

INFORMATION PACK

INVESTIGATIONAL HEARINGS

March 7, 1995

106 Dirksen Senate Office Building



Investigational Hearings

Fact Sheet

Assignment Sheet for Staff

Airport Arrivals/Departures

Map

**INVESTIGATIONAL HEARINGS
WASHINGTON, DC
MARCH 7, 1995
Dirksen Senate Office Building**

COMMISSIONERS ATTENDING:

Chairman Alan Dixon
Commissioner Alton Cornella
Commissioner Rebecca Cox
Commissioner James Davis
Commissioner Lee Kling
Commissioner Joe Robles
Commissioner Wendi Steele

WITNESSES:

The Honorable Togo D. West, Jr.
General Gordon R. Sullivan
The Honorable Robert M. Walker
Brig. Gen. James E. Shane, Jr.
Maj. Gen. Lawrence P. Farrell, Jr., USAF
Mr. John F. Donnelly

HEARING LOCATION:

Room 106
Dirksen Senate Office Building
Washington, DC 20510
(202) 224-2739

CONTACT:

Senate Appropriations Committee
Mazie Mattson
(202) 224-2739

FACT SHEET
INVESTIGATIONAL HEARINGS
WASHINGTON, DC
MARCH 7, 1995



LOCATION: Dirksen Senate Office Building
Room 106
Washington, DC 20510

DIRECTIONS: Enter Dirksen Senate Office Building
From First & Constitution. Past the elevators
on the right.

CAPACITY: 200 People

LUNCH ROOM: Dirksen Senate Office Building
Room 124
The American Cafe (Carry Out)

CONTACTS: Senate Appropriations Committee
Mazie Mattson/Kim Range
(202) 224-2739

Capitol Hill Police
Paula Harington
(202) 224 4841

Office of the Superintendent
Special Functions
Tim Maxey
(202) 224-3146

PARKING: None

STENOGRAPHER: Diversified
Ellen Alcott
(202) 296-229

**STAFF ASSIGNMENT SHEET
INVESTIGATIONAL HEARINGS
WASHINGTON, DC
MARCH 7, 1995
106 Dirksen Senate Office Building**

Signage.....Ziba
Reserved seating (VIP, witness, press, commission staff)

Advance on site check.....Melissa
coffee.....Wayne

Lunch Arrangemets/Logistics.....Shelley

Designated on-site supervisor during lunch.....Shelley/Melissa

Testimony collection.....Melissa

Copies.....Christy

Timekeeper.....Ziba

VIP Greeter.....CeCe

Final site sweep.....Melissa

General Runners(s).....Cristin,Christy,Paul

Nameplates, gavel, etc.....Melissa

Computer Equipment.....Jim

Capitol Hill Police Officer.....Shelley

**AIRPORT ARRIVALS/DEPARTURES
INVESTIGATIONAL HEARINGS
WASHINGTON, DC**



ALAN DIXON

Arrival: Sunday, Mar. 5 8:00pm

Departure: Tuesday, Mar. 7 4:40pm

AL CORNELLA

In Town

REBECCA COX

In Town

J.B. DAVIS

Arrival: Sunday, Mar. 5 3:59pm

Departure: Thursday, Mar. 9 7:05pm

LEE KLING

Arrival: Sunday, Mar. 5 8:25pm

Departure: Tuesday, Mar. 7 4:40pm

BEN MONTOYA

Arrival: Sunday, Mar. 5 7:22pm

Departure: Monday, Mar. 6 8:00pm

JOE ROBLES

Arrival: Monday, Mar. 6 1:01am

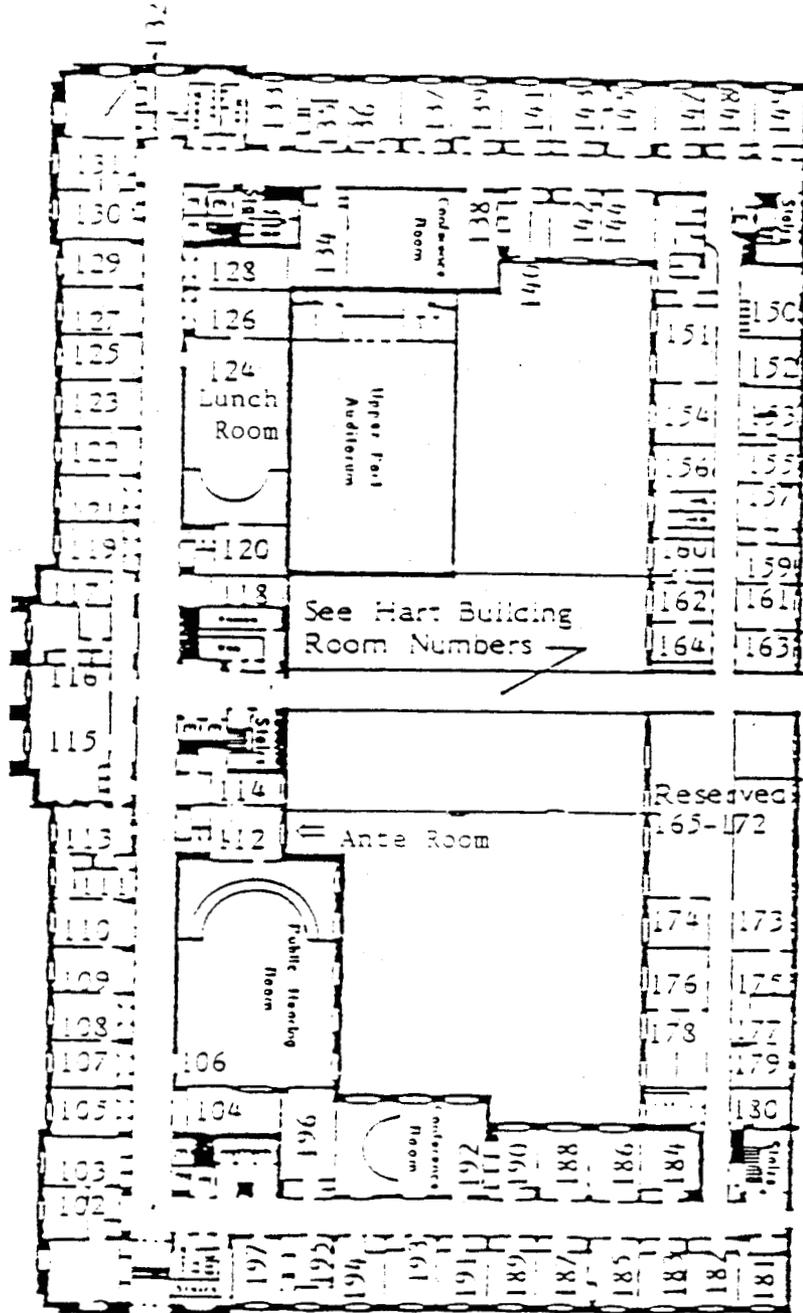
Departure: Tuesday, Mar. 8 4:40pm

WENDI STEELE

Arrival: Sunday Mar. 5 9:22am

Departure: Wednesday, Mar. 8 5:00pm

DIRKSEN SENATE OFFICE BUILDING
 First Floor
 SD. 1917 - SD. 1917



Constitution Avenue

Document Separator

**DEFENSE BASE CLOSURE
AND REALIGNMENT
COMMISSION**



INVESTIGATIVE HEARINGS

MARCH 7TH, 1995

**ROOM 106
DIRKSEN SENATE OFFICE BUILDING**

WASHINGTON, D.C.



Executive Secretariat

TABLE OF CONTENTS

TAB INVESTIGATIVE HEARING, MARCH 7, 1995 SD-106 DIRKSEN SENATE OFFICE BUILDING

1. AGENDA FOR TUESDAY, MARCH 7 HEARING.

MORNING SESSION:

2. OPENING STATEMENT - CHAIRMAN DIXON.
3. OPENING STATEMENT - THE HONORABLE TOGO D. WEST, GENERAL GORDON R. SULLIVAN, THE HONORABLE ROBERT WALKER, BRIGADIER GENERAL SHANE.
4. COMMISSIONER QUESTIONS.

AFTERNOON SESSION:

5. OPENING STATEMENT - CHAIRMAN DIXON.
6. OPENING STATEMENT - MAJOR GENERAL LAWRENCE P. FARRELL, JR., MR. JOHN F. DONNELLY .
7. COMMISSIONER QUESTIONS.
8. LETTERS OF INVITATION TO WITNESSES.
9. LIST OF 1995 DOD RECOMMENDATIONS FOR CLOSURE AND REALIGNMENT.



**HEARING AGENDA
MARCH 7, 1995
SD-106 DIRKSEN BUILDING**

9:00AM - 11:30AM MORNING SESSION:

Witness: The Honorable Togo D. West, Jr.
 Secretary of the Army

 General Gordon R. Sullivan
 Chief of Staff of the Army

 The Honorable Robert M. Walker
 Assistant Secretary of the Army (Installations, Logistics,
 and Environment)

 Brigadier General James E. Shane, Jr.
 Director of Management, Office of the Chief of Staff

11:30AM Press Availability

12:00PM - 1:30PM Lunch: SD-124

1:30PM - 4:00PM AFTERNOON SESSION:

Witnesses: Major General Lawrence P. Farrell, Jr., USAF
 Principal Deputy Director, Defense Logistics Agency

 Mr. John F. Donnelly
 Director, Defense Investigative Service

4:00PM Press Availability



.



DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

INTRODUCTORY REMARKS OF SENATOR DIXON

MORNING HEARING

MARCH 7, 1995

WASHINGTON, DC

GOOD MORNING, LADIES AND GENTLEMEN AND WELCOME.

THIS IS THE THIRD OF FOUR HEARINGS HELD YESTERDAY AND TODAY AT WHICH THE COMMISSION IS HEARING FROM AND QUESTIONING THE SECRETARIES OF THE MILITARY DEPARTMENTS, THEIR CHIEFS OF STAFF AND THE DIRECTORS OF DEFENSE AGENCIES REGARDING PROPOSED BASE CLOSURES AND REALIGNMENTS THAT AFFECT THEIR SERVICE OR AGENCY.

WE ARE PLEASED TO HAVE WITH US THE HONORABLE TOGO D. WEST, JR., THE SECRETARY OF THE ARMY; GENERAL GORDON D. SULLIVAN, THE CHIEF OF STAFF OF THE ARMY; THE HONORABLE ROBERT M. WALKER, ASSISTANT SECRETARY OF THE ARMY FOR INSTALLATIONS, LOGISTICS AND ENVIRONMENT; AND BRIGADIER GENERAL JAMES E. SHANE, JR., DIRECTOR OF MANAGEMENT OF THE OFFICE OF THE CHIEF OF STAFF.

BEFORE WE BEGIN WITH SECRETARY WEST'S OPENING STATEMENT, LET ME SAY THAT IN 1993, AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994, THE BASE CLOSURE AND REALIGNMENT ACT WAS AMENDED TO REQUIRE THAT ALL TESTIMONY BEFORE THE COMMISSION AT A PUBLIC HEARING BE PRESENTED UNDER OATH.

AS A RESULT, ALL OF THE WITNESSES WHO APPEAR BEFORE THE COMMISSION
THIS YEAR MUST BE SWORN IN BEFORE TESTIFYING.

SECRETARY WEST, GENERAL SULLIVAN, MR. WALKER AND GENERAL SHANE,
WOULD YOU PLEASE RISE AND RAISE YOUR RIGHT HAND.

DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOU ARE ABOUT
TO GIVE TO THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
SHALL BEE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

THANK YOU.

SECRETARY WEST, YOU MAY BEGIN.



**STATEMENT BY
THE HONORABLE TOGO D. WEST, JR
SECRETARY OF THE ARMY
BEFORE THE
DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
MARCH 7, 1995
WASHINGTON, D.C.**

INTRODUCTION

Good morning, Mr. Chairman and members of the Commission. General Sullivan and I appreciate the opportunity to discuss the Army's latest closure and realignment recommendations and we hope that our comments assist you in the extremely important business that you undertake.

Much has changed since the first Commission convened back in 1988, under the auspices of the Secretary of Defense. Restructuring our bases is just one of many important steps taken to adapt to changes in the global strategic environment and develop America's Army of the 21st century. For instance, since that first Commission, we have:

- reduced personnel by over 450,000 soldiers and civilians
- decreased the active component from 18 to 10 divisions
- restructured the Army National Guard from 10 to 8 divisions
- accelerated withdrawal of 145 battalion equivalents from Europe
- reduced war reserve stockpiles from 19 to 5 modern sites
- removed all Army nuclear weapons from Europe and began destruction of all stockpiles; and
- closed 77 installations in the U.S. and over 500 overseas; *more than half of all DoD base closures have been Army bases*

Approving these recommendations expands upon these changes and makes it possible for the Army to move into the 21st century unburdened by excess infrastructure. Paying for installations no longer needed has an unacceptable price - decreased readiness. The nation cannot afford this price, if its Army is to remain capable of doing whatever America asks, whether providing nation assistance in Haiti, conducting peace operations in Somalia or winning a major regional conflict in Southwest Asia.

Today's strategic environment demands different capabilities and infrastructure. Our installations perform a crucial role in power projection and have become the launching platforms for America's Army to carry out its responsibilities in serving this nation. Hence, we must take care not to jeopardize our ability to respond in the future. We cannot close installations that may later be essential. Many installations are precious national resources that deserve to be protected. Closing installations that might be needed in the future or which might have to be replaced at great cost is senseless. In our military judgment, using our best projections, there are no additional installations that should close. Nevertheless, it is important that an acceptable procedure exists to make further changes, if necessary. Therefore, I encourage the Commission to consider the failures of base closure attempts prior to the BRAC process as you prepare recommendations for future base closures.

Closing and realigning installations has been a major component of the Army's efforts to reshape itself for the better part of a decade. Overseas, we are closing 7 of every 10 sites as evidence of the shift from a forward deployed force to one relying upon forward presence. In the U.S., the Army has made great progress in previous BRAC rounds, closing 83 installations and realigning numerous others. There is much more to do. We cannot afford to let this final opportunity to restructure installations for the Army of the 21st century slip through our grasp without making some aggressive, bold choices.

SUMMARY OF RECOMMENDATIONS

Before I describe our 1995 process and recommendations, I must convey one thought. As we considered our 1995 recommendations, we discovered that the 1988, 1991 and 1993 BRAC actions affected those installations that were somewhat easier to close or realign. Every single 1995 recommendation was extremely difficult from the perspective of both our mission and our people.

The Army began preparing for this final round of the BRAC process 1 1/2 years ago. A staff of 20 analysts visited over 70 installations, collected volumes of data and investigated numerous options for closure and realignment. To provide an operational context for planning and analysis, we developed a stationing strategy which, derived from the National Military Strategy, developed guidelines to govern the stationing of forces and influence the types of installations needed for the future. This operational blueprint described parameters for eliminating excess infrastructure without jeopardizing future requirements. We followed the Department of Defense's selection criteria by devising and applying a set of quantitative measures to evaluate and compare installations, their assets, their value and their importance. A staff of 7 auditors checked and double-checked our calculations. Over 100,000 man hours -- more than 60 man years -- of effort were expended before arriving at our recommendations.

The Army recommends closing or realigning 44 installations and sites. These choices were difficult, but absolutely necessary. Our latest proposals surpass all of the Army's previous BRAC efforts in the U.S. combined. By following a strategy of minimizing cost and maximizing savings, we estimate spending only one-third of what is being spent to implement three previous rounds (88, 91 & 93). Our proposed closures and realignments will enable us to save more than \$700 million annually. That is 17% more than is presently being realized from all closures and realignments to date. We plan to reinvest these savings to maintain balanced programs in the areas of equipment modernization, quality of life and training - important components of current and future readiness.

Our proposals reduce infrastructure and overhead significantly:

- We are downsizing and reducing two maintenance depots with excess capacity;
- We are closing or realigning five major training installations and capitalizing upon the efficiencies of collocating three schools;
- We are closing three ammunition storage sites in accordance with a major restructuring plan;
- We are taking advantage of commercial ports on the eastern seaboard, enabling us to close a major port facility; and
- We are vacating several high cost leases and eliminating fifteen smaller sites that are not required.

We have profited from DoD's cross service examination across the Military Departments. The Joint Cross Service Groups support our depot and medical center recommendations.

Once again we seek to consolidate training for engineers, chemical specialists and military police to enhance training and reduce costs. This is the Army's and DoD's third attempt to accomplish this important undertaking. I recognize this has been an area of contention in the past. I would ask you to note the recommendation to close Fort McClellan received support from three successive Secretaries of Defense, two Chairmen of the Joint Chiefs of Staff, three Secretaries of the Army, spanning two different Administrations. I ask the Commission's careful consideration of this and all other recommendations.

CONCLUSION

Each successive Commission has helped us transform the Army to the demands of the 21st century. Without the BRAC process, we would be less effective in reshaping our infrastructure and reengineering our ways of doing business more efficiently. This is a collaborative effort and we look forward to working with the Commission in the months ahead. I am confident you will find our process consistent with all legal requirements and designed to produce the best recommendations possible. Throughout, our work has been rigorous and objective.

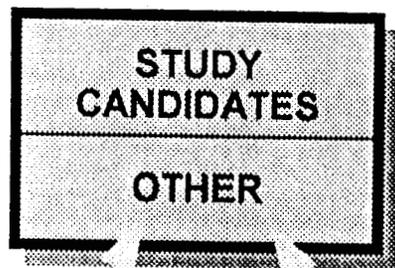
Let me emphasize that a decision to close or realign an installation is not just a business matter driven by bottom lines and cost analysis. This affects the lives and livelihoods of many men and women who have given years of dedicated service to the Army and the Nation. We ask much of our employees and families who are affected by these difficult decisions. The surrounding communities, who have supported our soldiers and civilian personnel, also suffer greatly by these decisions. Therefore, we pledge to help them to move on to new opportunities and find other ways to continue contributing to America. We also pledge to work closely with these good neighbors by continuing the 5 Point Program that President Clinton initiated in 1993 to expedite the process to find ways to use and develop the property the Army is returning.

The recommendations we have made have been difficult, but we believe they are the right choices for the Army and for the nation. The result will help to ensure that the Army is trained and ready to fight, to serve the nation at home and abroad.

Mr. Chairman, GEN Sullivan and I will be happy to answer your questions.

