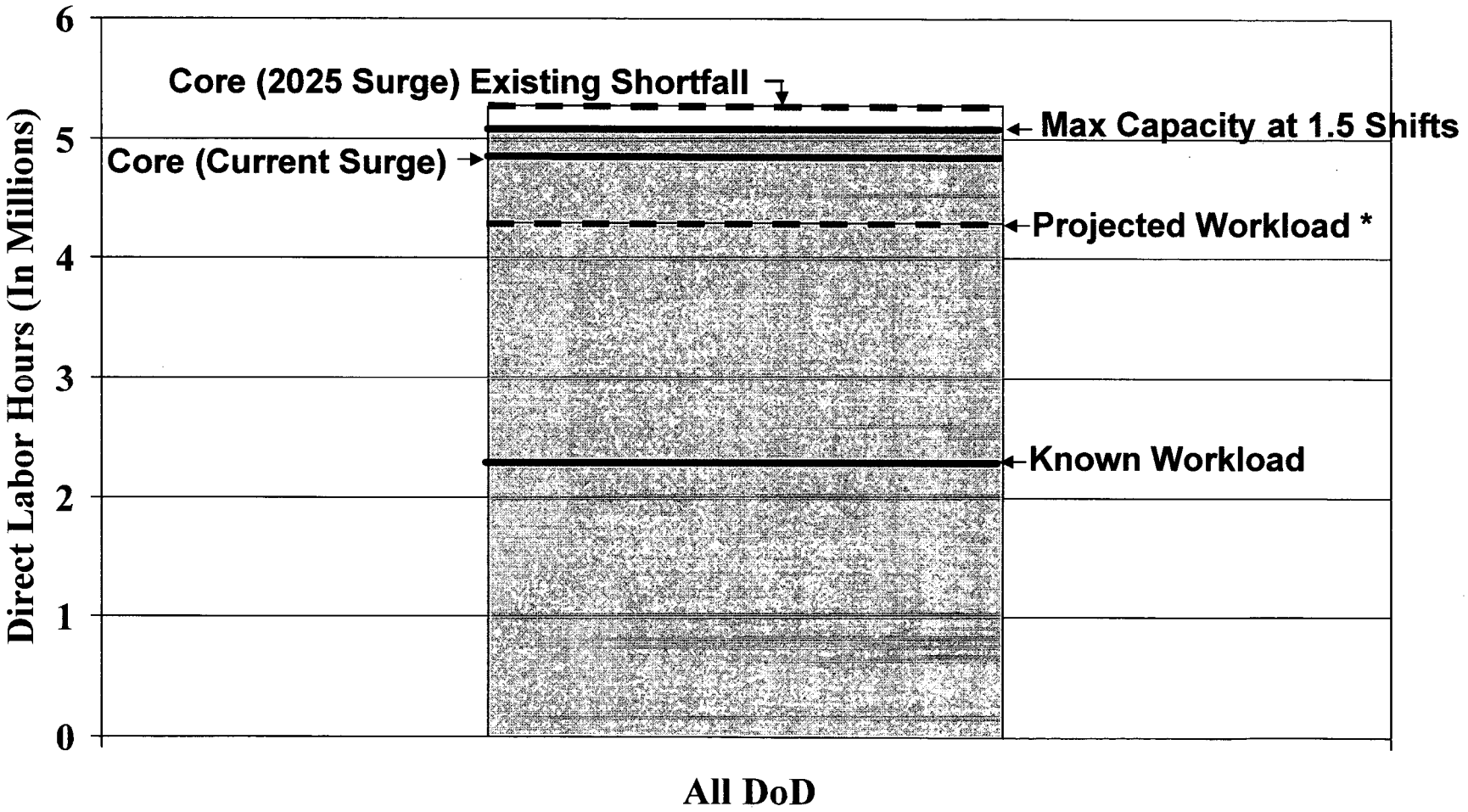
Post BRAC Ground Maintenance - Depots Capacity



- Eliminates depot maintenance functions at Red River, Barstow, Rock Island
- Max Capacity includes 2.6 M DLHs of capacity to be established at Anniston and Letterkenny
- Sufficient capacity retained to meet all known and projected requirements

DCN: 5146

Current Combat Vehicle – Depot Capacity



* Based on uncertified Army surge information Army workload could increase by approx 2.0M DLHs to a DoD total of 4.2M DLHs.