ARMY BRAC PROCESS

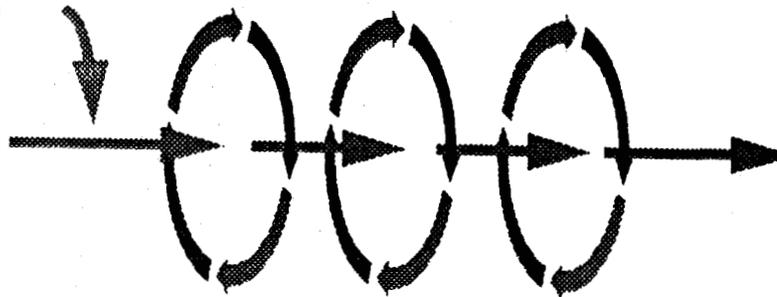
MILITARY VALUE ASSESSMENT



JCSG INPUT

FISCAL ANALYSIS
CRITERIA 5

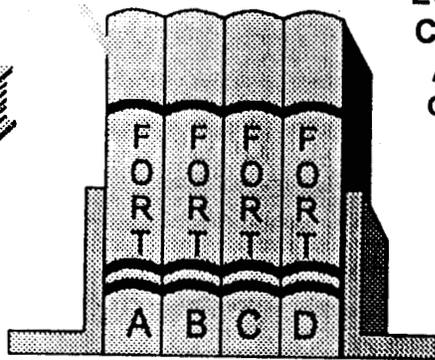
ENVIRONMENTAL ANALYSIS
CRITERIA 8



ECONOMIC & COMMUNITY ANALYSIS
CRITERIA 6-7



OPERATIONAL REQUIREMENTS & FORCE STRUCTURE PLAN



INSTALLATION ASSESSMENTS

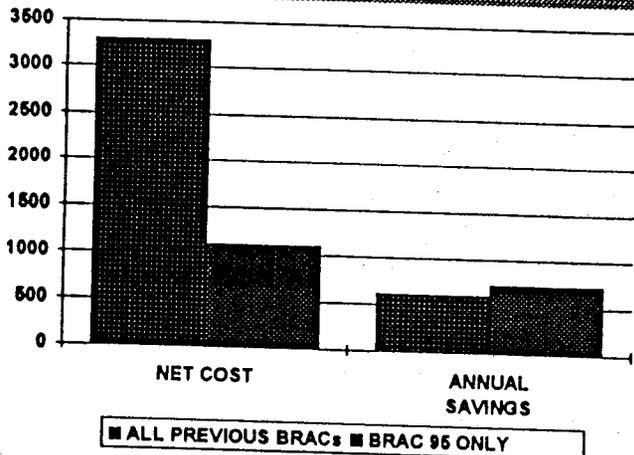
- CRITERIA 1-4
- MISSION REQUIREMENT
 - LAND & FACILITIES
 - CONTINGENCY & FUTURE REQUIREMENTS
 - COST & MANPOWER



BRAC 95 RECOMMENDATIONS

BRAC 95 IMPACT

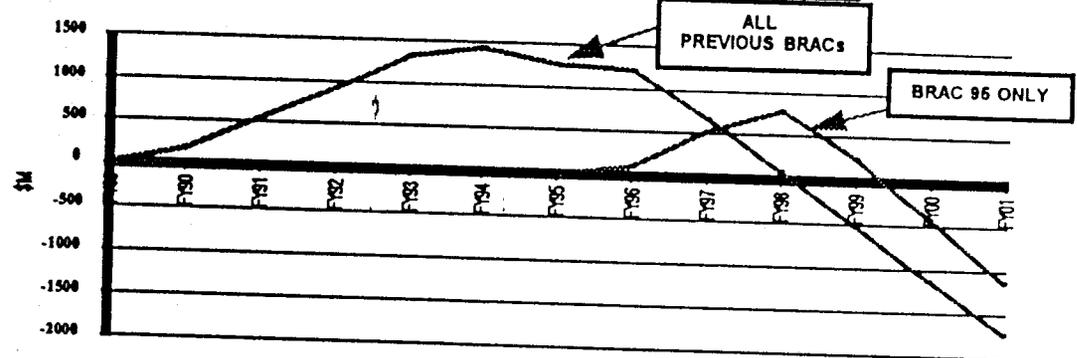
NET COST / SAVINGS IN AGGREGATE



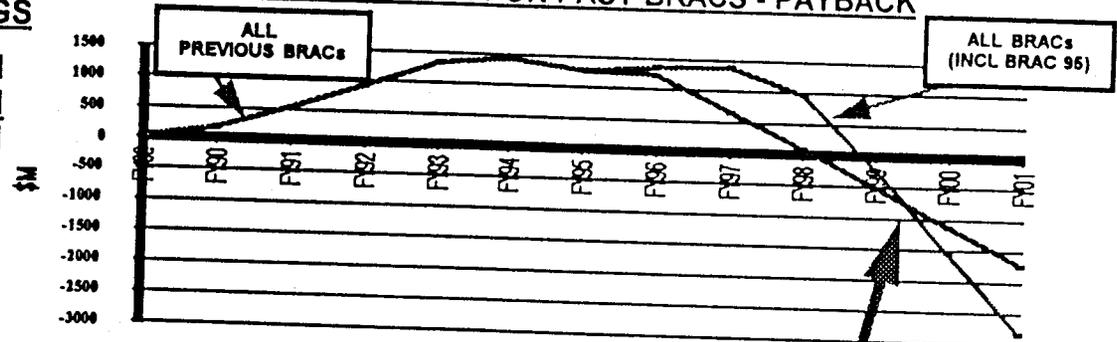
	# INSTNS (CLOSE/REALIGN)	COST	SAVINGS
PREVIOUS	83 / 14	\$3.3B	\$ 616M
BRAC 95	33 / 11	\$1.1B	\$ 725M
ALL BRACs	116 / 25	\$4.4B	\$1341M

NET COST / SAVINGS OVER TIME

COMPARISON BRAC 95 VS. ALL PAST BRACs



BRAC 95 EFFECT ON PAST BRACs - PAYBACK



**BRAC 95 ...
ONE THIRD THE COST OF ALL PREVIOUS BRACs
YIELDS 18% HIGHER ANNUAL SAVINGS**

**INVESTMENT
BREAKS EVEN
BY FY'000**



CONTENTS

Department of the Army Investigative Hearing, 7 March 1995

1.	GENERAL.....	1
2.	JOINT CROSS SERVICE GROUPS/ARMY	3
3.	GENERAL ARMY ISSUES.....	5
4.	MANEUVER.....	6
5.	MAJOR TRAINING AREAS.....	9
6.	FORT MCCLELLAN	11
7.	COMMAND, CONTROL & ADMINISTRATION.....	13
8.	MEDICAL.....	15
9.	DEPOTS.....	17
10.	PROVING GROUNDS.....	19
11.	AMMUNITION STORAGE	20
12.	INDUSTRIAL FACILITIES.....	20
13.	PORTS.....	21
14.	ECONOMIC IMPACT	21
15.	ENVIRONMENTAL IMPACT	22
16.	LEASES.....	23
17.	COSTS AND SAVINGS.....	24
18.	COMMODITY.....	25
19.	QUESTIONS FROM MEMBERS OF CONGRESS	26

GENERAL

1. Secretary West: Did the Office of the Secretary of Defense remove or add any installation closures or realignments from your recommendations to the Secretary?

If so, will you please elaborate on the specifics?

2. Secretary West: Did anyone in the administration instruct you not to place any specific installations on your list to the Secretary of recommended closures and realignments?

If so, which ones and for what reasons?

3. Secretary West: Did the Office of the Secretary of Defense instruct your Service to place or not to place any specific installations for closure or realignment on your listed recommendations to the Secretary?

If so, will you please elaborate on the specifics?

4. Secretary West: Will your service have excess capacity in any major categories or installation groupings if the Secretary of Defense's recommendations are accepted by this commission? Please elaborate.

5. Secretary West: Did you or the Office of the Secretary of Defense remove any installations from the recommendations solely for reasons of environmental or economic impact? Please elaborate.

6. Secretary West: Given the limitations on the base closure process by current Title 10 restrictions and the fact that excess capacity will more than likely remain after this last and final round under the current Base Closure Law, what method would you recommend for consideration in future base closure efforts?

7. Secretary West: Have you provided to the commission all of the information that you used in your decision-making process?

If not, would you please provide it within the next five days?

8. Secretary West: Some communities have expressed concern about inconsistent levels of cooperation from base commanders in preparing their rebuttals to the DoD proposals.

What guidance did the Army give its base commanders regarding cooperation with local communities during the BRAC process?

JOINT CROSS SERVICE GROUPS/ARMY

1. Secretary West: The 1993 Commission recommended that DoD look at cross-service issues in greater detail.

How did the Army consider/incorporate recommendations from the Joint Cross-Service working groups? How was this coordinated with other services?

2. Secretary West: Did anyone in the Office of the Secretary of Defense require the Army to include any of the alternatives of the Joint Cross-Service Groups in its recommendations? Please specify.

3. Secretary West: The 1993 Commission rejected the Department's recommendations to close Letterkenny Army Depot and directed that the tactical missile maintenance workload previously conducted at 9 different DoD depots be consolidated at Letterkenny.

What workload has already been transferred ?

What is the schedule for transferring the remaining workload?

How much has already been obligated in support of the missile maintenance consolidation plan at Letterkenny?

Has the Army re-evaluated the cost/benefit ratio of the missile maintenance consolidation plan at Letterkenny? If so, please comment on the results of the updated analysis.

4. Secretary West: The Joint Cross Service Group on Depot Maintenance suggested that air launched missile maintenance be consolidated at Hill Air Force Base; ground launched missile maintenance work be consolidated at Anniston Army Depot and the Marine Corps Hawk missile workload be accomplished at Barstow.

Why did the Army reject the cross-service team proposal and instead consolidate all missile work at Tobyhanna Army Depot?

5. General Sullivan: The Test and Evaluation Joint Cross-Service Group recommended that the Army withdraw its proposal to move the Test Battalion from Fort Hunter-Liggett to Fort Bliss. They were concerned about the loss of unique test capability at Fort Hunter-Liggett and the lack of an adequate test environment at Fort Bliss.

How did the Army address the specific concerns raised by the Joint Cross-Service Group?

6. General Sullivan: The Army's report to the Commission states that the undergraduate pilot training joint cross-service group suggested that the Navy transfer its undergraduate helicopter pilot training to Fort Rucker.

Do you believe Navy helicopter pilots can be trained at Fort Rucker?

In your evaluation, why did the Navy did not endorse this alternative?

GENERAL ARMY ISSUES

1. General Sullivan: Did the Army defer any installation categories or individual installations from consideration? If so, please explain why.
2. Secretary West: From Cold War levels to the end of Fiscal Year 1996, the Army will have reduced its force structure by approximately 37% worldwide.

How much has the Army reduced its installation infrastructure?

If there is significant difference, please explain your rationale.

3. Secretary West: Reuse of facilities that DoD disposes of is critically important to the community. It is an Army responsibility to ensure that the facility is reusable and to coordinate with or assist agencies or groups that desire to assume control of disposed facilities.

Did the Army consider reuse in development of its recommendations to the Commission?

Were any bases removed from consideration because of projected reuse problems?

MANEUVER

1. General Sullivan: Assuming that all of your recommendations are implemented, if the six ground maneuver brigades in Germany and Korea were to redeploy to the Continental United States in the next 2 years, will you have adequate space at the remaining installations to accommodate all of them?
2. General Sullivan: There are eleven maneuver installations in the United States. One of those installations has two division headquarters and five divisional brigades. With the current stationing of the ten divisions, it appears that there is an excess of two maneuver installations.

Did the Army consider closing any maneuver installations?

3. General Sullivan: The Army's report to the Commission states that maneuver installations must have the capacity to station 19 mechanized brigades and 13 light brigades. Current capacity is 15 mechanized brigades and 14 light brigades.

Since current capacity for light brigades is greater than required, why didn't the Army recommend the closure of an installation such as Fort Richardson which has the capacity for one light brigade and no capability to accommodate additional brigades even with construction?

4. General Sullivan: Forts Riley, Drum, Richardson, and Wainwright scored lowest on the Army's military value assessment among maneuver installations. None of them was recommended for closure.

Does the Army's requirement to be able to accommodate the 10-division Army within the continental U.S. effectively prohibit ever closing a maneuver installation?

5. General Sullivan: The Army's report to the Commission states that high costs associated with closure was a reason for keeping Forts Drum, Richardson, and Riley open.

Please identify those costs.

How long was the payback period?

6. General Sullivan: In reorganizing the 6th Infantry Division (Light) to a light infantry brigade task force, it appears that the modified table of organization & equipment (MTO&E) strength in Alaska has been reduced by 4,500 military.

Why is it not possible to consolidate activities in Alaska at either Fort Richardson or Fort Wainwright?

7. General Sullivan: Are you aware of the Air Force's proposal to extend the runway at Fort Drum while closing Griffiss Air Force Base?

Will the proposed runway extension be sufficient to accommodate all of Fort Drum's air mobility and support needs?

Is the Army willing to assume the cost of operation of that runway and airfield facility?

8. Secretary West: Did the Army consider closing Fort Drum, relocating the 10th Mountain Division to excess space on another maneuver installation, and saving the \$51 million cost of extending Fort Drum's runway?

9. General Sullivan: The Army announced significant restructuring late last year, which affected Forts Bliss, Lewis, Riley and Carson, among others.

Was the desire to maintain the existing maneuver base structure a factor in that restructuring?

Was OSD consulted in advance regarding possible effects of the restructuring on the BRAC process?

What guidance did OSD give regarding the Army realignment's effect on bases?

10. General Sullivan: Why is the Army moving the 3rd Armored Cavalry Regiment from Fort Bliss to Fort Carson and retaining one brigade there instead of keeping the 3rd at Fort Bliss, moving the brigade elsewhere, and closing Fort Carson?
11. General Sullivan: With the removal of one brigade from the 25th Infantry Division in Hawaii, will there be any partial closure of Schofield Barracks?

MAJOR TRAINING AREAS

1. General Sullivan: This chart shows the 1993 and 1995 military value rankings for major training areas.

Please explain why the Army now ranks Fort Chaffee as tenth out of ten among your Major Training Area installations when it was fifth of ten in 1993.

What caused Forts Dix and A.P. Hill to rise so significantly in rank?

Why is Fort Dix being significantly realigned when it is third in military value?

2. General Sullivan: Do your recommendations leave both Active and Reserve Component forces adequate remaining Major Training Areas?
3. Secretary West: In the Army's recommendation on Fort Chaffee, it states that it "...intends to license required land and facilities to the Army National Guard".

What does that mean? All of the 72,000 acres? Which of the more than 1,200 buildings?

4. General Sullivan: Fort Chaffee served as a major refugee center during crises requiring rapid relief when thousands of Southeast Asian and Cuban people fled to our shores.

Should a future contingency occur on such a scale, what other Army installation could replace Fort Chaffee if it is closed?

5. Secretary West: Fort Indiantown Gap is centrally located to the largest concentration of Reserve Component forces in the northeastern United States, and supporters contend this proximity has significantly contributed to saving taxpayer dollars due to less travel time to and from its training facilities.

Did your staff adequately study these cost savings and how they might off-set any savings from closing the post?

6. General Sullivan: I understand that the air to ground range at Fort Indiantown Gap is one of only fifteen in the country, and required three years of coordination to obtain.

What is the impact on Army and Air National Guard flight training if the active duty personnel who operate and schedule the Air-to-Ground Range depart?

7. Secretary West: You recommended that Fort Pickett be closed because it "focused primarily on reserve component training support." Yet you decided to leave open Fort A.P. Hill, which is not far from Pickett, "due to the annual training requirements of the reserve component."

Why was opposite logic used on two similar and closely-located bases?

8. General Sullivan: The three installations recommended for realignment (Forts Dix, Greely, and Hunter-Liggett) will no longer have even an Active Component garrison under your proposal.

How is this different from closure?

9. General Sullivan: Which of the ten Major Training Areas in the Continental United States were seriously considered for being relinquished to the Army Reserve or National Guard for operation and administration?

FORT McCLELLAN

1. Secretary West: The Army has again recommended relocating the Chemical School from Fort McClellan to Fort Leonard Wood. Responding to a similar request, the 1993 Commission recommended that the Army "pursue all of the required permits and certification for the new site prior to the 1995 Base Closure process."

Has the Army received these permits?

Is the Army pursuing these permits?

In the absence of such permits, do you believe your recommendation is in keeping with the spirit, if not the letter, of the 1993 Commission's recommendation?

If the permits are not available before the Commission's deliberation hearing, or this Commission rejects the Army's recommendation concerning Fort McClellan, is there another installation in the Training School category that should be closed to reduce excess capacity in this category?

2. Secretary West: In testimony before this Commission, Deputy Secretary of Defense John Deutch said that environmental permitting "is a process that the Army has got to go through before we would be ...willing to close Fort McClellan."

Given the time constraints on closures established in law, how long can you afford to wait for those permits?

By whatever measure you choose to use, at what point would the difficulty of obtaining permits and moving the Chemical School and the Chemical Defense Training Facility outweigh leaving them in place?

3. General Sullivan: Why does the Army need to continue operation of the Chemical Defense Training Facility?

Can't that training be simulated without using live agents?

4. General Sullivan: In recommending the closure of Fort McClellan, what weight did the Army give to the effects of the move on the prospective chemical demilitarization facility at the Anniston Army Depot? What do you consider those effects to be?

COMMAND, CONTROL & ADMINISTRATION

1. Secretary West: How does the recommendation to close Fort Ritchie affect the Army's support to area requirements of the National Command Authority?

Given the importance of Fort Ritchie's support to the National Command Authority, what alternatives to closing Fort Ritchie did you examine, and why did you eventually choose the "close Fort Ritchie option?"

2. Secretary West: The 1993 Commission requested a full evaluation of the unexploded ordnance situation at Fort Monroe, Virginia.

What is the status of that study?

Has the Army developed a cleanup cost for Fort Monroe? What is that figure?

Did the Army's consideration of Fort Monroe take into account the environmental cleanup costs of that site? If so, why?

3. General Sullivan: Now that the end state force structure has been decided and the Army is nearing the end of the drawdown, did you consider closing Fort Monroe and moving Training and Doctrine Command elsewhere?
4. General Sullivan: During BRAC 93, the Army Basing Study recommended that Forces Command develop alternatives for relocating units on Fort Gillem to Fort McPherson or other locations.

Did Forces Command act on the recommendation?

If yes, how did the results impact your decision to keep Fort Gillem open?

5. General Sullivan: The recommendations pertaining to Fort Hamilton, Fort Totten, and the Selfridge Army Garrison result primarily in the closure of family housing.

Why are savings realized if the Army must now pay basic allowance for quarters and variable housing allowances to soldiers who were occupying those family housing units?

MEDICAL

1. Secretary West: The Army is recommending the closure of Fitzsimons Army Medical Center in Aurora, Colorado.

What will happen to Fitzsimons Army Medical Center's role as a lead agent and referral center for a 13-state region?

How is the cost of expanding one or more other DOD hospitals' capacity to assume this role reflected in the cost/benefit evaluation of closing Fitzsimons?

2. Secretary West: The Army plans regarding Fitzsimons indicate that some of that facility's workload will be moved to Evans Army Community Hospital at Fort Carson and to the Air Force Academy hospital, both about 75 miles away in Colorado Springs.

Are those two hospitals able to absorb the increased workload?

3. Secretary West: In recommending the closure of Fitzsimons and the realignments of the hospitals on Forts Meade and Lee, did the Army consider the medical needs of the active duty personnel and their family members remaining in the area of the hospital to be closed?

What about retirees, survivors, and their family members?

Do you have any estimate of how much in additional costs beneficiaries in those areas will pay out of pocket following the closure and realignment of those hospitals?

4. General Sullivan: Even though not specifically stated, it is assumed that the Army is recommending the closure of Noble Army Hospital at Fort McClellan along with the closure of that base. However, the Army presence at the nearby Anniston Ammunition Depot is slated to grow, and that facility does not have a hospital.

Did the Army consider the potential benefits of keeping some medical capacity at Fort McClellan to meet the needs of the remaining military presence in the area?

5. Secretary West: Does the closure of Noble Army Hospital impact on the capability of Anniston Army Depot to perform its chemical demilitarization mission?
6. Secretary West: In 1993 the Assistant Secretary of Defense (Health Affairs) recommended the realignment of Patterson Army Hospital at Fort Monmouth, New Jersey, to a clinic. This list does not mention Patterson Army Hospital.

Did the Army consider the closure of Patterson Army Hospital?

How is the situation different this year than it was in 1993?

7. Secretary West: What are the opportunities to achieve such economies beyond the recommended closings of Fitzsimons Army Medical Center and Noble Army Hospital at Fort McClellan and the downsizing of the hospitals at Fort Lee, Virginia, and Fort Meade, Maryland?

DEPOTS

1. Secretary West: How did the Army incorporate recommendations from the Depot Joint Cross-Service Working Group on interservicing/consolidating of depot activities?
2. General Sullivan: Your analysis of military value for the four Army depots ranked Tobyhanna first, Anniston second, Red River third, and Letterkenny fourth. In your recommendations to the Commission, you recommend closure of Red River and realignment of Letterkenny.

Did you consider closing all four depots? If not, which depots did you exclude? For what reasons did you exclude them?

Did you consider moving production lines from Anniston to Red River? If not, why?

3. General Sullivan: What military attributes about Tobyhanna and Anniston Army Depots were so compelling that they were removed from consideration?
4. Secretary West: The Navy has recommended realignment of Naval Air Station Corpus Christi. Corpus Christi Army Depot is a tenant there, and relies on the Navy airfield for helicopter flight operations.

Does the realignment of Naval Air Station Corpus Christi to a Naval Air Facility impact on Army plans for Corpus Christi Army Depot? If yes, how?

5. Secretary West: The Air Force claims that it is more cost-effective to downsize all of their depots than close any. Did the Army consider this option?

6. Secretary West: In the Army's report to this Commission, comments on the alternatives presented by the Joint Cross-Service Group for Depot Maintenance pertain only to alternatives that result in losses to Army depots.

Are there any gains from other Services at Army depots as a result of the Joint Cross-Service Group recommendations?

If yes, do these impact on your depot analyses or recommendations?

7. General Sullivan: If your recommendations are fully implemented, will the Army depot structure retain excess capacity which could be used for workload from other services?

PROVING GROUNDS

1. General Sullivan: In the 1993 Army recommendation, the Army considered closure or realignment of Dugway Proving Ground, Utah. Ultimately it was excluded due to its unique capability to conduct chemical or biological testing. The 1995 recommendation calls for realignment of Dugway "by relocating the smoke and obscurant mission to Yuma Proving Ground, Arizona, and some elements of chemical/biological research to Aberdeen Proving Ground, Maryland."

What has occurred to offset the unique capabilities Dugway possessed in 1993?

Is the capability to conduct chemical or biological testing to remain at Dugway after realignment?

Is this recommendation in line with your primary stationing requirement which is, 'to maintain adequate acreage, range capacity, and facilities to support the Army testing program'?

How will the Army support Dugway's open-air testing program following this realignment?

2. Secretary West: The Test and Evaluation Joint Cross-Service Group questioned the Army's proposal to realign Dugway Proving Ground and recommended that the Army withdraw this proposal.

How did the Army address the specific concerns raised by the Test and Evaluation Joint Cross-Service Group regarding the uniqueness of Dugway, the risks of moving research effort, and costs to duplicate existing capabilities at Dugway?

AMMUNITION STORAGE

1. General Sullivan: You recommend realigning the Sierra Army Depot by removing its conventional ammunition storage and destruction missions.

Where will these missions be performed?

INDUSTRIAL FACILITIES

1. Secretary West: The Army's recommendation to close the Detroit Army Tank Plant and Stratford Army Engine Plant represent the closure of facilities designed for production of critical items (M1 tanks, tank and aircraft engines). Production of these items must require highly technical, if not one of a kind, equipment.

Does the closure of either the Detroit Army Tank Plant or Stratford Army Engine Plant facilities leave the Army without necessary facilities, equipment, skills, or industrial capability to meet mobilization requirements?

How many contractor personnel at each site are affected by the recommendations?

2. Secretary West: Why does your analysis of Detroit Army Tank Plant and Stratford Army Engine Plant shows no loss of jobs a result of these closures?

PORTS

1. Secretary West: The Army owns and operates three military ports in the US. As this chart shows, Sunny Point, North Carolina was ranked the highest in military value; Bayonne, New Jersey second; and Oakland, California third.

Please explain why you decided to recommend the closure of Military Ocean Terminal Bayonne, but disapproved the closure of Oakland Army Base.

2. General Sullivan: Given the emphasis on (and synergy from) interservice operations, what is the Army's requirement for continuing to own and operate military ports?
3. General Sullivan: Sunny Point was retained because it is the sole ammunition terminal in the Army inventory. U.S. Navy port facilities accommodate USN and USMC bulk ammunition requirements.

Please explain why a single Service could not accommodate Army, Navy, and Marine Corps bulk ammunition shipping requirements.

ECONOMIC IMPACT

1. General Sullivan: In its report, the Navy stated that it decided independently to avoid recommending closures in California due to the number of job losses already occurring there.

Did the Army establish any independent criteria for assessing economic impact?

If so, did that change the ranking of any Army base?

ENVIRONMENTAL IMPACT

1. Secretary West: OSD policy guidance directed that "...environmental restoration costs at closing bases are not to be considered in cost of closure calculations." The policy further states that "...unique contamination problems requiring environmental restoration will be considered as a potential limitation on near-term community reuse."

Were any installations not recommended for closure or realignment due to unique contamination problems?

2. Secretary West: Funding in support of environmental clean-up of BRAC 88 installations expires at the end of Fiscal Year 1995.

Is expiration of funding a potential problem?

What is the estimated cost of uncompleted BRAC 88 environmental clean-up actions?

How do you intend to continue to fund required clean-up activities?

3. Secretary West: As the Army made its closure and realignment decisions, what role did environmental compliance play in your analysis?

For example, did environmental limitations on a base's expansion potential play a major role in the analysis?

Were bases in Clean Air Act or other non-attainment areas viewed differently from those in attainment areas?

LEASES

1. General Sullivan: In 1991, the Commission approved the merger of Aviation Systems Command and Troop Support Command.

Please explain why the Army is disestablishing a command created just a few years ago.

Please explain what has changed that now makes relocating Aviation-Troop Command financially attractive.

2. Secretary West: The Army studied the offices of the Military Traffic Management Command in Virginia under the lease category. The Army report stated that "analysis was discontinued because realignment was not financially advantageous."

What alternatives did the Army find to be not financially advantageous?

3. Secretary West: The BRAC 93 Commission recommended that the Services review current leases to determine whether or not excess government-owned administrative space could be used instead of leased office space.

Did the Army review all of its leased facilities in an effort to get them into government-owned facilities?

What was the dollar threshold for the leases the Army reviewed?

4. Secretary West: We have received copies of two letters from the Army to the other Services requesting retention of facilities on bases recommended for closure in the Secretary of Defense's recommendation to this Commission. In one, the Army requests portions of the Naval Air Reserve Center, Olathe, Kansas; in the other Army requests portions of Brooks Air Force Base, Texas.

Were these two issues discussed during the DOD joint review process? If not, why not?

5. Mr. Secretary: Actions like these two letters are exactly what the Business Executives for National Security highlighted in their study concerning implementation of previous BRAC recommendations.

Do you think that the Commission should change the Brooks Air Force Base and Naval Reserve Training Center recommendations to reflect establishment of reserve component enclaves?

COSTS AND SAVINGS

1. Secretary West: Many installations studied for closure were ultimately deferred "because it was not found to be financially advantageous."

What were your minimum financial criteria for considering a base for closure?

2. Secretary West: A DoD press release on 6 February 1995 credits the first three rounds with closure of 70 bases and projected savings of \$6.6 billion over their 6-year implementation periods (FY 90-99) and \$4.5 billion annually after implementation.

Is the Army experiencing costs to close installations within or above the amount funded?

How have you incorporated this knowledge into estimates for this round?

3. Secretary West: Is the Army changing any of its execution procedures to accelerate realization of, or increase, savings from base closings?
4. Secretary West: Despite Congressional & GAO recommendations, costs of closures to other affected federal agencies is excluded from installation cost considerations on the rationale of high cost-vs.-low benefit of gathering and quantifying data.

Can you suggest a cost-effective alternative that addresses Congressional concern?

COMMODITY

1. General Sullivan: The Air Force has proposed moving functions from the Rome Labs in New York to the Army's Fort Monmouth, New Jersey.

Is there sufficient capacity at Fort Monmouth to accommodate the proposed move?

Did you incorporate the effects of this Air Force move when ranking Fort Monmouth against other commodity installations?

QUESTIONS FROM MEMBERS OF CONGRESS

QUESTIONS FROM REP. JAMES V. HANSEN, 1ST DISTRICT, UTAH

1. Secretary West: Are you aware that during the previous two rounds of base closures, the then Secretaries of the Army removed Dugway Proving Ground, Utah, from any further consideration under the BRAC process because of its unique military value and characterized Dugway as an irreplaceable national security asset? What has changed in the last three years to precipitate your recommendation to this commission?
2. The Army is proposing to move Dugway's Smoke and Obscurant mission to Yuma Proving Ground. Are you aware that Yuma does not possess the environmental permits from the State of Arizona required to permit open-air testing of this magnitude? If these permits cannot be obtained what are your plans for this important testing?
3. Are you also aware that Dugway already possesses these permits as well as well as all permits required for the open-air release of live chemical agent as required in other realignment proposals?

QUESTIONS FROM SENATOR DALE BUMPERS, ARKANSAS

The Army recommends closing Fort Chaffee, Arkansas, "except minimum essential buildings, and ranges for Reserve Component training as an enclave." The Army intends to license required land and facilities to the Army National Guard.

1. Has the Army identified which of Fort Chaffee's 70,000 acres and 1,000 buildings would be licensed to the National Guard, and which would be returned to the public for development?
2. As a result of the 1991 Base Closure process, Fort Chaffee has been dedicated primarily to the training of Reserve Component units and individuals. Was the Reserve Component involved in the decision to close Fort Chaffee?
3. How much will it cost the Army National Guard to operate the licensed portions of Fort Chaffee? Does the Army intend to provide the National Guard with the required funds?
4. The Army says that the annual recurring savings of closing Fort Chaffee will be \$13 million. How can that be, since the base's total FY 1995 operating budget is only \$9.7 million?
5. Does the Army's \$13 million projected annual savings consider the costs of continuing to operate the Fort Chaffee "enclave" and the extra travel costs involved for reserve component units that will now have to travel longer distances to places such as Fort Polk or Fort Sill?
6. In BRAC 93, Fort Chaffee ranked #5 among 10 Major Training Areas. In BRAC 95, Chaffee was ranked last among those same 10 Major Training Areas. What factors caused Chaffee's ranking to drop so much in just two years?

QUESTIONS FROM REP. ROSCOE BARTLETT, MARYLAND

1. What are the exact costs (and savings) associated with the proposed relocating of the Information Systems Engineering Command (CONUS) from Fort Ritchie to Fort Huachuca, Arizona? At the present time, figures show that 73 percent of the important telecommunications responsibilities fulfilled by ISEC is performed on the east coast. I am deeply troubled by a proposed change of station for this high-tech unit and the increased expenditures ties to meeting its mission from the west. Tell me -- specifically -- upon what basis this particular move is justified and what savings will be realized as a result.
2. The Army's recommendations state that the National Military Command Center (referred to as Alternate Joint Communications Site R) will be able to maintain its operational support even with the removal of those units from Fort Ritchie which currently have the task of supporting Site R. Given the unique and unpredictable geographic/weather/logistical demands of the region in which Site R and Fort Ritchie are located, how can a significant change in locations for crucial support units be justified and still maintain the operations readiness of Site R in both peacetime and crisis?
3. In my estimation, the missions of both the garrison (Fort Ritchie) and its tenants have become more demanding and exacting as a result of earlier BRAC action and increasing global tension and threats to our national security. The ability of the military to respond swiftly and adequately to crisis is clearly in jeopardy as a result of the recommendations in the Army's report. Please tell me how our total force requirements will be met with the reallocations and closures (involving Fort Ritchie) contained in the Army's report to the Commission. I am unconvinced that the military value will be enhanced as a result of the changes suggested.

4. It is a fact that designated potential receiving locations are not prepared to house and accommodate incoming units. Of primary concern to the Army in its criteria for site selection is the ability of existing and receiving locations to mobilize units, manpower and operations to meet any contingency. Fort Ritchie has historically proven that its mission is unique and that it can meet the Army's requirements at minimal cost. What benefits can you cite which justify relocating units from Fort Ritchie to sites which are not prepared to accept them?
5. The U.S. Army has recently invested nearly \$2 million in construction of an armory at Fort Ritchie. In addition, \$2.6 million has been invested in the construction of a new post exchange at Fort Ritchie. Construction of a newly-dedicated commissary at the post will total \$4.6 million. The post fire station will cost \$1.6 million and the restoration of the Fort's lake, dam, and spillway will cost taxpayers \$3.7 million. The Army's efforts to economically justify closing Fort Ritchie do not measure up to the reality of the investments made to keep the base in operation. The investments made in the facility make Fort Ritchie more likely to meet the Army's goals, not less. I assume that the Army's expenditures of millions of dollars of public funds for capital improvements at Fort Ritchie were made to keep the post open in operation. Please assure me that such is the case and intent.
6. In accordance with the jointness criteria, Fort Ritchie now hosts a joint organization (DISA). Was that important factor considered as part of the Army's evaluation?
7. Did the Army ever consider the conversion of 1111th Signal Battalion and the MPs to civilian space to avoid excessive construction costs for support facilities (ie., housing, dining) at Fort Detrick?
8. Was any consideration given to contracting out or having civilian security systems replace Fort Ritchie MPs? This would save transportation costs from Fort Detrick to Site R.

9. Was consideration given to realigning the organizations based at Fort Ritchie to other locations closer the Fort Ritchie -- such as ISEC to Letterkenny Army Depot or TAO (sic) to SITE R, or moving the 1108th Signal Brigade to Site R? Such a realignment could meet both the Army's goals, utilize Fort Ritchie's assets and save expenses.
10. What consideration has been given to realigning Fort Ritchie (ie, the garrison) to become a subpost of Fort Meade?
11. What consideration was given to using Fort Ritchie to support DISA Headquarters, thereby meeting DISA goals, consolidating resources and getting personnel out of leased facilities. This action would be consistent with future total force requirements.
12. What consideration has been given to Fort Ritchie being assigned to GSA and the property subsequently being leased back to the current tenants?
13. Did the Army coordinate--to an degree whatsoever-- with DISA to determine the cost of moving the Network Management Center?
14. With regard to environmental concerns: was consideration given to significant impact of additional personnel on Fort Huachuca's water supply system (which is critically short)?

PORTS

INSTALLATION ASSESSMENT

Bayonne, NJ

Oakland, CA

Sunny Point, NC

MILITARY VALUE ASSESSMENT

Sunny Point, NC

Bayonne, NJ

Oakland, CA

MAJOR TRAINING AREAS

BRAC 93 MILITARY VALUE ASSESSMENT

Fort Irwin, CA

Fort Polk, LA

Fort Greely, AK

Fort McCoy, WI

Fort Chaffee, AR

Fort Hunter-Liggett, CA

Fort A. P. Hill, VA

Fort Dix, NJ

Fort Pickett, VA

Fort Indiantown Gap, PA

BRAC 95 MILITARY VALUE ASSESSMENT

Fort Polk, LA

Fort Irwin, CA

Fort Dix, NJ

Fort A. P. Hill, VA

Fort McCoy, WI

Fort Greely, AK

Fort Hunter-Liggett, CA

Fort Pickett, VA

Fort Indiantown Gap, PA

Fort Chaffee, AR

QUESTIONS FROM MEMBERS OF CONGRESS

QUESTIONS FROM REP. JAMES V. HANSEN, UTAH

1. Secretary West: Are you aware that during the previous two rounds of base closures, the then Secretaries of the Army removed Dugway Proving Ground, Utah, from any further consideration under the BRAC process because of its unique military value and characterized Dugway as an irreplaceable national security asset? What has changed in the last three years to precipitate your recommendation to this commission?
2. The Army is proposing to move Dugway's Smoke and Obscurant mission to Yuma Proving Ground. Are you aware that Yuma does not possess the environmental permits from the State of Arizona required to permit open-air testing of this magnitude? If these permits cannot be obtained what are your plans for this important testing?
3. Are you also aware that Dugway already possesses these permits as well as all permits required for the open-air release of live chemical agent as required in other realignment proposals?

QUESTIONS FROM SENATOR DALE BUMPERS, ARKANSAS

The Army recommends closing Fort Chaffee, Arkansas, "except minimum essential buildings, and ranges for Reserve Component training as an enclave." The Army intends to license required land and facilities to the Army National Guard.

1. Has the Army identified which of Fort Chaffee's 70,000 acres and 1,000 buildings would be licensed to the National Guard, and which would be returned to the public for development?
2. As a result of the 1991 Base Closure process, Fort Chaffee has been dedicated primarily to the training of Reserve Component units and individuals. Was the Reserve Component involved in the decision to close Fort Chaffee?
3. How much will it cost the Army National Guard to operate the licensed portions of Fort Chaffee? Does the Army intend to provide the National Guard with the required funds?
4. The Army says that the annual recurring savings of closing Fort Chaffee will be \$13 million. How can that be, since the base's total FY 1995 operating budget is only \$9.7 million?
5. Does the Army's \$13 million projected annual savings consider the costs of continuing to operate the Fort Chaffee "enclave" and the extra travel costs involved for reserve component units that will now have to travel longer distances to places such as Fort Polk or Fort Sill?
6. In BRAC 93, Fort Chaffee ranked #5 among 10 Major Training Areas. In BRAC 95, Chaffee was ranked last among those same 10 Major Training Areas. What factors caused Chaffee's ranking to drop so much in just two years?

QUESTIONS FROM REP. ROSCOE BARTLETT, MARYLAND

1. What are the exact costs (and savings) associated with the proposed relocating of the Information Systems Engineering Command (CONUS) from Fort Ritchie to Fort Huachuca, Arizona? At the present time, figures show that 73 percent of the important telecommunications responsibilities fulfilled by ISEC is performed on the east coast. I am deeply troubled by a proposed change of station for this high-tech unit and the increased expenditures ties to meeting its mission from the west. Tell me -- specifically -- upon what basis this particular move is justified and what savings will be realized as a result.
2. The Army's recommendations state that the National Military Command Center (referred to as Alternate Joint Communications Site R) will be able to maintain its operational support even with the removal of those units from Fort Ritchie which currently have the task of supporting Site R. Given the unique and unpredictable geographic/weather/logistical demands of the region in which Site R and Fort Ritchie are located, how can a significant change in locations for crucial support units be justified and still maintain the operations readiness of Site R in both peacetime and crisis?
3. In my estimation, the missions of both the garrison (Fort Ritchie) and its tenants have become more demanding and exacting as a result of earlier BRAC action and increasing global tension and threats to our national security. The ability of the military to respond swiftly and adequately to crisis is clearly in jeopardy as a result of the recommendations in the Army's report. Please tell me how our total force requirements will be met with the relocations and closures (involving Fort Ritchie) contained in the Army's report to the Commission. I am unconvinced that the military value will be enhanced as a result of the changes suggested.

4. It is a fact that designated potential receiving locations are not prepared to house and accommodate incoming units. Of primary concern to the Army in its criteria for site selection is the ability of existing and receiving locations to mobilize units, manpower and operations to meet any contingency. Fort Ritchie has historically proven that its mission is unique and that it can meet the Army's requirements at minimal cost. What benefits can you cite which justify relocating units from Fort Ritchie to sites which are not prepared to accept them?
5. The U.S. Army has recently invested nearly \$2 million in construction of an armory at Fort Ritchie. In addition, \$2.6 million has been invested in the construction of a new post exchange at Fort Ritchie. Construction of a newly-dedicated commissary at the post will total \$4.6 million. The post fire station will cost \$1.6 million and the restoration of the Fort's lake, dam, and spillway will cost taxpayers \$3.7 million. The Army's efforts to economically justify closing Fort Ritchie do not measure up to the reality of the investments made to keep the base in operation. The investments made in the facility make Fort Ritchie more likely to meet the Army's goals, not less. I assume that the Army's expenditures of millions of dollars of public funds for capital improvements at Fort Ritchie were made to keep the post open in operation. Please assure me that such is the case and intent.
6. In accordance with the jointness criteria, Fort Ritchie now hosts a joint organization (DISA). Was that important factor considered as part of the Army's evaluation?
7. Did the Army ever consider the conversion of 1111th Signal Battalion and the MPs to civilian space to avoid excessive construction costs for support facilities (ie., housing, dining) at Fort Detrick?
8. Was any consideration given to contracting out or having civilian security systems replace Fort Ritchie MPs? This would save transportation costs from Fort Detrick to Site R.

9. Was consideration given to realigning the organizations based at Fort Ritchie to other locations closer to Fort Ritchie -- such as ISEC to Letterkenny Army Depot or TAO (sic) to Site R, or moving the 1108th Signal Brigade to Site R? Such a realignment could meet both the Army's goals, utilize Fort Ritchie's assets and save expenses.
10. What consideration has been given to realigning Fort Ritchie (ie, the garrison) to become a subpost of Fort Meade?
11. What consideration was given to using Fort Ritchie to support DISA Headquarters, thereby meeting DISA goals, consolidating resources and getting personnel out of leased facilities? This action would be consistent with future total force requirements.
12. What consideration has been given to Fort Ritchie being assigned to GSA and the property subsequently being leased back to the current tenants?
13. Did the Army coordinate -- to any degree whatsoever -- with DISA to determine the cost of moving the Network Management Center?
14. With regard to environmental concerns: was consideration given to significant impact of additional personnel on Fort Huachuca's water supply system (which is critically short)?

QUESTIONS FROM REP. GLEN BROWDER, ALABAMA

With respect to the relocation of the live chemical agent training facility from Fort McClellan, would you advise as follows:

1. What contacts has the Army or OSD had with the Governor of Missouri or his staff concerning environmental permits for this facility?
2. Have you applied for any permits?
3. If so, what permits have you applied for? When?
4. What office or organization in the Army is responsible for obtaining these permits?
5. Are the applications public and if so, how can the public obtain them?
6. Have you requested or do you expect to request or obtain any waivers with respect to these permits?
7. Since you are requesting permits before we have taken action on your recommendation, when do you plan to undertake the environmental review required by the National Environmental Policy Act?

QUESTIONS FROM REP. JIM CHAPMAN, TEXAS

1. Was the combined military value and cost of closure of the co-located facilities of Red River Army Depot, Lone Star Army Ammunition Plant, Defense Logistics Agency distribution depot (DDRT), and their tenants considered in the overall evaluation as requested of the Army, Defense Logistics Agency, and Department of Defense by the community?
2. In developing workload realignment options, did the Army modify the receiving depots capacity to account for the impact of changes in production mix on depot capacity and will the Army have sufficient depot maintenance capacity with only one tracked vehicle depot to meet its core maintenance workload requirements and hence its readiness requirements?
3. The Army, unlike the Air Force, has claimed savings for the workload reductions due to downsizing. Does this not falsely represent and overstate the BRAC savings and distort the analysis?

QUESTIONS FROM SENATOR JOHN WARNER, VIRGINIA

1. Secretary West, in making the decision to close Fort Pickett, Virginia, did the Army consult with the leadership of the other services and federal agencies who currently train at Fort Pickett, for input concerning the value to them of the installation?
2. Secretary West, when the Army ran its COBRA analysis for Fort Pickett, did you factor in the additional costs to the Army associated with Reserve Component units, who are quartered relatively near to and have regularly trained at Fort Pickett in the past, having to travel further to accomplish annual training periods and, in some cases, weekend training densities?

QUESTIONS FROM REP. JERRY F. COSTELLO, ILLINOIS

1. Given the active force down-sizing and greater reliance on the Reserve components, wouldn't it make sense to use the Price Support Center, which is so ideally located, as a major reserve force support base?
2. The Army has said they must close the military family housing at Price because of the ATCOM move, yet only 17% of that housing is occupied by ATCOM personnel and there is a waiting list of over one year. Why do the soldiers in the commands at St. Louis not deserve equal housing consideration?
3. The Army has said that Price will close "except for a small reserve enclave and storage area." What consideration was given to the activities of the Navy, Air Force, and Defense Logistics Agency? Why aren't the costs of relocating those activities included in the cost data supplied by the Army?
4. The Army does not mention the DLA Strategic Stockpile material at the Price Support Center in their narrative. What disposition will be made of the more than 700,000 tons of material there, and at what cost? Why isn't that cost reflected in the Army's analysis?