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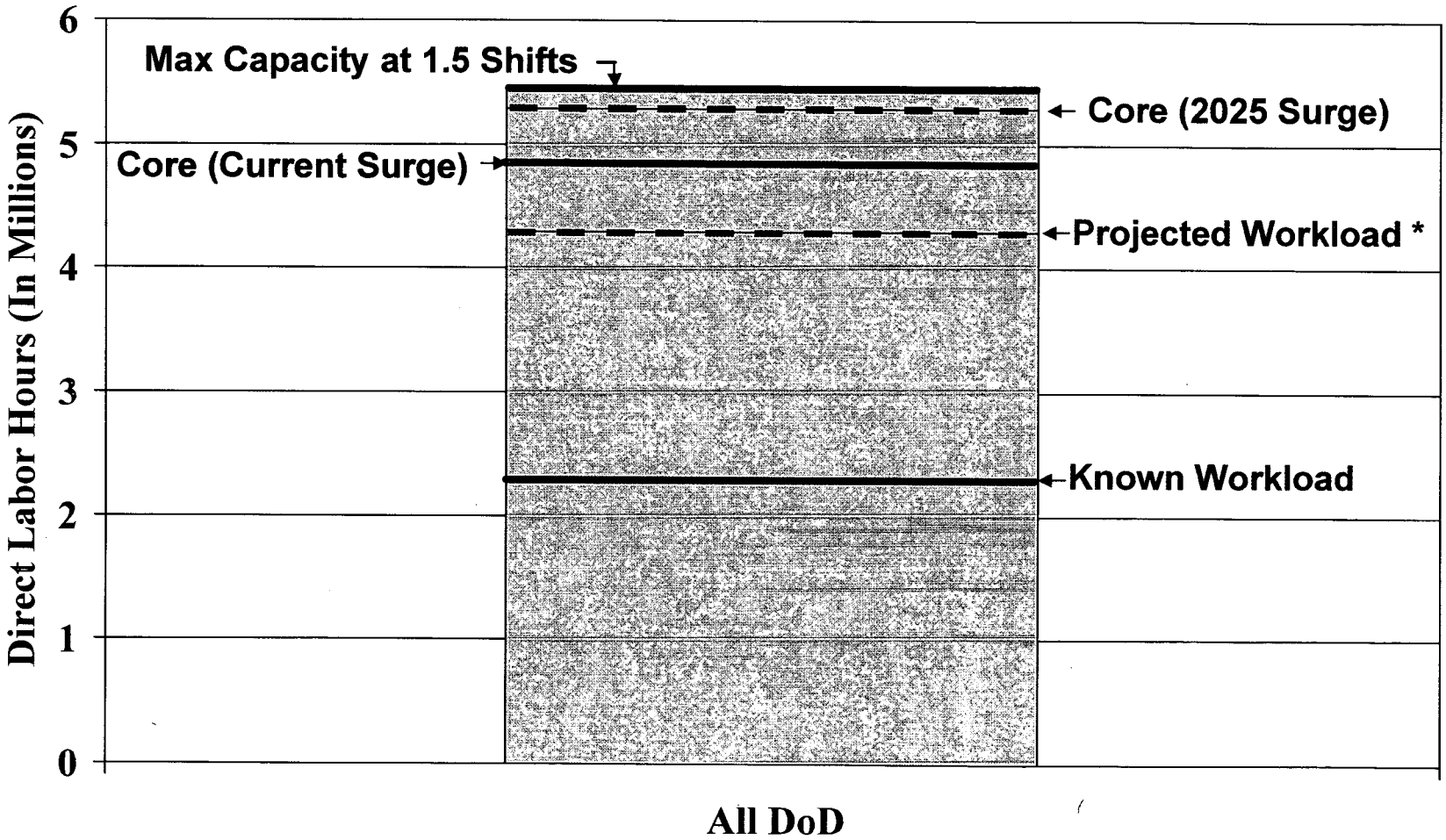
Post BRAC Combat Vehicle – Depot Capacity



- Eliminates depot maintenance functions at Red River, Barstow, Rock Island
- Max Capacity includes 2.6 M DLHs of capacity established at Anniston and Letterkenny
- Sufficient capacity retained to meet all known and projected requirements

DCN: 5146

Cost and Savings Overview

- In response to Army and Marine Corps concerns, the IJCSG analyzed the recommended closures with the addition of capacity at receiving activities to meet potential data changes.
  - Additional 2.6 million DLHs at Anniston (2.2M DLHs) and Letterkenny (0.4M DLHs) Army Depots
  - Thirteen year payback
- Supports other JCSGs to enable complete closures of Red River and Barstow (potential enclave of railhead)
- Cost/savings overview on following charts

Exhibit 2

DCN: 5146

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
INSTALLATIONS AND ENVIRONMENT
110 ARMY PENTAGON
WASHINGTON DC 20310-0110

JUN 28 2005

General James T. Hill (USA Ret)
Commissioner
2005 Defense Base Realignment and Closure Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Dear General Hill:

I am responding to your request for additional information as discussed during our recent phone conversation on 21 June 2005. The paragraphs below and the attached briefing charts provide more detailed information on the Base Realignment and Closure (BRAC) recommendations for Texas.

As discussed during the basing testimony on 18 May 2005, the Army used BRAC 2005 to conduct a holistic review of our operational basing, to include the impact of units returning from overseas and activation of modular units. Through the BRAC process, the Army sought to balance its operational forces across a variety of installations and provide them with sufficient, sustainable maneuver and training space in a wide variety of geographic, topographic, and climatic conditions in support of the live training requirements of units assigned. The BRAC analysis concluded that with five BCTs permanently stationed at Fort Hood, Fort Hood is at its saturation point from a training perspective. Fort Bliss still has excess capacity with four BCTs, while Fort Carson is at capacity with four.