QUESTIONS FROM SENATOR SPENCER ABRAHAM, MICHIGAN

1. Mr. Secretary, your report states there is no job loss associated with closing the Detroit Army Tank Plant. However, General Dynamics currently manufactures M1 tank gun mounts in the Tank Plant. I understand the Army's reasoning was since the General Dynamics contract expires in 1997, and the Army has six years to complete the facility disposal, the job loss would come from an end to the contract, and not from the closing of the Tank Plant. Is the baseline reason to close the Tank Plant: to cease gun mount production by General Dynamics?
2. — **If yes:** I further understand Rock Island Depot in Illinois is the only other manufacturer of M1 tank gun mounts. Why are you ending a contract with a civilian contractor when the only other source of production is a government arsenal? Given that this does not fall within the traditional arsenal production area of barrels, why are you ceasing private production for government owned facilities?
3. — **If no:** Are you then anticipating renewing the production contract with General Dynamics?
4. — **If no again:** Why are you ceasing gun mount production with the private firm of General Dynamics when the only other organization producing these parts is in the Army arsenal at Rock Island, Illinois? Isn't current DoD policy to utilize private contractors over public producers whenever possible? What savings are derived from closing the Tank Plant that warrant abrogating this major policy directive?

QUESTIONS FROM REP. RICHARD GEPHARDT, MISSOURI

Regarding ATCOM:

1. The Army's analysis of commodity oriented installations indicates that it performed exhaustive analyses based on the selection criteria and force structure plan as dictated by the BRAC law. Did the Army perform similar analyses of leased facilities? If so, please provide these analyses.
2. In 1993, the Army determined that "the high relocation costs make realignment or closure (of ATCOM) impractical and prohibitively expensive." Has there been a change in circumstance in the last two years that makes relocation more affordable? Please provide details.
3. A 1991 Defense Management Report found that merging the Aviation Command and the Troop Support Command into ATCOM would result in management and cost efficiencies. What change has led to the conclusion that, rather than consolidation, breaking ATCOM into four new entities is more efficient? If so, please provide these analyses.

QUESTIONS FROM SENATORS PAUL S. SARBANES AND BARBARA A. MIKULSKI AND REPS. ROSCOE G. BARTLETT AND ROBERT L. EHRlich, JR., MARYLAND

1. How were the cross-service capabilities of the Defense Information Systems Agency's Command assessed as part of the Army's evaluation and final decision to recommend Ft. Ritchie for closure?
2. Did the Army coordinate directly with DISA to determine the cost of moving the Network Management Center?
3. Did the DOD take into account Fort Huachuca's critical water shortage as part of its recommendation to send a significant number of additional personnel there?
4. How were the additional costs of having the Information Systems Engineering Command (CONUS) service East Coast clients factored into the long-term cost of the proposal to move these functions to Fort Huachuca?
5. Has any consideration been given to assigning Fort Ritchie to GSA so the property could be subsequently be leased back to current tenants or to an expanded DISA presence?
6. What consideration was given to the Defense Information Systems Agency's current use of Ft. Ritchie, cost of relocating, and to their potential for locating their Western Hemisphere headquarters at this site?

Regarding US Army Publications Distribution Center, Middle River, MD:

1. What is the justification for the following statement in the DOD's submission to BRAC: "The consolidation eliminates a manual operation in Baltimore in favor of an automated facility at St. Louis and creates efficiencies in the overall distribution process?" Please specify criteria and methodology for determining a manual vs. automated operation, and the "efficiencies" that are expected.

2. How is "efficiency" calculated when comparing the Baltimore and St. Louis facilities? Did comparative figures for the two facilities include average weight shipped per month per employee or throughput times for loose issue, resupply or initial distribution?
3. In evaluating where to consolidate, did the Army examine the effect of Desert Shield/Desert Storm on order processing times?
4. Was the potential reduced lease cost at Baltimore included in the cost analysis?
5. In repeated studies and comments, the Army has cited the automation technology and capabilities of the PDC, Middle River. On what basis did the Army label this site a " manual operation" in its submission to BRAC?
6. Did the Army include increased shipping costs from St. Louis to the East Coast and to foreign destinations when calculating cost savings?
7. Did the Army examine savings potentials that could be achieved by returning initial distribution of stock to the Centers which is currently being performed by contracted printers?
8. Was the entire US Army Publications and Printing Command, including headquarters, considered for consolidation?
9. Was there any examination of consolidating other service distribution centers with the Army's?

QUESTIONS FROM REP. GEORGE W. GEKAS, PENNSYLVANIA

1. Considering the unique training facilities at Fort Indiantown Gap, including the artillery range, the Tank Table VIII qualification range, Muir Army Airfield with the largest Reserve Component helicopter training facility in the United States, the 44,000 square feet aircraft maintenance hangar with aviation fuel storage capacity of 100,000 gallons, and the air-to-ground bombing and gunnery range (one of only 15 in the United States), how did the Department of Defense or the Department of the Army arrive at the conclusion that "Fort Indiantown Gap is low in military value compared to other major training area installations", especially considering that Fort Dix, Fort A.P. Hill and Fort Drum do not have these same unique facilities and are not geographically located near the largest concentration of Reserve Component units in the northeastern United States, as is Fort Indiantown Gap?
2. The Army's report states that "Annual training for Reserve Component units which now use Fort Indiantown Gap can be conducted at other installations in the region, including Fort Dix, Fort A.P. Hill, and Fort Drum." Has any study been done to make sure that these other facilities actually have the training facilities equal to the facilities at Fort Indiantown Gap, or sufficient for the needs of these units, such as Tank Table VIII qualification ranges? And, do these other facilities have training time available in their schedules to accommodate the needs of our training units? Additionally, has the DoD investigated the costs of transport and equipment associated with using other training sites?

QUESTIONS FROM SENATOR CARL LEVIN, MICHIGAN

1. Why didn't the Army study the costs of alternatives to the Detroit Tank Plant as part of the BRAC process?
2. Does the Army have plans for completing elsewhere the work now done at the Detroit Plant? If not, why not?
3. Did the Army consider the cost to move any machining equipment from the Detroit Plant, where would it go and how much would the move cost?
4. Who will provide the engineering support for the gun mounts production now provided by General Dynamics at the Tank Plant, and what will be the cost?
5. Why was the consideration of such potential costs put off until after the Army made the closure recommendation, instead of being examined as part of the Total Army Basing Study, and factored into the COBRA analysis?
6. When it is clear that real people will lose their jobs if the closure is implemented, how can the Army say the recommendation "will not affect any jobs"?
7. The recommendation to close the Detroit Tank Plant postulates a closing cost of about \$1 million. What is the basis of this estimate, and what component costs were included?
8. The recommendation to close the Detroit Tank Plant postulates a net savings during the implementation period (FY 96-2001) of about \$8 million. What is the basis for this savings estimate?
9. Are the costs associated with moving the work from Detroit Army Tank Plant to other locations included in the estimated closing costs and net savings, and if not, why not?

QUESTIONS FROM SENATORS CHRISTOPHER DODD AND JOSEPH I. LIEBERMAN AND REPRESENTATIVES ROSA DELAURO AND CHRISTOPHER SHAYS, CONNECTICUT

1. Congressional language in Fiscal Year 1994 directed the Department of the Army to convene a Blue Ribbon Panel to examine the tank engine industrial base. In response to that request, the Defense Science Board's Tank Engine Industrial Base Task Force recommended keeping open the Stratford Army Engine Plant (SAEP) in order to maintain a "critical mass" of support engineering and logistics capability at SAEP for an extended period.
2. On February 14, 1995, Secretary Decker, in a response to Senators Dodd and Lieberman, stated that the Army planned on spending \$47.5 million as part of a three-year tank engine industrial base program. This program would retain engineering expertise, essential recuperator parts production, and a minimal capacity for new engine assembly and testing at SAEP.

Why, less than a two weeks after this letter was written, did the Army recommend closing this facility?

How does this decision affect the *directed* preservation of the tank engine industrial base?

3. What are the implications for implementation of the Blue Ribbon Panel Report without SAEP?
4. What *specific* alternatives has the Department of the Army outlined to meet all requirements of the Panel's recommendation given the closure of SAEP?
5. Why were the more than 1,500 workers at SAEP not considered in this evaluation? Closing SAEP will result in sizable job loss and significant economic impact on the region.
6. If workforce impact was not a consideration, are not Government-Owned, Contractor-Operated (GOCO) facilities automatically placed at a distinct disadvantage during the Army BRACC process?





DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

INTRODUCTORY REMARKS OF SENATOR DIXON

AFTERNOON HEARING

MARCH 7, 1995

WASHINGTON, DC

GOOD AFTERNOON, LADIES AND GENTLEMEN AND WELCOME.

THIS IS THE LAST OF FOUR HEARINGS HELD YESTERDAY AND TODAY BY THE COMMISSION. YESTERDAY AND THIS MORNING, WE HAVE HEARD FROM AND HAVE QUESTIONED THE SECRETARIES OF THE MILITARY DEPARTMENTS, AND THEIR CHIEFS OF STAFF REGARDING PROPOSED BASE CLOSURES AND REALIGNMENTS THAT AFFECT THEIR BRANCH OF SERVICE.

THIS AFTERNOON, WE ARE PLEASED TO HAVE WITH US OFFICIALS OF TWO DEFENSE AGENCIES WHICH HAVE INSTALLATIONS INCLUDED ON THE SECRETARY'S LIST OF CLOSURES AND REALIGNMENTS.

THEY ARE AIR FORCE MAJOR GENERAL LAWRENCE P. FARRELL, JR., PRINCIPAL DEPUTY DIRECTOR OF THE DEFENSE LOGISTICS AGENCY AND MR. JOHN F. DONNELLY, DIRECTOR OF THE DEFENSE INVESTIGATIVE SERVICE.

BEFORE WE BEGIN WITH OPENING STATEMENTS, LET ME SAY THAT IN 1993, AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994, THE BASE CLOSURE AND REALIGNMENT ACT WAS AMENDED TO REQUIRE THAT ALL TESTIMONY BEFORE THE COMMISSION AT A PUBLIC HEARING BE PRESENTED UNDER OATH. AS A RESULT, ALL OF THE WITNESSES WHO APPEAR BEFORE THE COMMISSION THIS YEAR MUST BE SWORN IN BEFORE TESTIFYING.

GENERAL FARRELL AND MR. DONNELLY, WOULD YOU PLEASE RISE AND RAISE YOUR RIGHT HANDS?

DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOU ARE ABOUT TO GIVE TO THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION SHALL BEE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

THANK YOU.

GENERAL FARRELL, YOU MAY BEGIN.



DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

INTRODUCTORY REMARKS OF SENATOR DIXON

AFTERNOON HEARING

MARCH 7, 1995

WASHINGTON, DC

GOOD AFTERNOON, LADIES AND GENTLEMEN AND WELCOME.

THIS IS THE LAST OF FOUR HEARINGS HELD YESTERDAY AND TODAY BY THE COMMISSION. YESTERDAY AND THIS MORNING, WE HAVE HEARD FROM AND HAVE QUESTIONED THE SECRETARIES OF THE MILITARY DEPARTMENTS, AND THEIR CHIEFS OF STAFF REGARDING PROPOSED BASE CLOSURES AND REALIGNMENTS THAT AFFECT THEIR BRANCH OF SERVICE.

THIS AFTERNOON, WE ARE PLEASED TO HAVE WITH US OFFICIALS OF TWO DEFENSE AGENCIES WHICH HAVE INSTALLATIONS INCLUDED ON THE SECRETARY'S LIST OF CLOSURES AND REALIGNMENTS.

THEY ARE AIR FORCE MAJOR GENERAL LAWRENCE P. FARRELL, JR., PRINCIPAL DEPUTY DIRECTOR OF THE DEFENSE LOGISTICS AGENCY AND MR. JOHN F. DONNELLY, DIRECTOR OF THE DEFENSE INVESTIGATIVE SERVICE.

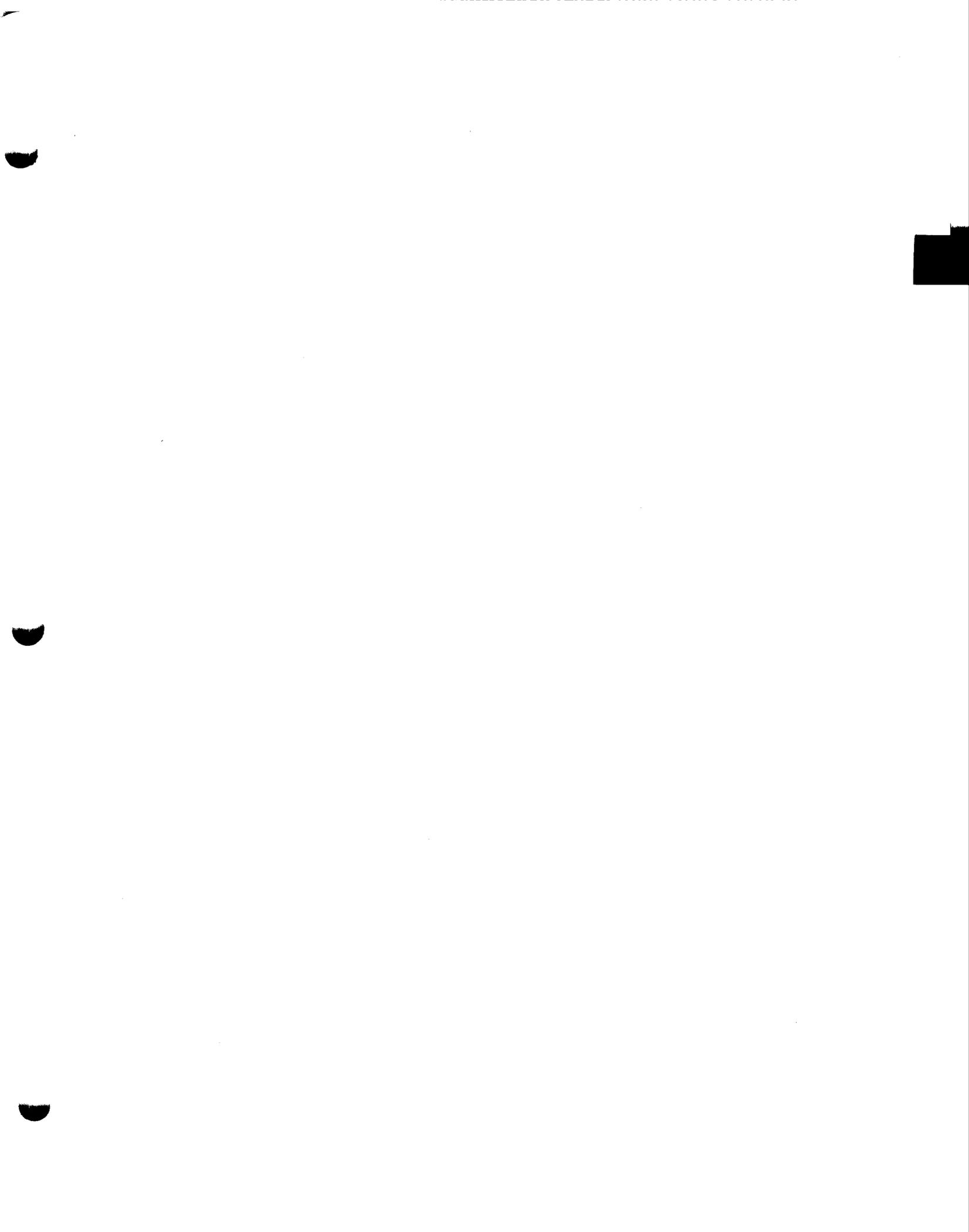
BEFORE WE BEGIN WITH OPENING STATEMENTS, LET ME SAY THAT IN 1993, AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994, THE BASE CLOSURE AND REALIGNMENT ACT WAS AMENDED TO REQUIRE THAT ALL TESTIMONY BEFORE THE COMMISSION AT A PUBLIC HEARING BE PRESENTED UNDER OATH. AS A RESULT, ALL OF THE WITNESSES WHO APPEAR BEFORE THE COMMISSION THIS YEAR MUST BE SWORN IN BEFORE TESTIFYING.

GENERAL FARRELL AND MR. DONNELLY, WOULD YOU PLEASE RISE AND RAISE YOUR RIGHT HANDS?

DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOU ARE ABOUT TO GIVE TO THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION SHALL BE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

THANK YOU.

GENERAL FARRELL, YOU MAY BEGIN.



Defense Investigative Service
Base Realignment and Closure Commission Hearing Testimony
March 7, 1995

Introduction

Good afternoon Mr. Chairman and members of the Commission. I am John F. Donnelly, Director of the Defense Investigative Service.

Mission Description

The principal mission of DIS is to conduct personnel security investigations for the military departments, defense agencies, and industry. These investigations are used by our customers for security clearances and other trustworthiness determinations. Our other major mission is to oversee industrial facilities to ensure the protection of classified defense information and material. We do this with 3,000 employees, most of whom are located in the U.S.

Purpose of Testimony

The reason for my testimony today is to discuss DIS' single BRAC recommendation -- to redirect a 1988 BRAC decision for a major DIS component to remain at Ft. Holabird, Maryland -- a position with which we agreed at the time. Since 1988, however, the deterioration of the building has accelerated, making relocation essential.

The DIS activity at Ft. Holabird, which is located in Dundalk, a suburb of Baltimore, is the Investigations Control and Automation Directorate. It is organized as a Personnel Investigations Center, a National Computer Center, and an Office of Support Services. This facility is the heart and nerve center of DIS for controlling and directing all DoD personnel security investigations world-wide. It provides automation support for the entire agency as well as other DoD and certain non-DoD agencies. It is also the repository for almost 3 million DIS

investigative files.

We have a work force of 458 civilian employees at this activity. They receive and process nearly 775,000 personnel security investigations each year, respond to nearly 206,000 requests for investigative files a year, and provide automation services in support of our mission. They are presently housed in a Korean War era building located on a seven acre site owned by the Army. That parcel of land is what is left of Fort Holabird, which was almost completely converted to a commercial business park in the mid-1970's. In 1988 the only other DoD activity at Ft. Holabird, the Army Crime Records Center, was realigned. DIS is the only remaining activity.

Recommendation

We are recommending this facility for realignment under BRAC '95 to a smaller, modern building to be constructed on Ft. George G. Meade, Maryland, an existing Army installation.

Rationale

Our recommendation is based on the rapidly deteriorating condition of the existing building. In the last three years, for example, we spent over \$319,000 for major repairs to the facility. These costs were in addition to the \$400,000 we pay the Army each year under the annual Interservice Support Agreement to maintain the building. We also employ a full-time maintenance staff for this location.

We've experienced many serious problems with the building. For example, frequent air conditioning outages during hot summer weather have caused us to dismiss employees on several occasions. We expect these outages to continue because of the age and condition of the air conditioning system. We've also had to call the fire department because of a hazardous condition caused by electrical failure. A leaky roof, rusted water pipes that break, and foul emissions from a nearby yeast plant add to the problems.

Late last year, the Army Corps of Engineers completed an engineering study of the building. The study revealed the existing building fails to meet many code

requirements and contains potential health hazards such as asbestos, lead paint, and PCB's. The Engineers' study concluded that it would cost us approximately \$9.1 million to renovate the building.

If we renovate, it will stir up environmental problems. And we would still have an old building with the same limitations it has now. We would also be left with excess space we will not need. Renovation would also cause a major disruption to operations because we would have to move to a temporary facility to allow for complete renovation. We would then have to move back. If we realign instead of renovate, the Army would be free to dispose of the property.

In addition to the worsening condition of the building, we are faced with a reduced force structure which will decrease 42% based on the projected end-strength by the year 2000. Taking this into account, the existing building will contain more space than we require.

Business Case

The analysis which I am going to describe for you shows that the best alternative is a smaller building, constructed on available land at Ft. Meade, Maryland that is designed for our future requirements and space needs. That is our proposal to the Commission.

The cost to construct a smaller building is almost the same as it would be to renovate the existing building. The cost of a new modern facility is \$9.4 million versus \$9.1 million to renovate the old building. The return on investment with this proposal is only 6 years.

If implemented, our proposal would support the objectives of the BRAC process in several ways:

- It would eliminate the excessive costs required to continually repair a worn out building.
- It would eliminate excess building space that is expensive to maintain.
- It would allow the Army to close and dispose of the remaining seven acres

of Ft. Holabird, which are located in an existing commercial industrial park zoned for light industry.

- It would permit the elimination of eleven guards and maintenance personnel who are required at the present facility.
- It would solve air quality and other environmental problems for our work force.
- Most importantly, it would contribute to military readiness by minimizing disruption of the DoD personnel security clearance program.

While we have applied the BRAC criteria to analyze our realignment, that method has limitations with an agency such as DIS, as we are the only defense agency chartered to process personnel security investigations. We provide a unique service to the entire defense community and 22 other departments and agencies who participate in the Defense Industrial Security Program.

In our case, we believe relocation outside of the Baltimore-Washington corridor would significantly disrupt our operations for at least two years and would ultimately impact on military readiness caused by delays in completing our investigations. I say this because of our unique function. We would lose a significant number of our case analysts, who direct and control investigations--and it takes a minimum of two years to hire and train replacements. Except in a case of a realignment within the Baltimore-Washington corridor, we would have to duplicate most of our functions during the two-year implementation period.

There is also an unrecognized cost to the rest of the defense community to consider when security clearances are delayed. In a 1981 GAO report to Congress, the cost of a single day's delay in security clearance processing was \$43 for an "industrial" security clearance and \$21 for a "military" clearance. Last year the Joint Security Commission reported that the figure had risen to \$250 per day of delay. Using the Commission figure, the daily cost of a move-related disruption for this facility, when applied to the approximately 36,000 industrial investigations that are pending on an average day, amounts to 82% of our proposal, in a single day. The COBRA model does not provide for this expense which would be dispersed throughout the entire defense community.

BRAC Process

I would now like to address some of the specific factors concerning the process we followed to arrive at our proposal.

As we began collecting data for the BRAC '95 process, we looked very closely at the process other defense agencies had followed in prior years. We formed a BRAC Executive Group and a BRAC Working Group to perform the required analyses. The DoDIG reviewed the DIS data collection process and validated the data collected to support our BRAC recommendation to the 1995 Commission.

Of the required selection criteria, we performed a military value analysis and applied the COBRA model to determine return on investment for several scenarios. These scenarios were to lease space in an existing building, renovate the existing building, or construct a new, smaller building on Ft. Meade. The latter alternative proved to be one that makes the most sense.

The DIS BRAC Working Group followed the impact analysis and found that there was very little negative impact (economic or otherwise) on the relocation site. Among the studies conducted by the Army Corps of Engineers was an environmental survey, which disclosed no environmental costs resulting from this alignment, although \$739,370 would be necessary if we renovated.

We propose construction on the smaller facility beginning in FY 1996 with relocation in FY 1998, well within the six-year window for BRAC actions.

Using the COBRA model, it was determined that the total one-time cost to carry out this recommendation is \$11 million. During the two-year implementation period, the net cost will be \$0.7 million. But after that, the annual recurring savings are \$0.5 million, with a return on investment, according to the COBRA model, in 6 years. The net savings over 20 years is \$4 million reduced to present value.

The Commission has requested that I address the relationship between our recommendation to construct a smaller new facility on available land at Ft. Meade, and the activity's projected personnel levels. As I stated earlier these will decrease by 42% due to increased automation. These future force levels and our current

building problems together necessitate realigning to a modern facility such as we have recommended, for a closer fit between our future reduced work force and space requirements.

The Commission indicated it also wants to know the role of the Joint Cross Service Groups in developing our single recommendation. Since we are not dealing with an issue that lends itself to cross-service consideration, the Groups did not participate in our recommendation. DIS is the sole provider of the services we perform for the defense community, and these services cannot be further consolidated.

Conclusion

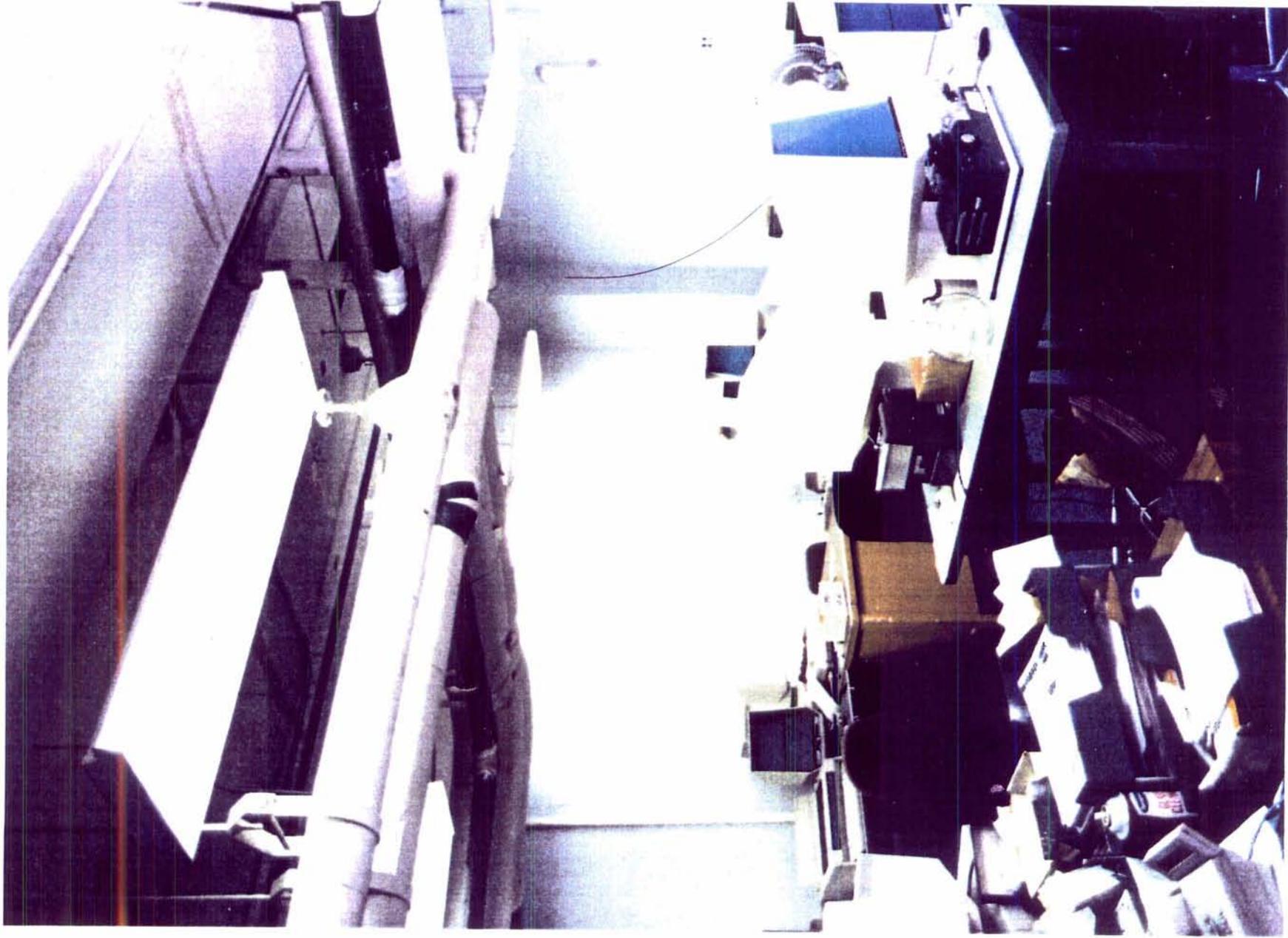
In summary we are asking the Commission to consider our proposal to relocate this important facility to a new and smaller building on Ft. Meade. The analysis we performed, using BRAC selection criteria, shows this recommendation supports the BRAC objectives to reduce costs and eliminate unnecessary space. Our recommendation will not disrupt military readiness and warfighting capabilities. Furthermore, our proposal will enable the Army to close Ft. Holabird completely and dispose of the property.

Thank you for allowing me to testify today. Do you have any questions?

Mail/Distribution meter area.
This area is not climate controlled.



Files/Micromation Area
The exposed overhead pipes are the main supply lines to the HVAC.



Files/Micro Area

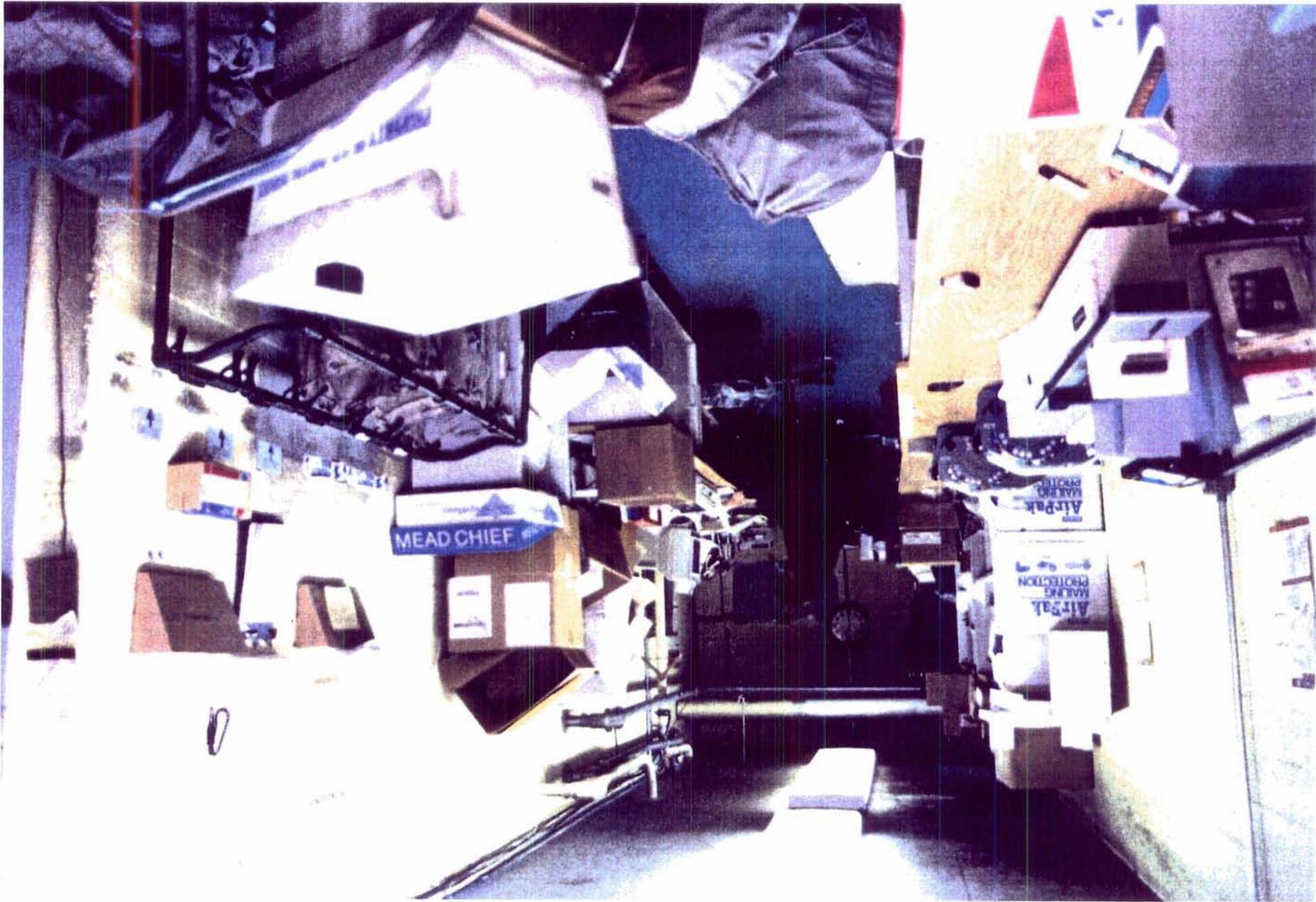
With limited specialized work areas, hallway space must be utilized as work area.



First Floor Corridor

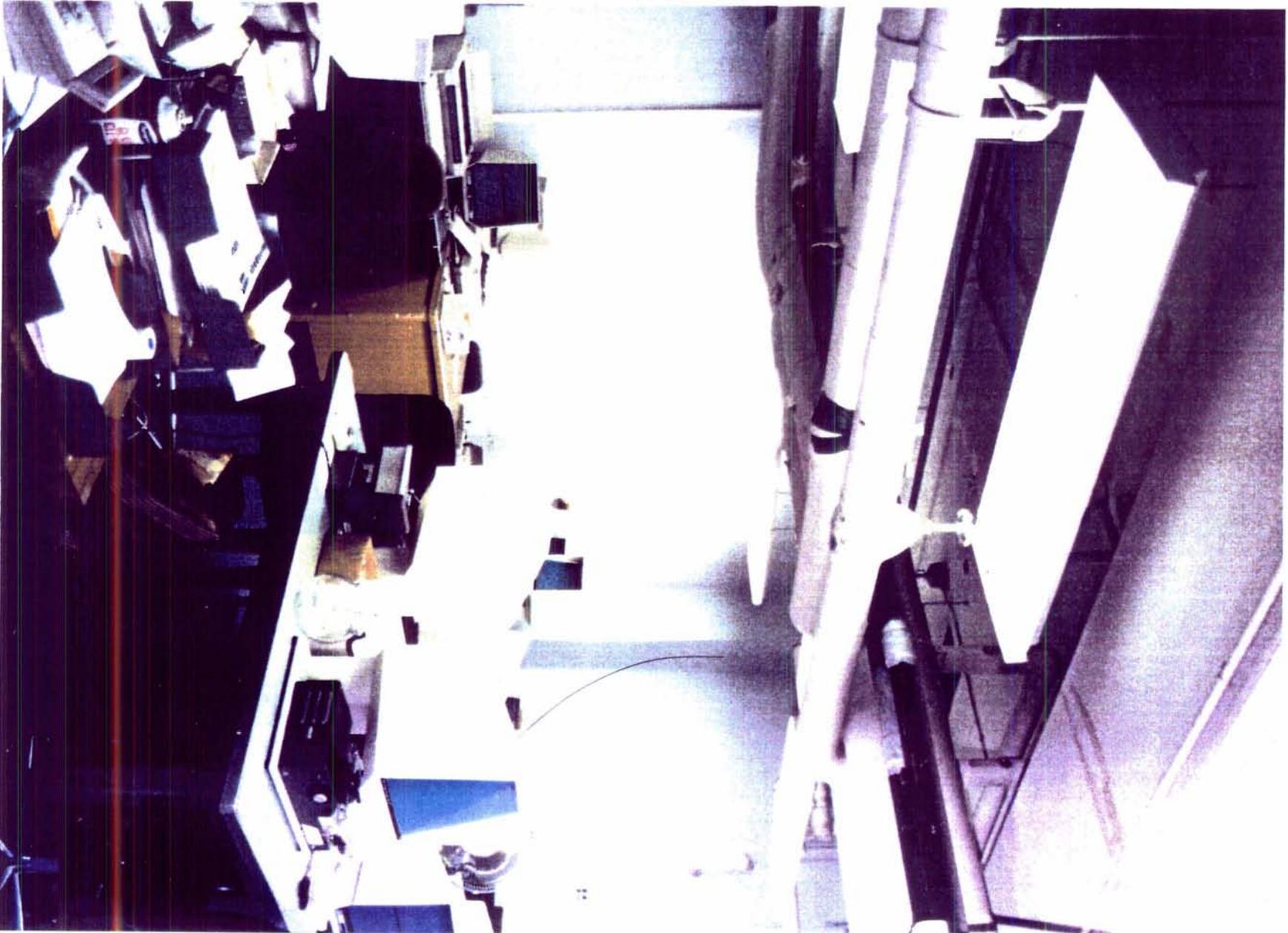
Due to lack of adequate storage space, assets must be stored in the corridors.

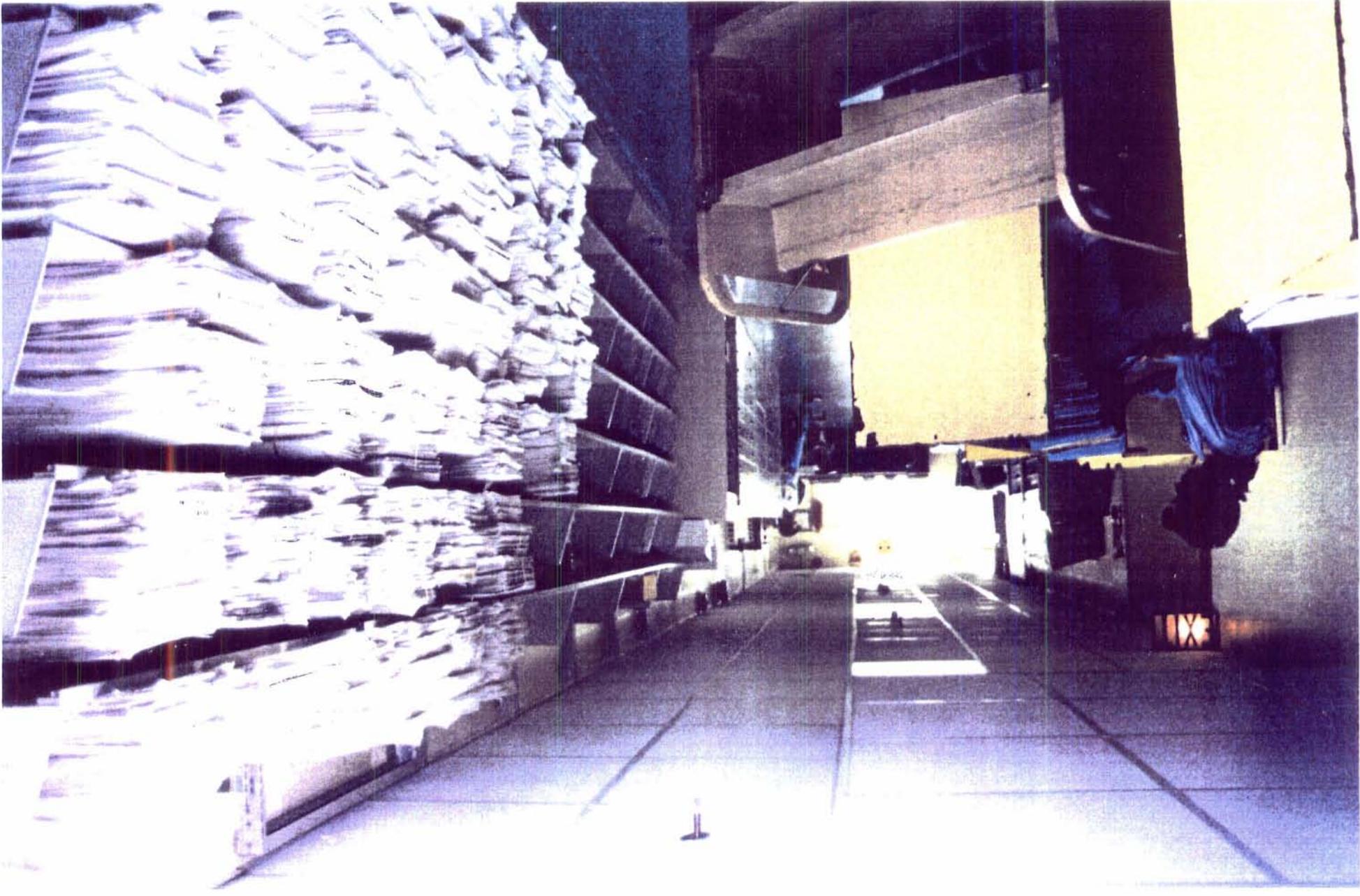




Mail/Distribution metering area.
This area is not climate controlled.

Files/Micromation Area
The exposed overhead pipes are the main supply lines to the HVAC.