FORT HOOD

- Analysis concluded that Fort Hood is at its saturation point, from a training perspective, with 5 BCTs.
- Facilities for a sixth BCT do not exist at Fort Hood nor is the military construction currently programmed.
- Estimated current facilities shortages at Fort Hood will require additional military construction to support the transformation of the 5 BCTs and other units remaining at Fort Hood to the new modular force design.
- The projected FY 11 Fort Hood soldier population will be more than 41,700 after all BRAC and modular force transformation actions are considered. The FY 03 soldier population, the baseline for analysis, was 41,054.
- As our force structure decisions continue to evolve, Fort Hood may grow. In any case, Fort Hood will remain the Army's premier heavy maneuver force installation, with more maneuver brigades than any other installation.

FORT BLISS

- One of the Army's largest installations.
- Combined with White Sands Missile Range, this is the largest maneuver training and testing location within the Army.
- With the increase in number of BCTs stationed in the United States, consolidating the ADA and Field Artillery Centers and Schools at Fort Sill provides the required space at Fort Bliss to adequately train four of these BCTs, while providing additional capacity for future requirements.
- There is no other location that provides these same attributes as effectively and efficiently.

RED RIVER ARMY DEPOT

The Industrial JCSG developed recommendations to relocate the Depot Maintenance and the Munitions storage and distribution, demil, and maintenance functions, and the Supply & Storage JCSG developed a recommendation to relocate the Defense Distribution Depot function. These three recommendations comprise the majority of the personnel and functions at Red River, and enabled the Army to develop an integrated recommendation for the closure of Red River Army Depot.

- The IJCSG determined infrastructure capacity using the larger of workload requirements or core requirements.
- The group considered the core requirement changes identified in the 2025 Force Structure Plan.
- The IJCSG analysis followed the guidance in DoD Handbook 4151.18H, which provides a standard methodology for measurement of depot maintenance, in the development of its recommendations. The IJCSG analysis includes adding 2.6 M DLH supplemental Combat Vehicle capacity at Anniston (2.2M DLHs) and Letterkenny (.4M DLHs) based on 1.0 shift. This additional capacity is sufficient to meet the needs of the peacetime Army in both short term and long term future
- The JCSG determined during a deliberative session to use a 1.5 shift in its modeling to account for surge. This planning approach preserves and retains sufficient capacity for future and unknown requirements and is consistent with the standard methodology of DoD Handbook 4151.18H.
- The closure of Red River Army Depot reinforces Anniston's and Letterkenny's roles as Centers of Industrial and Technical Excellence for Combat Vehicles (Anniston) and Missile Systems (Letterkenny).
- The receiving depots have greater maintenance capability, higher facility utilization, and greater opportunities for inter-service work-loading.
- This recommendation retains a sufficient industrial base performing depot maintenance for ground and missile systems to meet 2025 Force Structure requirements.

I am confident that the Department's recommendations will enhance transformation, combat effectiveness, and the efficient use of taxpayers' money. I hope this and the attached

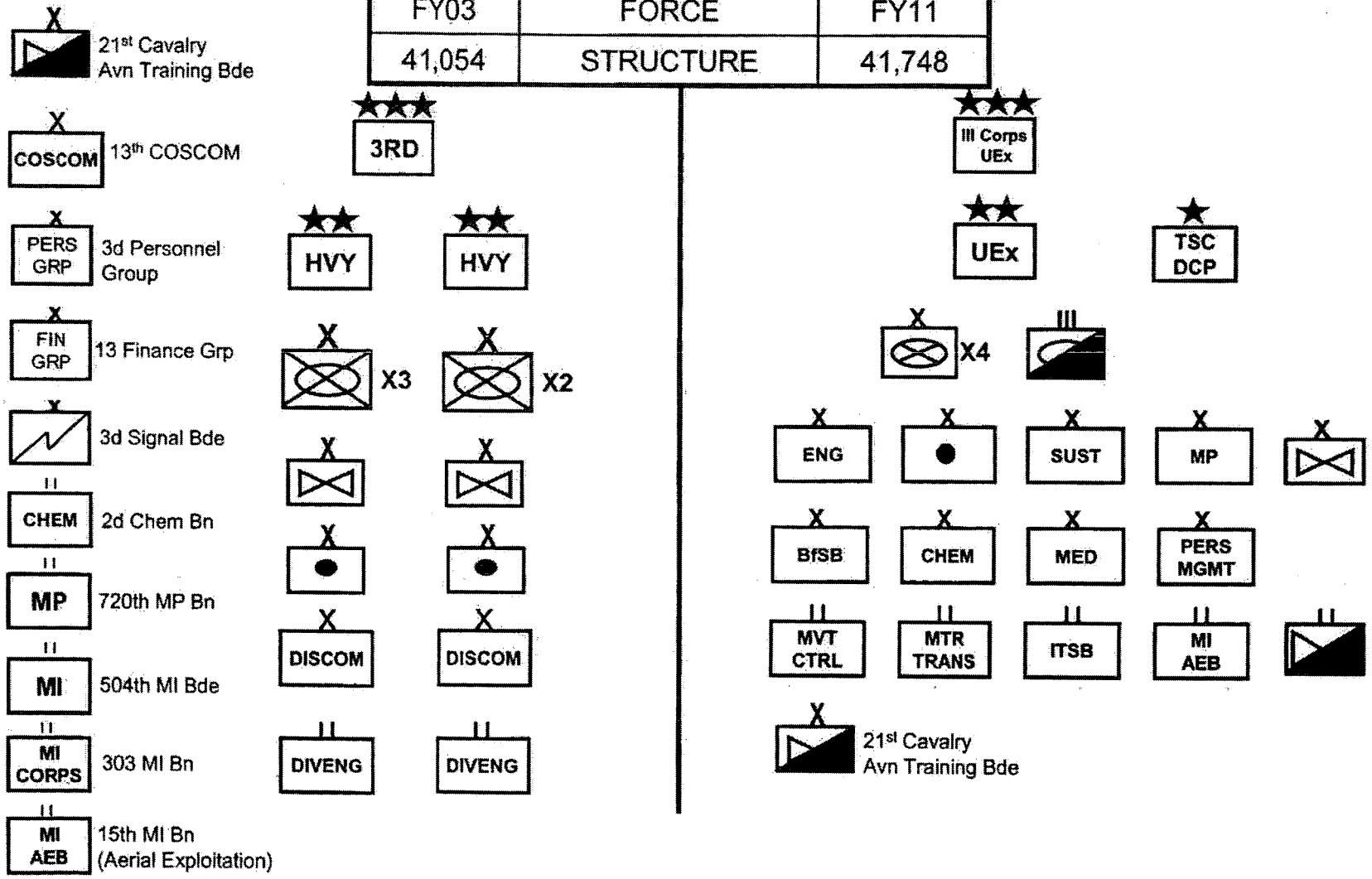
information are useful to you. We stand ready to brief you if you so desire. POC is Dr. Craig College, 703-696-9534.

Sincerely,

Geoffrey G. Prosch
Principal Deputy Assistant Secretary of the Army
Installations & Environment

FT HOOD FY2003 →2011

FY03	FORCE	FY11
41,054	STRUCTURE	41,748



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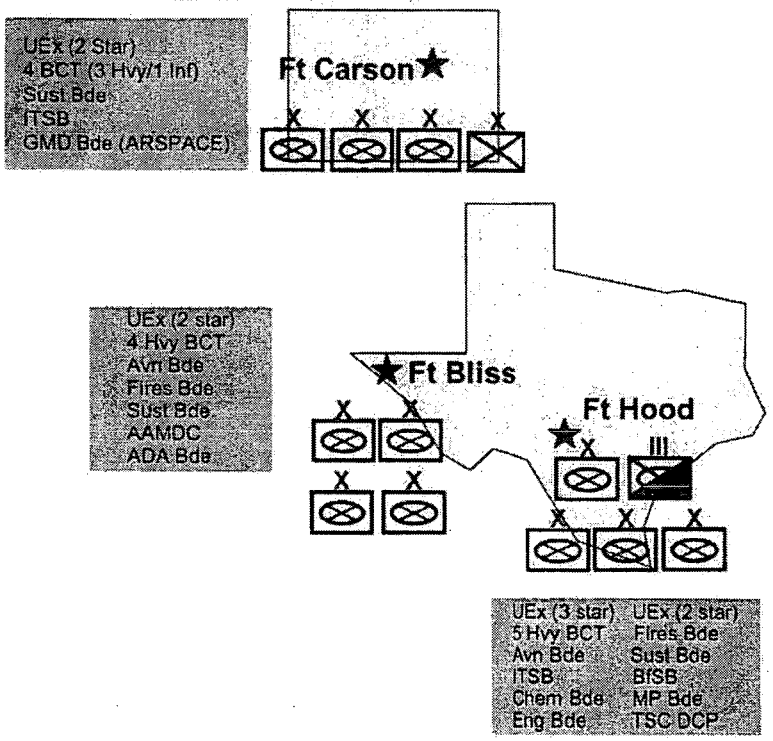
Brigade Combat Team Distribution Southwest US