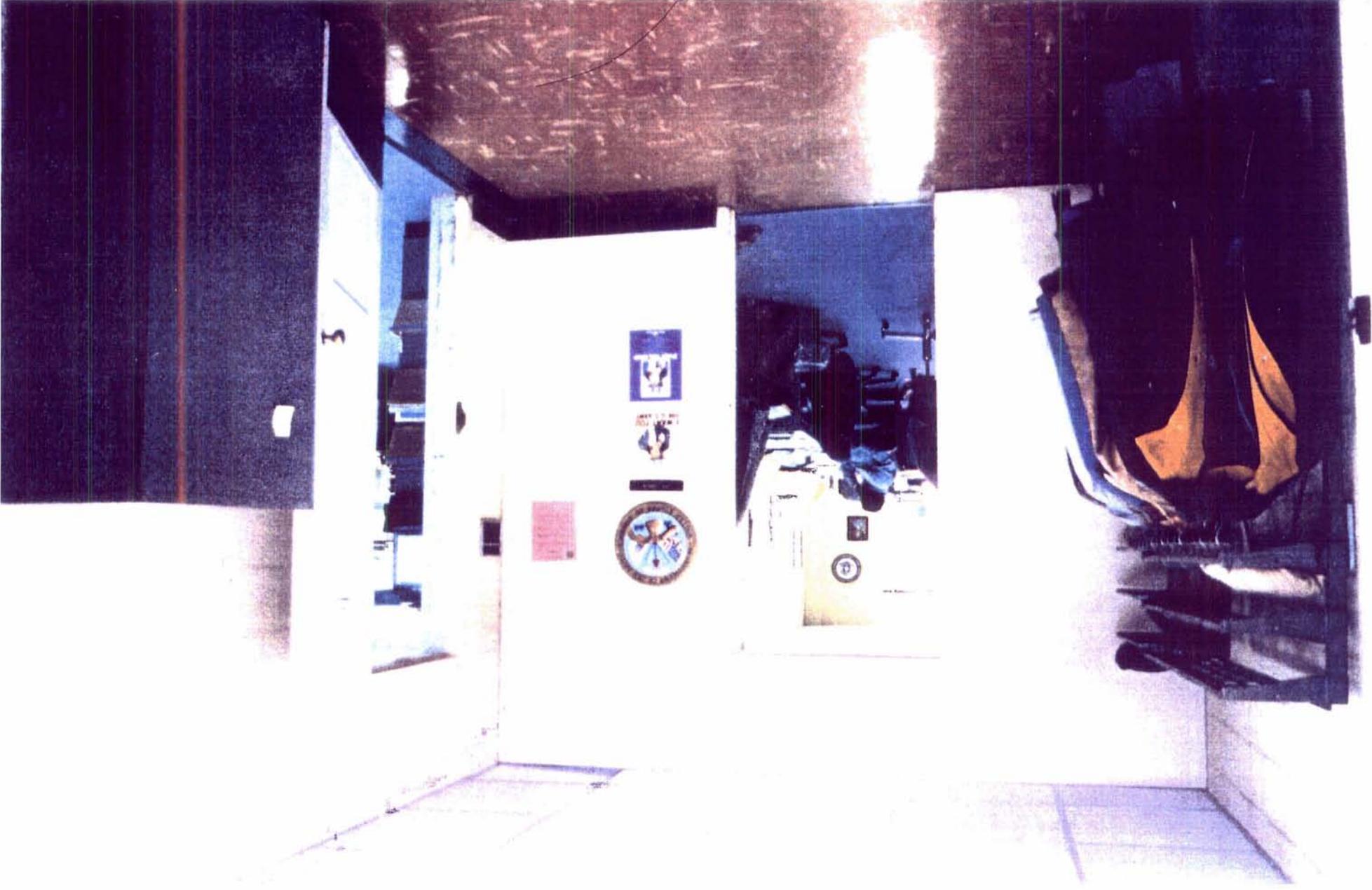




Files/Micromation Area
With limited specialized work areas, hallway space must be utilized as work area.

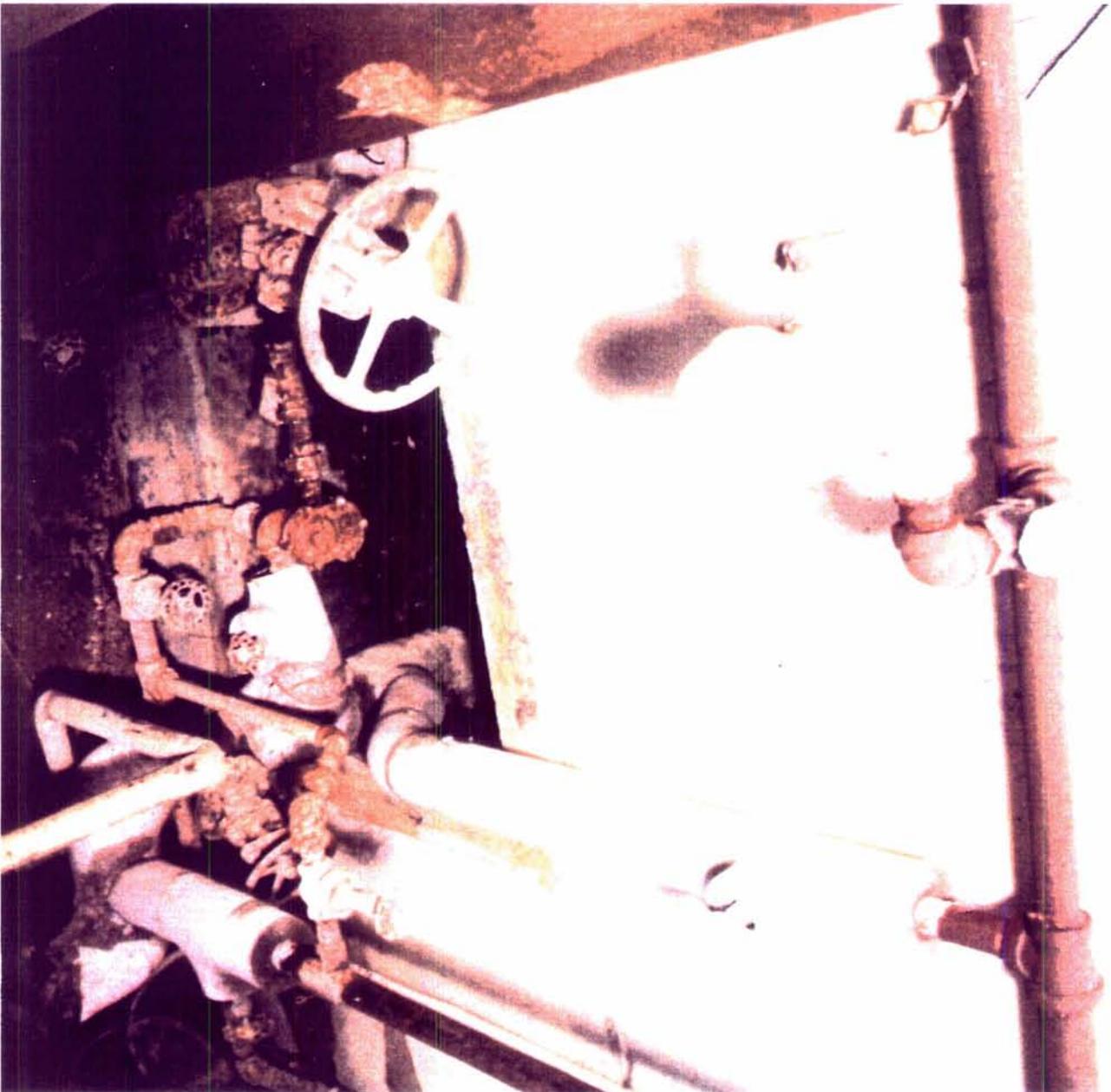


First Floor Corridor
Due to lack of adequate storage space, pallets must be stored in the corridors.



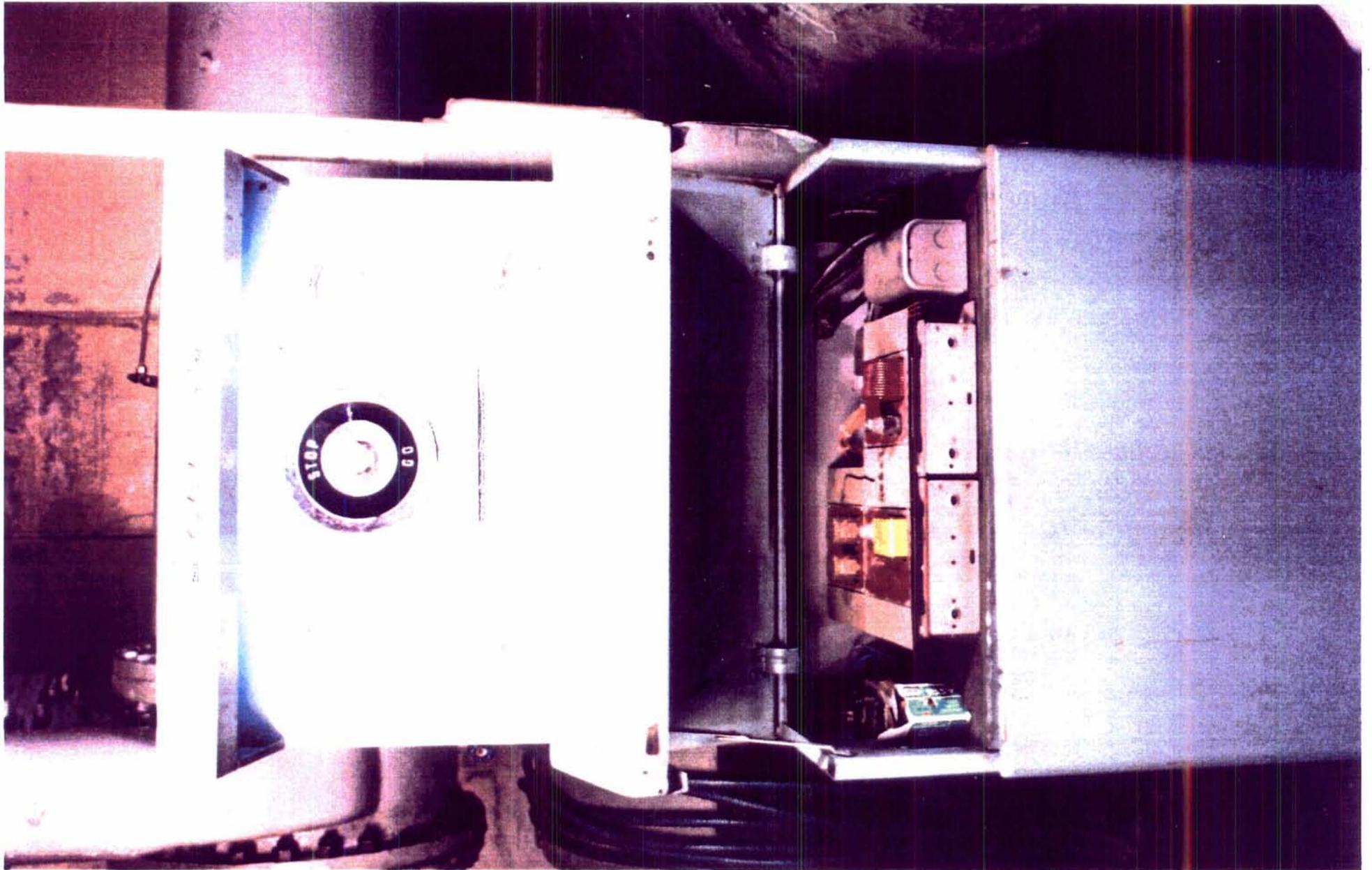
Second Floor Corridor converted to office space.

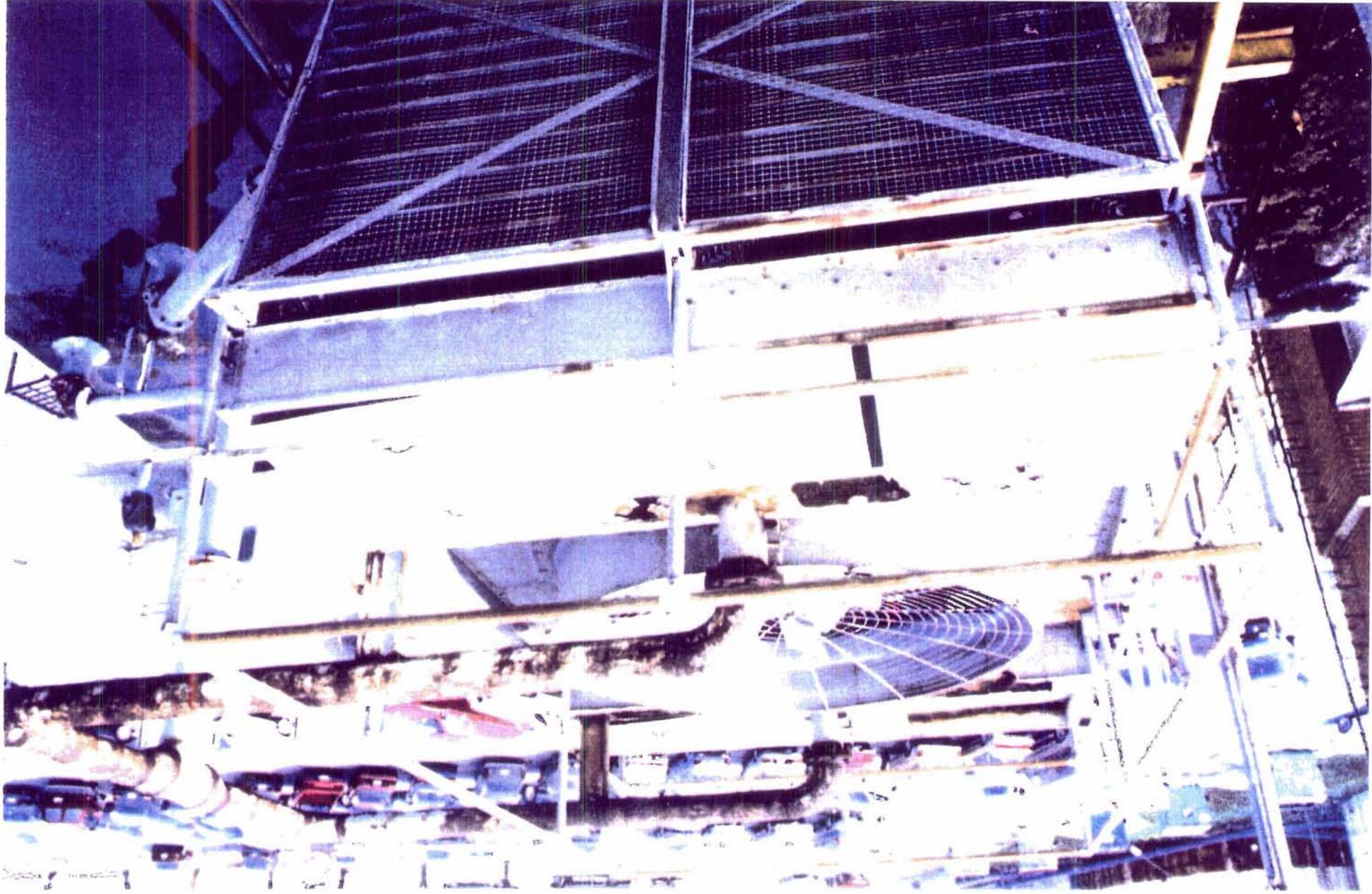
Access to underground crawl space housing water supply lines
and first floor HVAC lines.



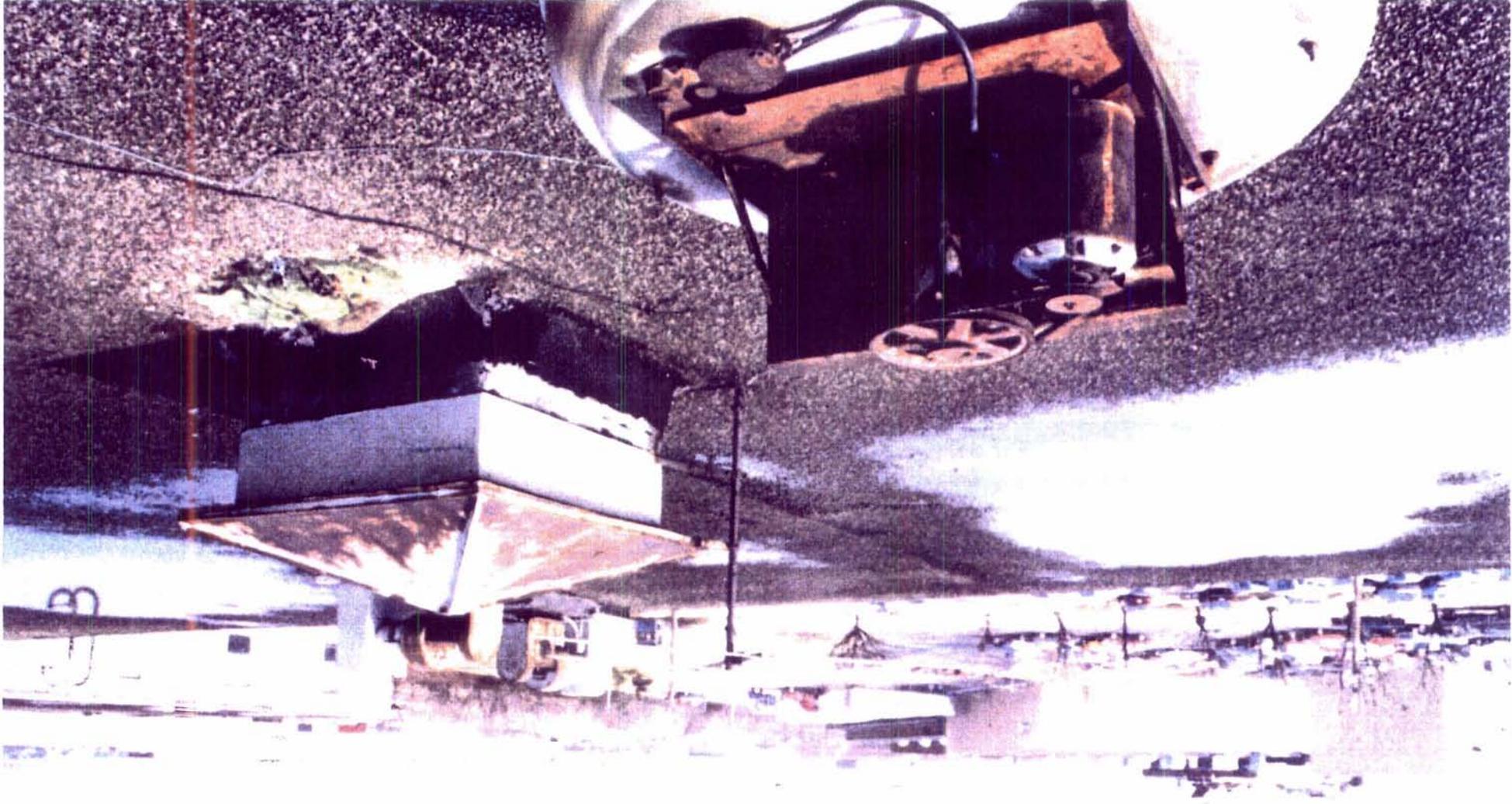
Carrier Air Conditioning Control Panel.

Manufactured in 1962, this Control Panel still utilizes vacuum tube technology.



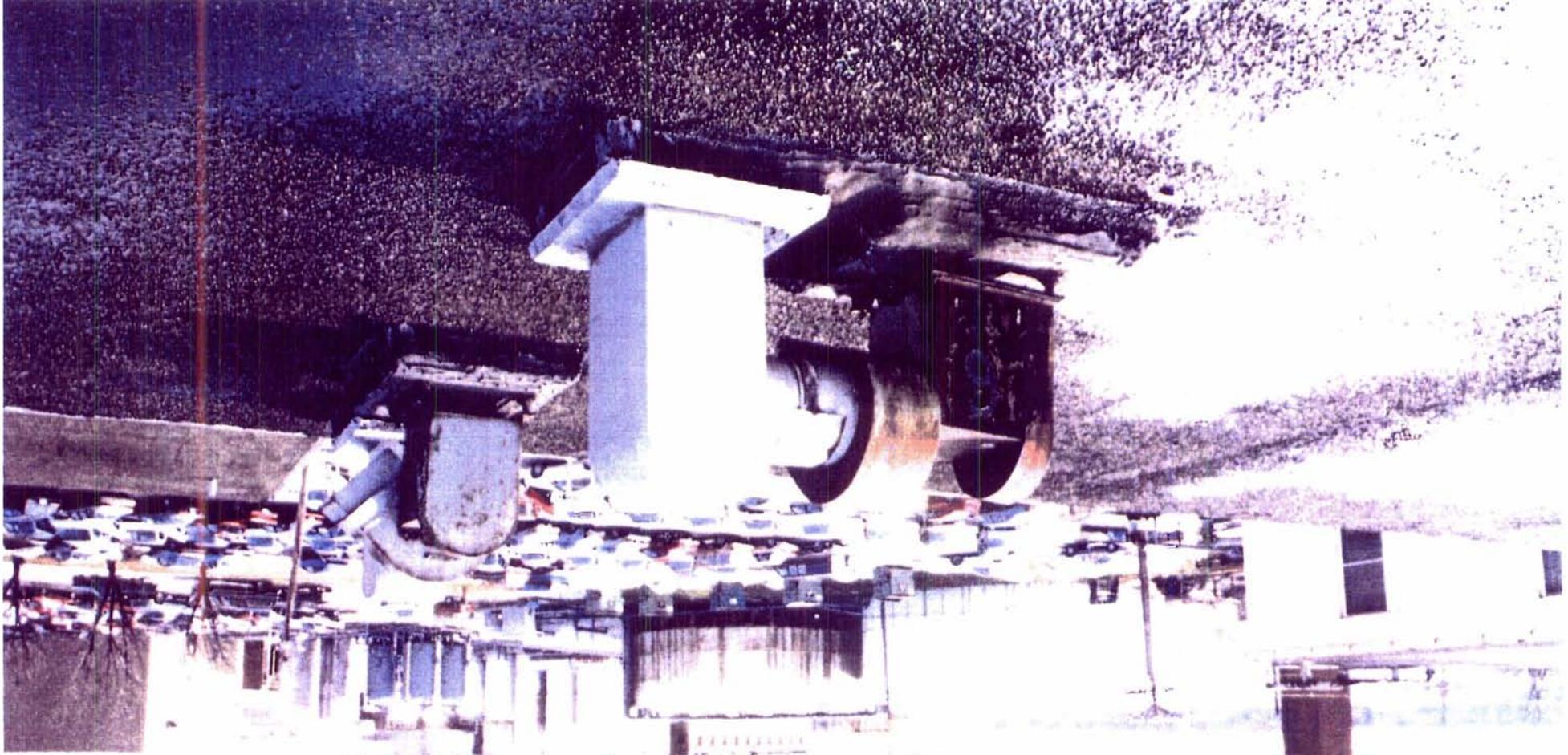


Air Conditioning Cooling Tower
Picture highlights rusting, corroded return lines



All ventilator motors are inoperable and the roof structure itself has reached the end of its serviceable life.