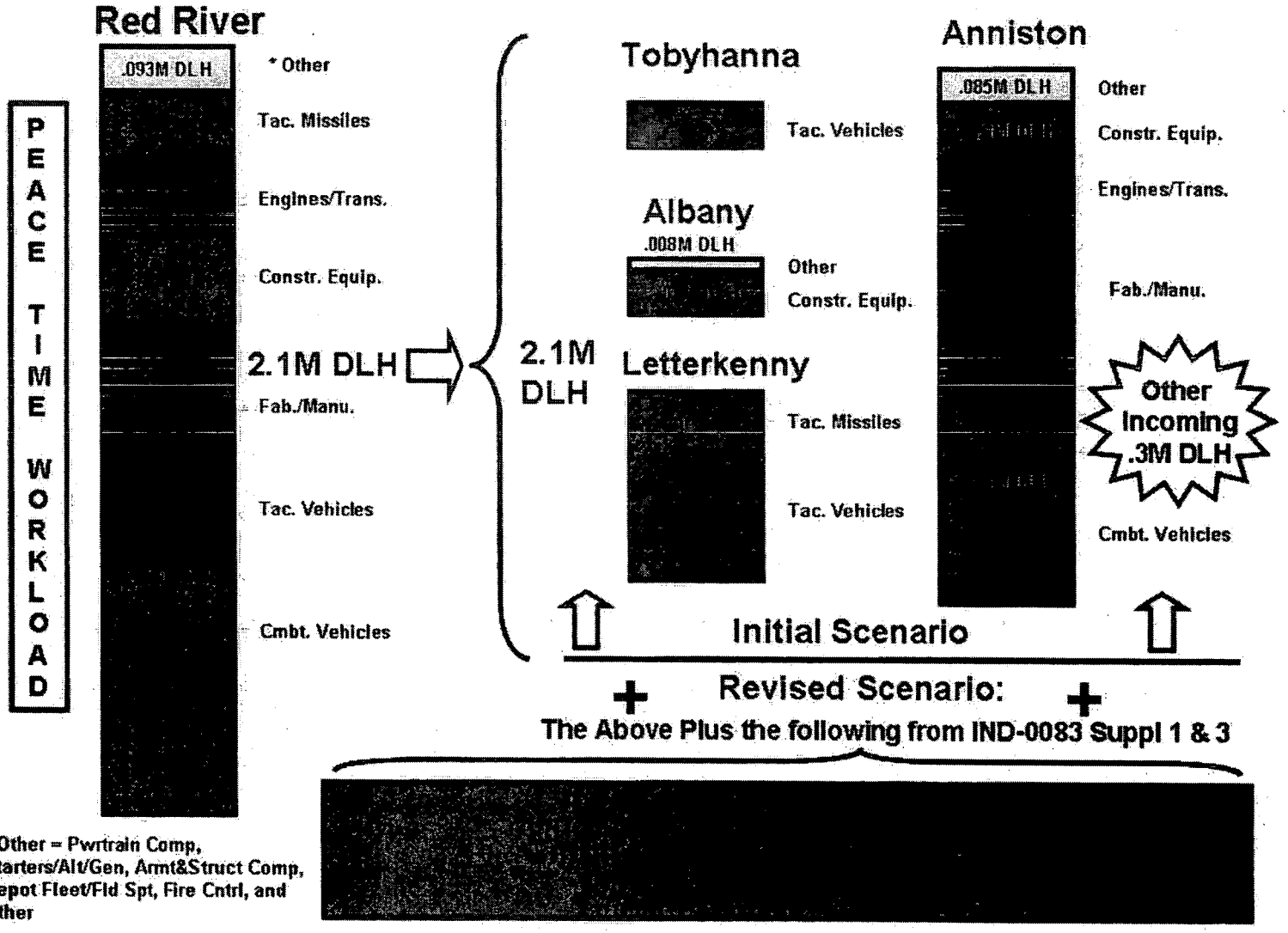


POST	MANEUVER ACREAGE	# OF BCT CURRENT/ PLANNED	CAPACITY # OF BCT HVY/LT	TRAINING STATUS	ACRES PER BCT (PLANNED)
HOOD	136,912	5 (5)	5/0	AMBER	27,400
BLISS	992,300	0 (4)	4/2	GREEN	248,000
CARSON	351,000	2 (4)	4/1	AMBER	87,800

- Brigade Combat Team (BCT) balanced in SW to optimize training and deployment capabilities
- Installations have sufficient capability to sustain Army Force Generation (ARFORGEN) requirements cycle
- Distribution ensures installations have capacity to support Reserve Component (RC) training cycle
- Reduces environmental impact from over utilization of training areas
- Force posture supports Army's conversion to modular force design
- FY03-11 Structure Authorizations:
  - Ft Hood 41,054 → 41,748 (+694)
  - Ft Bliss 9,953 → 28,214 (+18,261)
  - Ft Carson 13,790 → 21,638 (+7,848)

DCN: 5146

Red River Workload



* Other = Pwrtrain Comp, Starters/Alt/Gen, Armt&Struct Comp, Depot Fleet/Fld Spt, Fire Cntrl, and Other

DCN: 5146

Exhibit 3

DCN: 5146

and other base tenants and include security, fire protection, building maintenance, resource management, and personnel and community activities. Maintenance mission overhead includes indirect costs that can be directly attributed to supporting the depots' maintenance mission, such as supervision, indirect material, general engineering, and mid-level management and administrative expenses, but cannot be tied to a specific cost center. Tables 2 and 3 illustrate the breakout of the depots' base operations and maintenance mission overhead rates per direct labor hour as a percentage of the depots' total overhead rates for fiscal years 2001 and 2005.[9]

Table 2: Depot Base Operations and Maintenance Mission Rates Per Direct Labor Hour for Fiscal Year 2001

	Fiscal year 2001 base operations		Fiscal year 2001 maintenance mission		
Army depot	Rates	Percent of overhead total	Rates	Percent of overhead total	Total overhead rates
Letterkenny	$32.73	39	$51.70	61	$84.43
Red River	30.86	50	31.04	50	61.90
Corpus Christi	25.39	41	36.34	59	61.73
Anniston	17.27	42	23.92	58	41.19
Tobyhanna	17.69	54	14.90	46	32.59

Source: Individual Army depots and GAO analysis.

As illustrated in tables 2 and 3, base operations overhead costs represented a significant portion of the depots' total overhead rate per direct labor hour for fiscal years 2001 and 2005. In fiscal year 2001, base operations overhead as a percentage of the total overhead rate ranged from 39 percent at the Letterkenny Army Depot to 54 percent at the Tobyhanna Army Depot. In fiscal year 2005, base operations still made up a significant portion of the individual depots' total overhead rates: a range of 28 percent at the Anniston Army Depot to 52 percent at the Red River Army Depot.

[9] Fiscal year 2000 base operations and maintenance mission overhead data were not available for all depots.

Table 3: Depot Base Operations and Maintenance Mission Rates Per Direct Labor Hour for Fiscal Year 2005

	Fiscal year 2005 base operations		Fiscal year 2005 maintenance mission		
Army depot	Rates	Percent of overhead total	Rates	Percent of overhead total	Total overhead rates
Letterkenny	$24.78	47	$28.08	53	$52.86
Red River	28.80	52	26.86	48	55.66
Corpus Christi	14.35	31	31.32	69	45.67
Anniston	14.73	28	37.22	72	51.95
Tobyhanna	18.71	41	26.51	59	45.22

Source: Individual Army depots and GAO analysis.

Tables 2 and 3 show that maintenance mission overhead was also a significant cost factor making up the individual depots' total overhead rate per direct labor hour for fiscal years 2001 and 2005. In fiscal year 2001, maintenance mission overhead as a percentage of the total overhead rate ranged from 46 percent at the Tobyhanna Army Depot to 61 percent at the Letterkenny Army Depot. By fiscal year 2005, these percentages ranged from 48 percent at the Red River Army Depot to 72 percent at the Anniston Army Depot. Some maintenance mission overhead costs involve payments to organizations external to the depots, such as payments to the Defense Finance and Accounting Service for accounting and financial services. We also found that from fiscal year 2001 to fiscal year 2005, the maintenance mission overhead rate increased at only two of the depots—those that had the lowest rates in fiscal year 2001. An official at Anniston Army Depot stated that increased quality assurance operations that required hiring additional engineers and higher subordinate command management fees primarily caused the maintenance mission rate increase. An official at Tobyhanna Army Depot stated that increased LMP, Defense Logistics Agency, and Defense Finance and Accounting Service fees caused part of the increase in its maintenance mission rate. Further, in fiscal year 2002, the Army Materiel Command directed the depots to reclassify certain base operations costs as maintenance mission to properly allocate overhead costs to maintenance mission.

Method of Allocating Gains and Losses Does Not Provide Incentive For Depots to Set Prices Correctly

In setting future prices to break even, the Army spread depot maintenance reported gains and losses across all depots, rather than allocating reported losses or gains incurred by a specific depot to that depot. While DOD policy does not specify how to allocate gains and losses at the depot level, this practice does not provide the right incentives to the depots to set prices correctly in the budget. If one depot consistently incurred losses, the Army would increase the prices at other depots to help recoup the losses. As a result, the depot incurring the losses is not held accountable for operating on a break even basis. For example, the Red River Army Depot reported an accumulated loss for 4 of the past 5 years, including fiscal years 2002, 2003, and 2004. For these 3 fiscal years, the reported accumulated losses ranged from $18 million to about $48 million, indicating that Red River's customers were not charged enough for the goods and services provided to them. Because of the continual reported losses, the Tank-automotive and Armaments Command—the major subordinate command that directs Red River—sent a team to Red River to determine why the depot reported $29 million of losses during fiscal year 2003. The team found that Red River did not develop accurate budget estimates and underestimated various costs that it incurred including salaries, material, and overhead.

On the other hand, the Tobyhanna Army Depot—which had a reported revenue that ranged from $259 million to $406 million from fiscal years 2000 to 2004—reported an accumulated gain for each fiscal year from fiscal year 2000 through fiscal year 2004, ranging from $31 million to $169 million.[10] Likewise, the Anniston Army Depot reported an accumulated gain for fiscal years 2002 through 2004 ranging from $30 million to $123 million, indicating that it has been charging its customers too much for goods and services. Tobyhanna officials stated that over the last few years, they wanted to reduce their prices more than was allowed by the Army Materiel Command to return these gains to customers. Tobyhanna officials said that their sales prices were inflated to offset losses at other depots.