Roof Structure

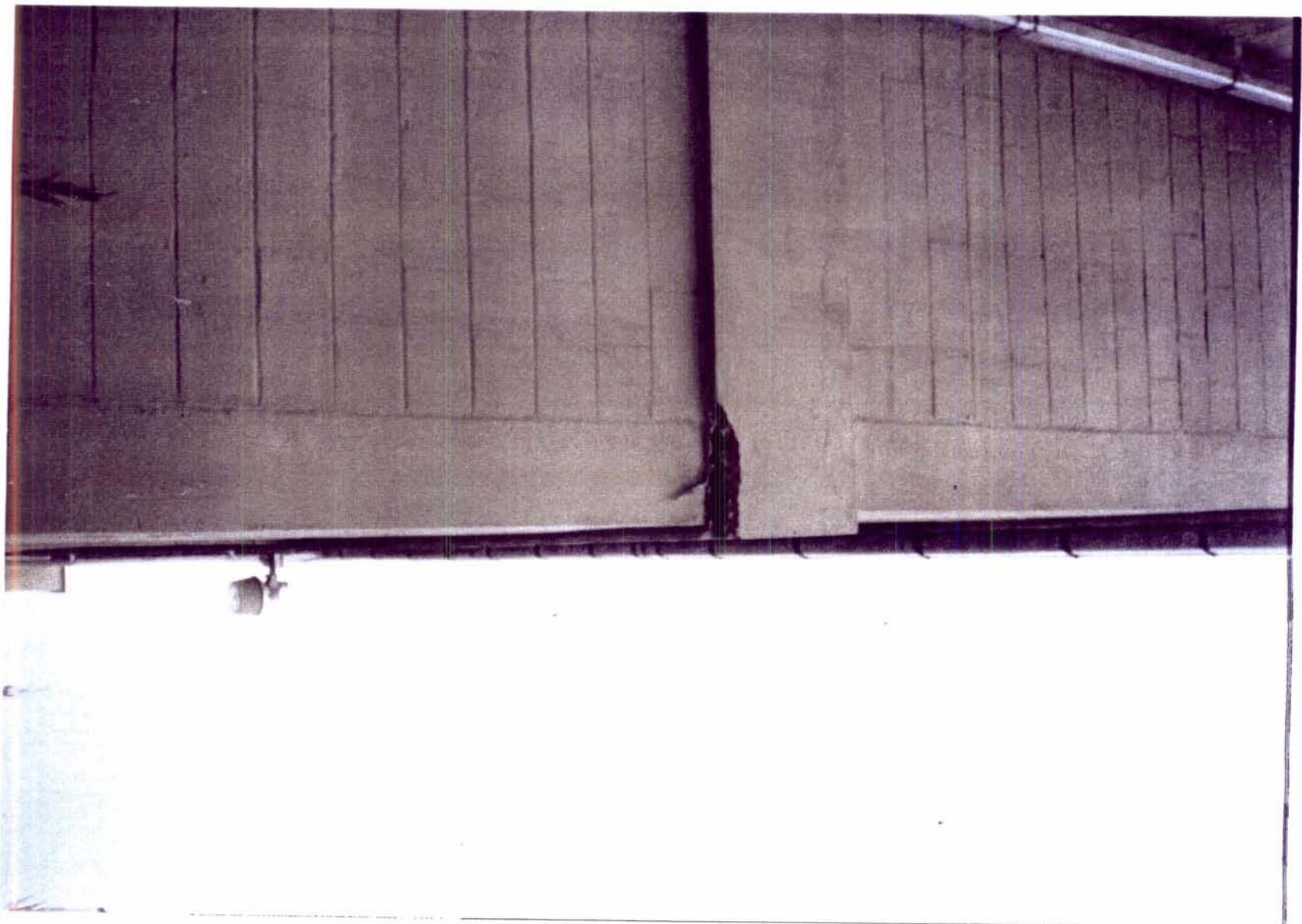


Inoperable air ventilator; blisters on the roof structure; adjacent yeast manufacturing plant containing yeast fermentation tanks.



Decaying concrete steps at the front entrance to the building.

Decaying concrete vertical support column





Additional decaying concrete on exterior of building.

Opening Testimony for DLA BRAC 95

Good afternoon. My name is Major General Lawrence P. Farrell and I am the Principal Deputy Director for the Defense Logistics Agency at Cameron Station in Alexandria, Virginia. I also served as the Chairman for the DLA BRAC Executive Group for the complete duration of this round of the base closure and realignment process.

I would like to first refresh you on DLA's mission, then walk you through DLA's BRAC 95 approach, outline our recommendations, and finally present you with an overall summary of DLA's actions.

DLA is a combat support agency providing worldwide logistics support and related services throughout the Department of Defense in the areas of contract management, distribution management, and inventory management. The Agency's goal is to be the provider of choice, around the clock, around the world, providing logistics readiness at reduced cost thus enabling weapon systems acquisition at reduced cost. To that end, we have implemented many innovative business practices, such as direct vendor delivery, business process engineering, electronic commerce/electronic data interchange which will reduce lead-time and the cost of our services to our customers.

The DLA approach to BRAC 95 was consistent with the Public Law, the Force Structure Plan, the DoD Selection Criteria and OSD policy guidance. Our step-by-step process outlined on this chart lead us to make recommendations which are fully consistent with our DLA Strategic Plan, our Concepts of Operations for our major business areas, and the Force Structure Plan. Military judgment was exercised at each step in the process.

DLA cross-walked the DoD Selection Criteria which were developed for the Military Services to Measures of Merit which allowed us to fully address the Military Value of our activities. We used mission scope, mission suitability, operational efficiencies and expandability as our measures of merit. Using a point system, activities within a category were evaluated in each of these areas and point totals were used to determine the relative Military Value. DLA also performed a Military Value analysis for the six Installations that we manage for BRAC 95. Incidentally, this was an analysis which we did not perform in the BRAC 93 round. It was a valuable tool as we exercised our Military judgment.

Using a variety of inputs that included the DoD Force Structure Plan, Military Value and Excess Capacity analyses, Risk Assessments, and internally developed BRAC decision rules, we applied our Military Judgment to identify feasible closure and realignment alternatives. We costed out these alternatives, came up with recommendations, examined economic, environmental and community impacts, and made our final decisions. The Strategic Analysis of Integrated Logistics Systems model, identified here, is another analysis tool that DLA utilized in BRAC 95 to cost out depot configurations based on transportation and infrastructure costs.

DLA maintained an objective, impartial approach to our analysis process. We contracted with the Navy's Public Works Center Norfolk to conduct an independent assessment of all of our facilities. The DoD Inspector General worked closely with us through every step of our process. They validated our BRAC data as well as our internal analytical processes. They attended all of our Executive Group and decision meetings. The GAO, in their role as independent oversight, analyzed our decision-making process in great detail. They also participated in our Executive Group and decision meetings.

As previously mentioned, the DLA BRAC Executive Group developed a set of decision rules. These rules guided each of our decisions. Adherence to them was monitored continuously. Our basic objectives were to close installations and optimize costs and shared overhead where we elected to stay.

Contract Management, Distribution Depots, and Inventory Management categories of activities impacted by DLA's recommendations.

There are three Defense Contract Management Districts located in Boston, Massachusetts; Atlanta, Georgia; and El Segundo, California, which are responsible for management oversight of the contract administration workload within their geographic districts. The Defense Contract Management Command International located in Dayton, Ohio, oversees contract administration operations outside of the Continental United States. These organizations are responsible for centering contract management oversight within largest contractor concentrations, promoting uniform application of DoD contract administration policy and resource planning.

Our recommendations were based on the workload projections reflected on this chart. Procurement dollars in 1990--\$136 billion. The Agency projects a reduction to \$78 billion by the year 2001. This is a 43 percent reduction since 1990. As the Department continues to downsize, DLA is projecting a 31 percent reduction in active contracts [463,000 in 1990 to 318,000 in 2001], leading to a 51 percent reduction in the number of contract administration offices, and a 42 percent reduction in personnel.

Based on the statistics we showed you on the previous chart, we determined that there was excess capacity within this category. Looking at the risks associated with any changes, we made the decision that we still needed two districts and that realigning the Defense Contract Management

Command International was feasible. The concentration of workload is reflected on the map in the lower right corner of this chart. Note the high concentration of workload in the Northeastern United States and California.

The DLA recommendation to close the Defense Contract Management District South in Atlanta was based on the high concentration of workload in the Northeast and the high dollar value of weapon systems contracts which are being managed in the Los Angeles basin. We determined that an east to west split of workload made more sense than a north to south split due to the workload concentration on both the East and West coasts and the time zones.

The Defense Contract Management Command International realignment to Fort Belvoir, Virginia, where it will be merged with the Defense Contract Management Command Headquarters, will allow us to take advantage of the location's proximity to the State Department and the international support infrastructure in Washington, D.C. and the surrounding areas.

DLA is also recommending the redirect of the Defense Contract Management District West decision in BRAC 93 to allow us to buy a building in Long Beach, California. DLA has explored the feasibility of moving to a Military installation in the Los Angeles Basin area but we have been unsuccessful. Our analysis indicates that the purchase of a building will result in annual savings of \$4.2 million.

Our recommendations will result in a net present value savings of \$165.7 million over twenty years and a steady state savings of \$13.4 million starting in the year 2000. A total of 348 personnel will be realigned or redirected as a result of these actions and 136 personnel will be eliminated.

These are the 23 Depots we reviewed in our BRAC 95 process. DLA is currently operating four additional Depots located at Charleston, Pensacola, Tooele, and Oakland; however, they were selected for closure in the BRAC 93 process. We did not reconsider these depots during this round of BRAC.

The DLA Distribution Depots receive, store, and issue wholesale and retail materiel in support of DLA and the Military Services. DLA has two types of depots. Those we have identified as stand-alone depots which are in the shaded boxes on this chart.

These depots are "Stand-Alone" in the sense that they are not located with maintenance or fleet support. They distribute a wide range of material to customers in many locations. The remaining depots are collocated depots. These depots are collocated with a major maintenance or fleet customer who is their primary customer. They also provide normal distribution services to other regional customers and some limited worldwide support for specialized Military Service-managed items.

As a combat support agency, DLA must be ready to respond to mobilization requirements for both wartime and peacetime operations. The distribution system must be able to support two Major Regional Conflicts. Our Concept of Operations requires that we remain collocated where we have a major maintenance or fleet customer. DLA will store material in close proximity to customers where demand patterns dictate. We optimize transportation costs between vendors, depots, and customers. We plan to optimize use of the remaining storage while reducing overall system costs. Hazardous material, subsistence, and other specialized commodities will be stored in the minimum number of depots where specialized storage is available.

As reflected on this chart, DLA's physical storage capacity exceeds our current and projected storage space requirements. BRAC 95 provides DLA with the opportunity, on a large scale, to save taxpayer dollars by downsizing to our requirement. By 2001, DLA projects a requirement of 452 million attainable cubic feet. As I will explain in subsequent charts, any deficit realized through our BRAC 95 recommendations will be eliminated by utilizing excess capacity offered by the Services where we already have distribution depots.

Through the force structure drawdown and DLA's initiatives, including optimizing storage space, shifting workload to the private sector, and incentivizing the customer to buy smarter, DLA projects that storage capacity requirements will be reduced by 43 percent by the year 2001. A 52 percent reduction in workload due to reduced inventory requirements and a 55 percent reduction in personnel who support that workload are projected.

Storage capacity or cube is the constraint within DLA relative to how much we can close. We must size our distribution system to meet our customers' requirements. At the end of FY 94, DLA had 618 million attainable cubic feet of storage space while our requirement is at 519 million attainable cubic feet. Our Storage Management Plan which identifies increases to storage requirements such as Army stocks currently stored at Sennaca and Sierra Depots, which are closing in BRAC 95, European returns and decreases resulting from Service and DLA Inventory Reductions place our requirement for the year 2001. DLA closures in BRAC 95 reduce storage capacity by 114 million attainable cubic feet resulting in capacity of 431 million attainable cubic feet. A shortfall of 21 million attainable cubic feet is projected. As indicated earlier, DLA plans to use cross Service transfers, if necessary, at collocated depot locations to make up any deficit in storage capacity.

Throughput capacity is not a constraint. DLA measures its throughput by bin, bulk open storage, and bulk covered storage. Even after implementation of our BRAC 95 recommendations, DLA will still have excess throughput capacity.

The Army recommended closure of two of its maintenance depots at Letterkenny, Pennsylvania and Red River, Texas. Following our Concept of Operations, DLA made the decision that closure of the maintenance activities at these locations eliminated the need for a DLA presence there. Since the Agency did not need the storage capacity, the Agency recommended the closure of the DLA Distribution Depots at Letterkenny and Red River.

This decision still left the Agency with excess storage capacity. Since our Concept states that we will remain at locations where maintenance and fleet customers require dedicated support, no further closures in the collocated category were feasible.

The Agency then examined our Stand-Alone Depots, their Military Value, Installation Military Value, depot throughput and storage capacity, and results of a Strategic Analysis of Integrated Logistics Systems (SAILS) model analysis.

Our Concept of Operations requires two primary distribution depots, one on the East Coast and one on the West Coast to support both wartime and peacetime contingency operations. The two Depots at San Joaquin, California and Susquehanna, Pennsylvania are both large storage depots which are facilitized for high throughput capacity. They both ranked over 250 points higher than the other Stand-Alone Depots in our Military Value analysis. They ranked second and fourth in the Installation Military Value analysis. Both maintain Air Line of Communication and Containerization Consolidation Point capabilities which are essential to support two Major Regional Conflicts. They are located near military water and aerial ports of embarkation for shipping materiel to a war zone--wherever that might be. Both of these depots were removed from further analysis.

After following the Service maintenance depot closures, the Agency still has an excess of over 60 million attainable cubic feet of storage capacity.

Four Stand-Alone Depots remained for review.

The Defense Distribution Depot Columbus, Ohio, ranked lowest in the Stand-Alone Military Value analysis. However, the Columbus installation on which the depot is located ranked number one. Closure of this depot on an installation where DLA and many other Defense tenants are housed would not result in a base closure. While the Agency does not need the throughput capacity of the depot, the storage capacity could be used to store war reserve and slow-moving stocks. This would allow the Agency to dramatically reduce staffing at this location (from approximately 500 down to 50

personnel) while retaining the storage capacity. Therefore, we chose to realign the Depot rather than consider it for closure.

The Defense Distribution Depot Richmond, Virginia, was also removed from further analysis. While it ranked fifth in the Stand-Alone Depot Military Value analysis, the Richmond installation on which it is housed ranked third. As with the Columbus Depot, a closure of the Richmond Depot would not result in a base closure. Additionally, the Richmond Depot serves as a backup to our Depot located at Norfolk, Virginia, which supports the single largest fleet concentration within the United States. The Strategic Analysis of Integrated Logistics Systems (SAILS) model favors Richmond as a storage and throughput site. Based on the results of an independent facilities inspection, this installation is the best maintained in the Agency.

Two depots remained in the Stand-Alone category--the Distribution Depot at Memphis, Tennessee and the Distribution Depot at Ogden, Utah. Both of these depots tied for third place in our Military Value analysis, but the difference between third and sixth place was only 37 points. Both depots are on installations with tenants with a smaller population and number of significant missions resulting in their ranking lowest in our Installation Military Value analysis. Each depot closure will also result in a base closure.

DLA's final recommendations in our depot category are to close the collocated depots at Letterkenny, Pennsylvania and Red River, Texas, as a follow-on to the Army's maintenance closures at those locations. Close the two Stand-Alone Distribution Depots located at Memphis, Tennessee and Ogden, Utah, both of which will result in base closures. Our final recommendation to realign the Distribution Depot at Columbus, Ohio, will allow us to take advantage of the depot's storage capacity for war reserve and slow-moving stocks while dramatically reducing staffing at this location.

These recommendations will result in a Net Present Value savings of \$874.4 million over twenty years and a steady state savings of \$87.9 million, starting in the year 2001. As a direct result of these BRAC recommendations, 3,148 positions will be realigned and 1,748 positions will be eliminated.

DLA estimates that \$58 million in MILCON will be required to implement these recommendations. Approximately \$35 million of this cost is for the construction of hardstand for vehicle storage at our Distribution Depot in Anniston, Alabama. Additionally, there are costs included for the renovation of office space and hazardous materiel storage space associated with the closure of our Distribution Depots in Ogden, Memphis and the realignment of Columbus.

The five DLA Inventory Control Points (ICPs) manage over 80 percent of DoD's consumable items. Consumable items, other than fuel, fall into two broad groups: Troop and General Support items and Weapon System items. Because of the unique nature of the Fuels commodity, the Defense Fuel Supply Center (DFSC) was removed from consideration. Since the Defense Personnel Support Center (DPSC) is the primary troop support item manager, it was considered only as a receiver.

Because of the nature of the commodities within the Troop and General Support and the Weapon System group, each requires a different level and intensity of management. Our Concept of Operations focuses our efforts accordingly.

Force Structure reductions have a direct effect on supply management workload. Fewer Service members and less Service investment in major weapons systems reduce demand for consumable items. The Agency is also aggressively pursuing better and smarter ways of doing business, leveraging technology, reducing inventory, and relying more on commercial acquisition practices, particularly for Troop and General Support items.

We project a 14 percent reduction in sales between 1992 and the year 2001. Inventory value projections reflect a 43 percent reduction. This does not include the projected receipt of \$6.5 billion in consumable item transfer

between 1992 and 2001. A 32 percent reduction in personnel is projected during this same time period.

DLA analyzed a number of options to achieve more concentrated management of Troop and General Support and Weapon System items. As we proceeded with the analysis, several things became obvious. We would not close Columbus, which primarily manages weapon system items. The Defense Personnel Support Center in Philadelphia has unique experience in managing troop support items, and already manages only Troop and General Support items.

Our analysis of capacity and of the risk inherent in singling-up management of the vast number of Weapon System items led us to conclude that two Weapon System ICPs were necessary and appropriate. Richmond is our best installation, and the Distribution Depot there will remain open. Therefore, we concluded that disestablishing the Defense Industrial Supply Center in Philadelphia was in the best interest of DLA.

Disestablishing DISC and realigning Federal Supply Classes to achieve two Weapon System ICPs and one Troop and General Support ICP support the Supply Management Concept of Operations, at an acceptable level of mission risk, and an immediate return on investment.

This recommendation will result in a net present value savings of \$236.5 million over twenty years and a steady state savings of \$18.4 million starting in the year 2001. As a direct result of this recommendation, 335 positions will be realigned and 408 positions will be eliminated.

Disestablishing DISC and delaying the relocation of DPSC to the Aviation Supply Office installation allows us to realize a cost avoidance by not renovating more warehouse space than necessary.

Assuming no economic recovery, the net impact of our recommendations is a maximum potential loss of 2,296 direct jobs.

DLA's recommendations conform to our Concept of Operations and reflect DoD Force Structure drawdowns. Implementing DLA's recommendations will reduce infrastructure costs, appropriately match the Agency's capacity with its workload, and posture DLA to best meet our customer's requirements at reduced cost.

If DLA's recommendations are accepted, the Department of Defense will realize a \$1.3 billion net present value savings over 20 years, and a steady state savings of \$120 million each year.