Due to its recent business merger of depot maintenance and ordnance activity groups beginning in fiscal year 2005, it is even more important for the Army to allocate gains and losses incurred by a specific activity to that activity. This new activity group is called the industrial operations activity group. In the past, the depot maintenance activity group did a much larger

[10] LMP implementation problems at the Tobyhanna Army Depot affected its fiscal year 2003 and 2004 AOR. LMP problems are discussed later in this report.

Exhibit 4

DCN: 5146

BAE Systems
Steel Products Division
PO Box 1030
Anniston, Alabama 36202
256-237-2841

BAE SYSTEMS

July 7, 2005

MEMORANDUM 4

President Calhoun County Chamber of Commerce

Subject: BRAC Mission Transitions

During BRAC '95, towed and self-propelled artillery missions were transferred from Letterkenny Army Depot (LEAD) to Anniston Army Depot (ANAD). LEAD had an existing partnership with United Defense (now BAE Systems) for repair of the M109A6 Paladin, self-propelled artillery. United Defense and ANAD had had successful experiences with public-private partnerships. Because of this, the mission and partnership with United Defense transferred to ANAD in a seamless, cost-effective, and timely manner.

Likewise, during BRAC '95, the light armored personnel carrier (FOV M113) repair mission was transferred from Red River Army Depot (RRAD) to ANAD. Similarly, RRAD had an existing partnership with United Defense for the FOV M113 repair mission. United Defense and ANAD had had successful experiences with public-private partnerships. Again, the mission and partnership with United Defense transferred to ANAD in a seamless, cost-effective, and timely manner.

Now, in BRAC 2005, it has been recommended that the Bradley Fighting Vehicle (BFV) repair mission be transferred from RRAD to ANAD. RRAD has an existing partnership with United Defense for the Bradley repair mission. In light of the above, it is anticipated that there will be no particular difficulty with the transfer of the Bradley mission and partnership to ANAD, and that this will also be accomplished in a timely, seamless, and cost-effective manner.

Sincerely,

Robert L. Houston

Robert L. Houston
Vice President and General Manager

Exhibit 5

DCN: 5146

REQUIREMENTS FOR BRADLEY/MLRS TRANSMISSION OVERHAUL CAPABILITY AT ANNISTON ARMY DEPOT

End Item Identification: HMPT 500 (P/N 11629000), HMPT 500-3 (P/N 12364200), HMPT 500-3EC (P/N 12380500), HMPT 500-3ECA (P/N 12446600), and HMPT 500–3ECB (P/N 12446500) Hydromechanical Crossdrive Transmissions

HMPT 500: DMWR 9-2520-270 & TM 9-2520-270-34P

HMPT 500-3: DMWR 9-2520-281 & TM 9-2520-281-34P

Required Equipment:

The following equipment (worst case scenario) would have to be transitioned from Red River Army Depot (transition cost in parentheses):

1. Brown-Bavaria Load Test Dynamometer (Automated) w/ Control Room Equipment – ($ 100,000)
2. Hicklin Load Test Dynamometer (for –EC Transmissions) – ($60,500)
3. HMPT 500 Bore/Ball Matching Gage – ($16,500)
4. 10,000 Class Clean Room – ($20,000 – potential new purchase item)
5. Computers (3-each) and Printer (1-each) – ($100)
6. Granite Table – ($1,000)
7. 500-3EC Transmission Electronic Control Unit Test Stand – ($12,000)
8. 500-3 Transmission Control Unit Test Stand – ($12,000)
9. Build-Up Station for HMPT Hydraulic Assembly – ($1,500)
10. Control Valve Test Station – ($12,000)
11. BFVS PTO Test Stand – ($12,000)
12. 500 Transmission PTO Valve Test Stand – ($12,000)

Total Equipment Transition Costs = $259,600 (worst case for all items)
= $159,600 (utilization of only one Dynamometer)
= $147,600 (utilization of only one Dynamometer, and one Control Unit T.S.)

Required Facilities:

No new construction of facilities is required.

Required Skills:

Existing labor skills are sufficient; however, some familiarization and on-the-job training for 4-6 individuals would speed up the transition process.

Exhibit 6
DCN: 5146

AMSTA-AN-BR 6 July 2005

Memorandum for Record

Subject: Depot Level Field Support

In addition to depot maintenance operations on the installation, Anniston Army Depot (ANAD) has an organization in place specifically designated for deployment support missions to anywhere in the world at any time. Each employee in this organization has a current passport and can deploy on short notice.

In support of Operation Desert Shield/Storm 476 ANAD employees were deployed to support the war efforts in SWA, which accounted for 36 percent of all civilians deployed. ANAD employees in country performed ninety percent of all combat vehicle maintenance missions. ANAD employees formed "mini depots" in county to perform M1A1 Modifications on Armor packages, optical improvements, survivability improvements, and CARC painting of equipment. 1243 total vehicles were serviced. Support also included inter-service support. ANAD employees installed appliqué armor on 75 USMC M60A1 tanks. Forward support included DESCOMUSA support group, maintenance and supply, and field support of armored vehicles and new production hand-off of M1A1 tanks for the USMC.

At the conclusion of Desert Storm, the heavy-tracked combat vehicle fleet in SWA was evaluated to determine the degree of repair necessary ensuring uncompromised readiness. Listed below is a recap of quantities and series of vehicles work loaded at ANAD. Reconstitution as of June 95:

SERIES	QUANTITY
1PM1	236
M1A1	365
M1	300
M728 CEV	46
M88A1	371
AVLB	70
Total Vehicles	**1,388**

Anniston Army Depot has deployed in excess of 250 employees in support of Operation Iraqi Freedom and Operation Enduring Freedom and another 100 employees to various locations around the globe since January 2003.

ANAD's first mission was to deploy two employees to Camp Arifjan, Kuwait, to establish a Forward Repair Activity (FRA). These employees were tasked with establishing all logistical requirements including lodging, housing, clothing, etc. for ANAD employees. We deployed approximately 20 additional employees two weeks

later to begin transformation of an empty warehouse into a Rebuild Facility. Within 45 days of arrival in country, we were making repairs to secondary items. Four employees were deployed to the Netherlands Feb 03 for a period of 30 days to support M1A1 mission requirements. Three employees were also deployed to Germany to inspect 45 M1A1 Vehicles prior to vehicles being turned in. We have maintained a cadre of approximately 22 employees since being at Camp Arifjan. These individuals also possess the skills necessary to make needed repairs on combat vehicles such as the M1A1, M88A1, M9 Armored Combat Earthmover (ACE), M60 AVLB (Armored Vehicle Launched Bridge), and M113 Family of Vehicles. Missions in Kuwait have ranged from Add-on-Armor, repair of 1790 engines, repair of other secondary items, and the inspection/categorization of assets to determine disposition.

Anniston deployed 10 employees to Camp Anaconda, Balad, Iraq, to staff the HMMWV Service Center for approximately 18 months. These employees performed numerous services in support of our soldiers in country. These included repairs of tires, application of Add-on Armor, changing oil in vehicles, changing transmissions, repairing brakes, etc.

During the past two years, Anniston Army Depot has deployed in excess of 350 employees to posts, camps, and stations in 34 states and 7 different countries. Our employees have been involved with supporting our war fighters in many different missions. Some of these include: Inspection/Repair of AVLB's; Inspection of M1A1's; Repair of Reverse Osmosis Water Purification Unit (ROWPU); Welding of Tracked Vehicles; Towed Artillery Repair; and Inspection/Repair of Small Arms. Our employees continue to support any mission requiring our support. We have the capability and have demonstrated our commitment to our Warfighters by deploying employees to posts, camps, and stations, within hours when necessary.

Phillip Dean

Phillip Dean
Installation Administrator
Transformation (BRAC) Office
Anniston Army Depot

ANNISTON ARMY DEPOT BRAC CONSTRUCTION MILESTONES

Description	Cost Estimate ($K)	Charette	RFP Preparation/Design	Construction	Design/ Award
Projects Related to Workload Transfer					
Site Improvements and Utilities	43,000	1 Nov 05 - 1 Dec 05	1 Jan 06 - 1 Oct 06	1 Nov 06 - 1 Oct 07	D-B-B
Rubber Products Plant	29,000	1 Oct 05 - 1 Nov 05	1 Dec 05 - 1 Dec 06	1 Feb 07 - 1 Mar 08	D-B
Combat Vehicle Rebuild Facilities	90,000	1 Oct 05 - 1 Nov 05	1 Dec 05 - 1 Dec 06	1 Feb 07 - 1 Feb 09	D-B
Employee Dining Facility	1,800	1 Oct 05 - 1 Nov 05	1 Dec 05 - 1 Jun 06	1 Feb 07 - 1 Feb 09	D-B
Industrial Waste Treatment Plant	12,800	Complete	1 Oct 05 - 1 Jul 06	1 Oct 06 - 1 Oct 07	D-B-B
Depot Entrance	3,550	1 Dec 05 - 1 Jan 06	1 Feb 06 - 1 Nov 06	1 Feb 07 - 1 Jan 08	D-B-B
Total	180,150				
Projects related to Center of Military History and Artifacts Moves					
Building 201 West Addition (CMH)	3,000	1 Oct 05 - 1 Nov 05	1 Dec 05 - 1 Aug 06	1 Oct 06 - 1 Oct 07	D-B-B
Macro Artifacts Building (CMH)	19,000	1 Oct 05 - 1 Nov 05	1 Dec 05 - 1 Aug 06	1 Oct 06 - 1 Mar 08	D-B-B
Total	22,000				

D-B Design Build
D-B-B Design-Bid-Build

DCN: 5146