DEFENSE LOGISTICS AGENCY

BRAC 95 Detailed Analysis Presentation

DLA: Your Combat Support Agency
Around the Clock, Around the World



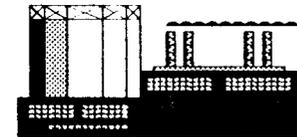
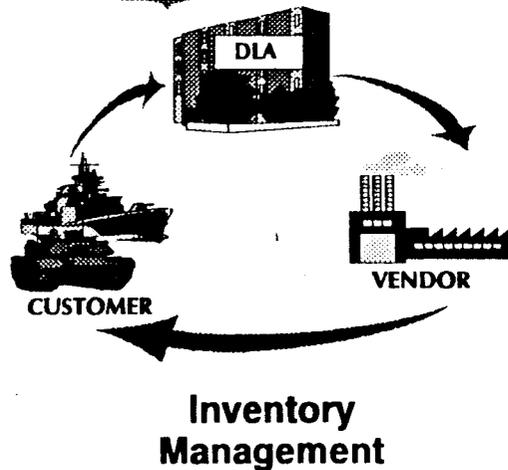


Outline

- **Mission refresher**
- **DLA approach to BRAC 95**
- **DLA Recommendations**
- **DLA Summary**



The DLA Business



Distribution Depots

- **Provider of choice**
- **Around the Clock - Around the World**
- **Providing readiness at reduced cost and helping offset service programmatic cuts**
 - **By leveraging our corporate resources against global logistics targets, and**
 - **Finding savings through teams, business practices, and technology breakthroughs**



Contract Management

Better - Faster - Cheaper



The DLA Approach

DATA PREPARATION
& POINT ALLOCATION

+

EXCESS CAPACITY

+

MILITARY VALUE
ANALYSIS
(INSTALLATION & ACTIVITY)

+

BRAC '95
DECISION RULES

+

INTERSERVICE
COORDINATION & DLA
BRAC EG EXPERIENCE

DLA Recommendations
Fully Support the
Concepts of Operations
and
Force Structure Plan

MILITARY
JUDGEMENT

IDENTITIES REVEALED
COBRA ANALYSIS

+

RECOMMENDATIONS
FORMULATED

+

COMMUNITY/
ENVIRONMENTAL
IMPACT ANALYSIS



Our Measures of Merit

DoD BRAC Selection Criteria

Military Value:

1. Current and future mission requirements
2. Availability and condition of land and facilities
3. Ability to accommodate contingency, mobilization, and future force requirements
4. Cost and manpower implications

Return on Investment:

5. Extent and timing of potential costs and savings, including payback

Impacts:

6. Economic impact on communities
7. Ability of infrastructure to support forces, missions and personnel
8. Environmental impact

DoD CRITERIA TRANSLATED INTO DLA MEASURES OF MERIT

DLA Measures of Merit

Mission Scope (DoD selection criteria 1 and 3). The mission assigned to the installation plays an essential role within DoD and additionally benefits non-DoD customers. The functions performed in accomplishing the mission(s) may be unique. The strategic location of the facility and span of control are important to effective mission accomplishment.

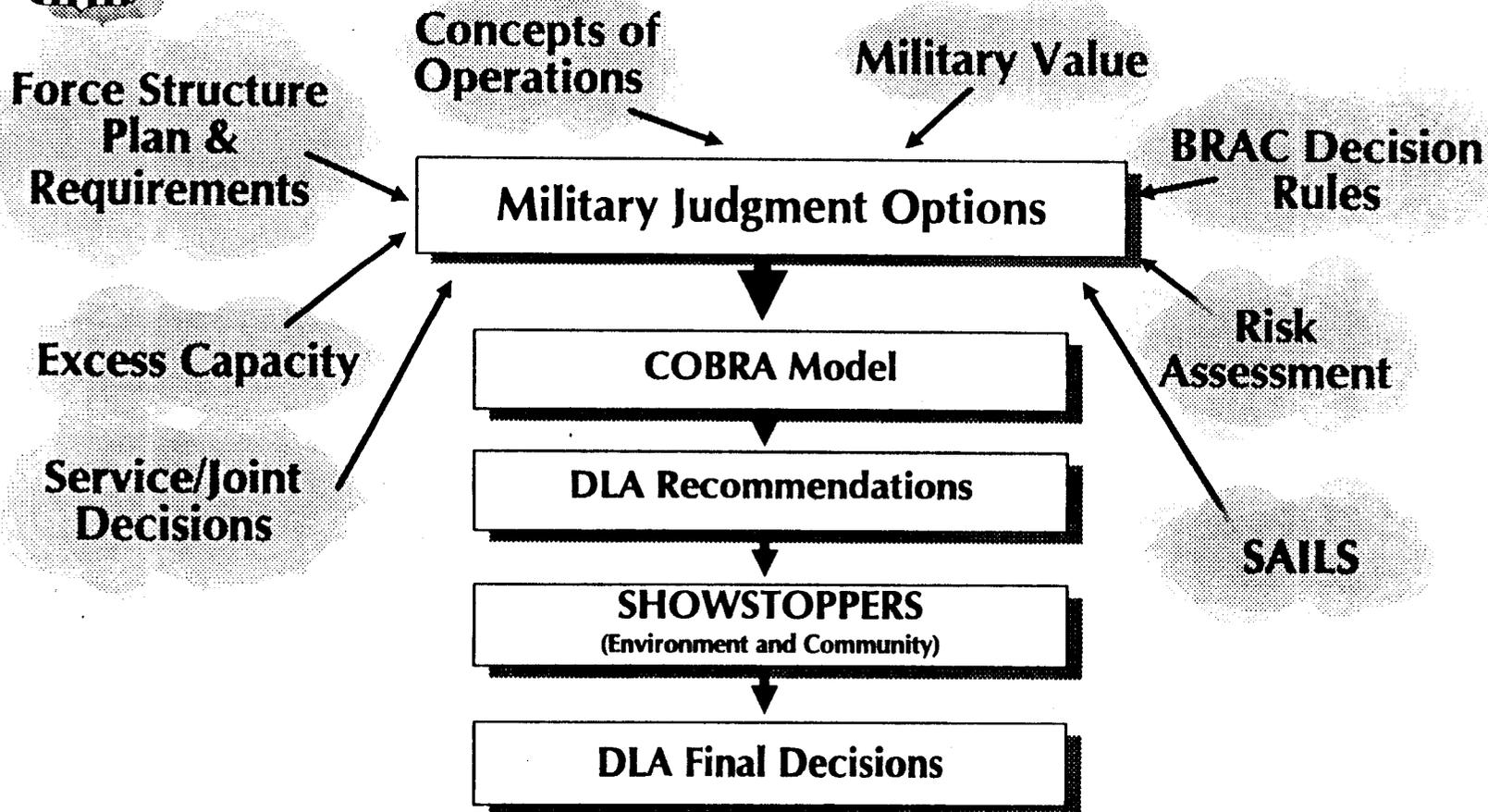
Mission Suitability (DoD selection criteria 1, 2, 3). The installation/activity supports assigned missions. Suitability includes the age and condition of facilities, quality of life, location, and proximity to transportation links.

Operational Efficiencies (DoD selection criteria 2 and 4). The installation/activity's mission is performed economically. Installation/activity operation costs include: transportation, mechanical systems (mechanized material handling equipment, etc.), space utilization, and personnel costs.

Expandability (DoD selection criteria 1, 2, 3). The installation/activity can accommodate new missions and increased workload, including sustained contingencies. Expandability considerations include requirements for space and infrastructure, community encroachment, and increased workload.

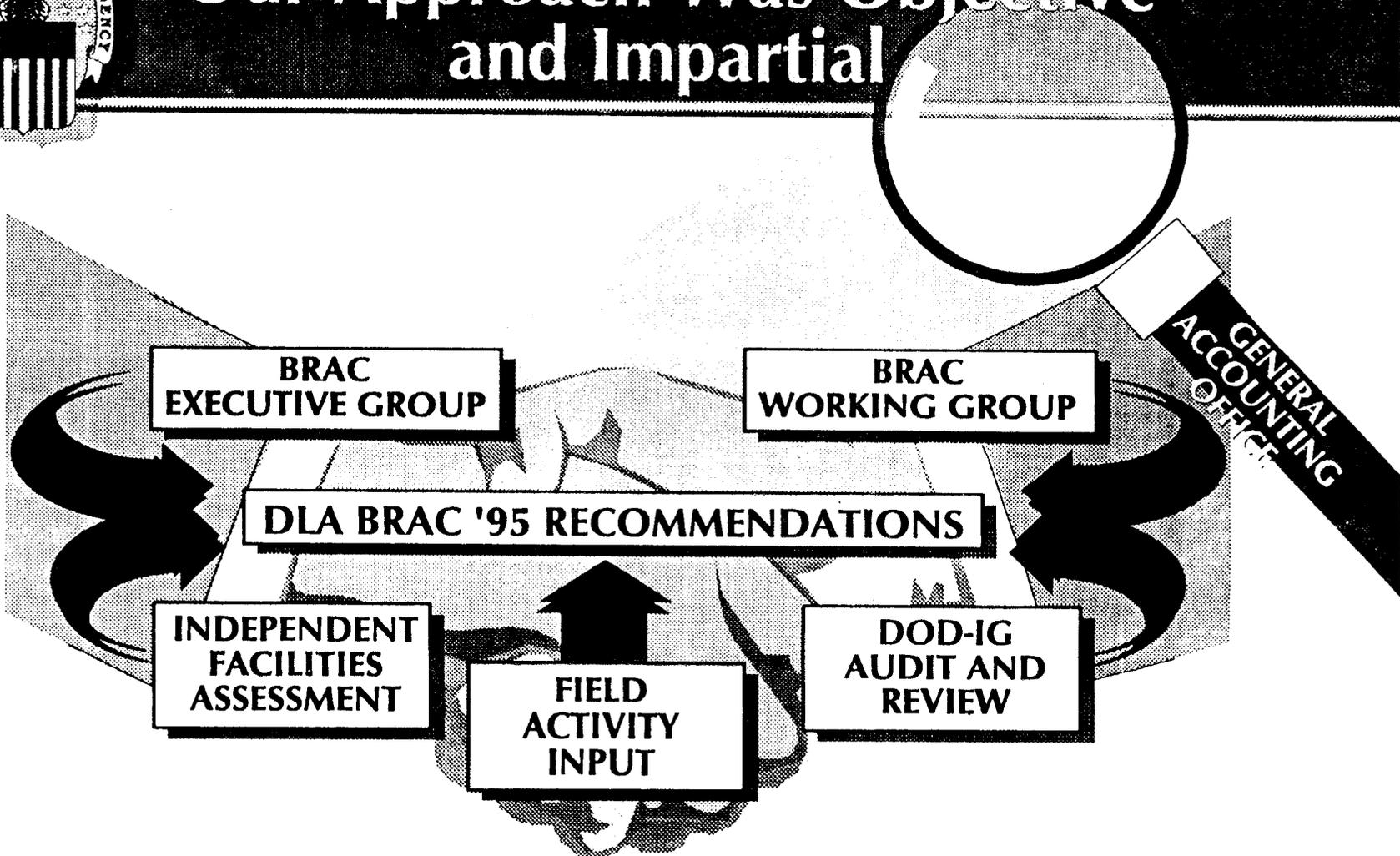


DLA BRAC Evaluation Tools





Our Approach Was Objective and Impartial





DLA BRAC '95 Decision Rules

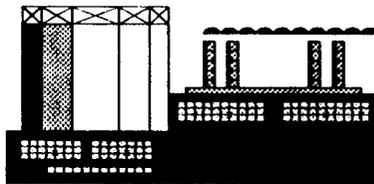
- Consistent with the Law, Base Decisions on the DoD Force Structure Plan and the DoD Selection Criteria
- Achieve an Infrastructure Consistent with the DLA Strategic Plan and Business Areas Concepts of Operations
- Consistent with Above, Seek Leanest, Most Cost-Effective Infrastructure by (Not in Rank Order):
 - Minimize Infrastructure Costs;
 - Close as a Top Priority;
 - Eliminate Duplications;
 - Maximize Use of Shared Overhead;
 - Optimize Use of Remaining DLA Space;
 - Maximize Cross-Service Utilization of Bases and Support;
 - Get Out of Leased Space and onto DoD-owned Installations
- Military Judgment Will be the Overarching Criteria for All Decisions—Optimally Satisfy the 4 Military Value Criteria by Balancing Outputs of all Analyses to Achieve Maximum Military Benefit.



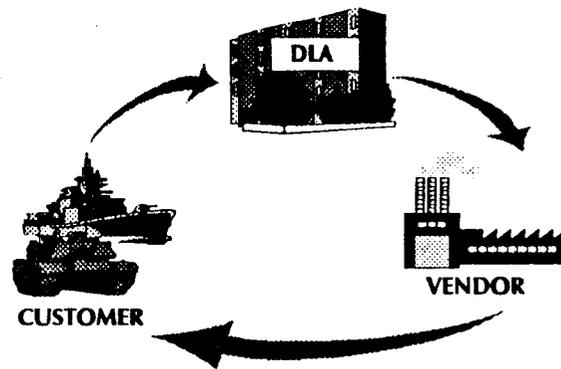
DLA Activity Categories Impacted



Contract Management



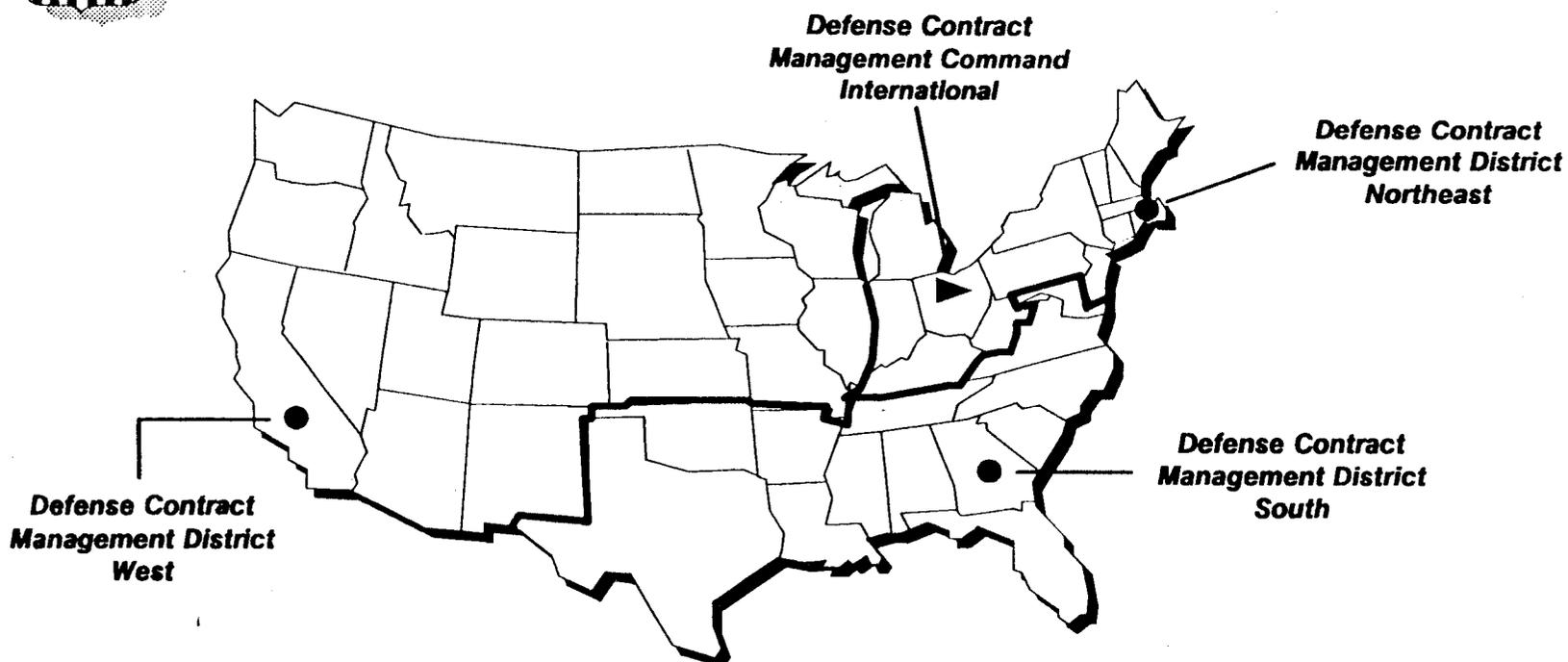
Distribution Depots



Inventory Management



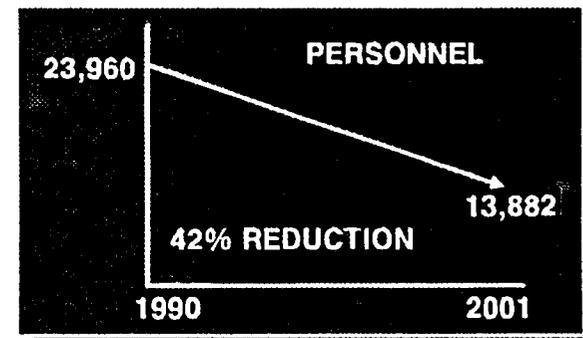
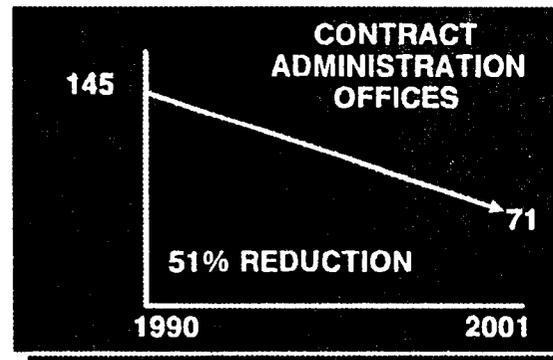
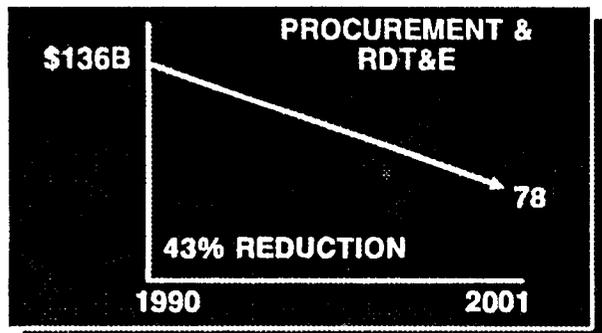
Contract Management Concept of Operations



- Center contract management oversight within largest contractor concentration
- Promote uniform application of DoD contract administration policy
- Resource Planning



DCMC Contract Management CONUS Workload Projection

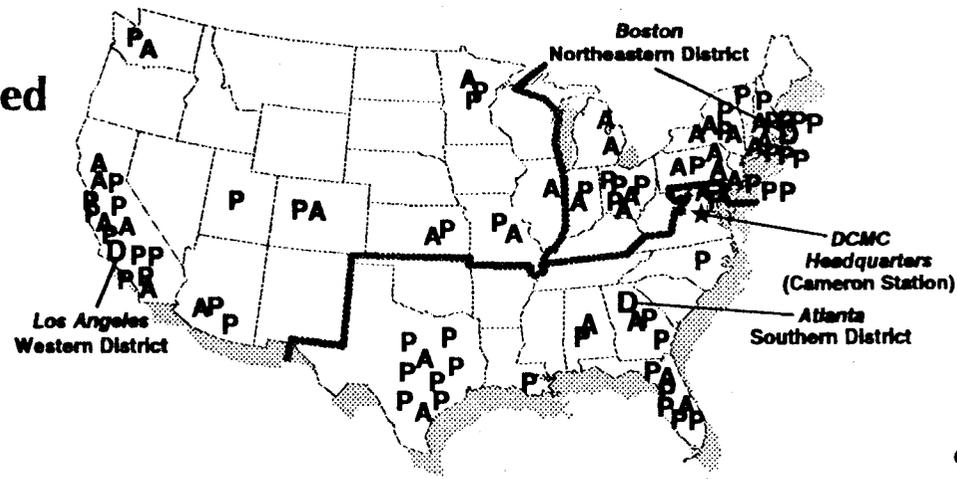




Contract Management Decision Process

- **Workload dropping**
 - Excess capacity available
- **Two districts required**
 - East and West DCMD's necessary
 - Maximum acceptable span of control
 - Consistent with Military Value ranking
- **DCMCI can be realigned**
 - Management functions merged
 - Efficiencies achieved

MILITARY VALUE		
DCMD Northeast	=	795
DCMD West	=	689
DCMD South	=	656





Recommendation: DCMD Regional Headquarters

Close: DCMDs , Realign DCMCI

Redirect: DCMDW

Period: 1996 → 1999

Personnel

Realigned/ Redirected: 348

Eliminated: 136

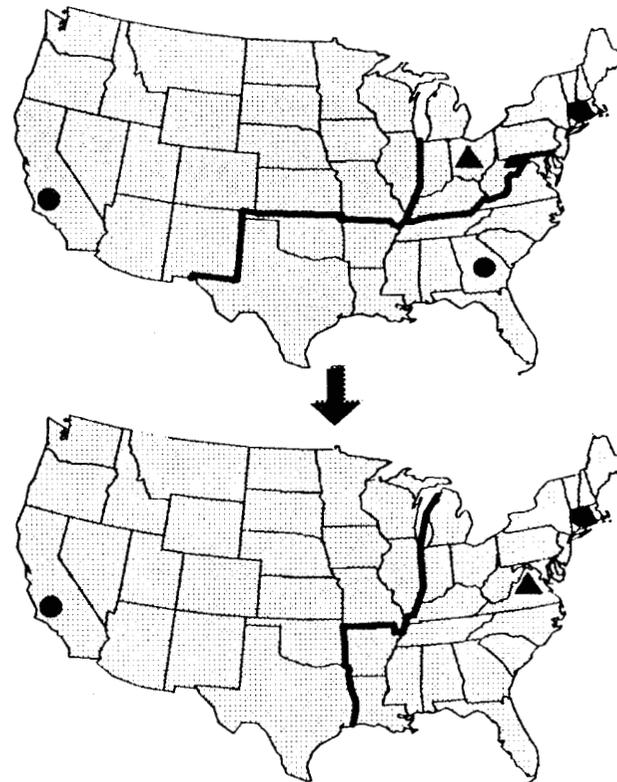
MILCON: \$5.37M*

Savings (\$M)

NPV (1996 - 2016): -165.7M

Steady State: 13.4M (FY 00)

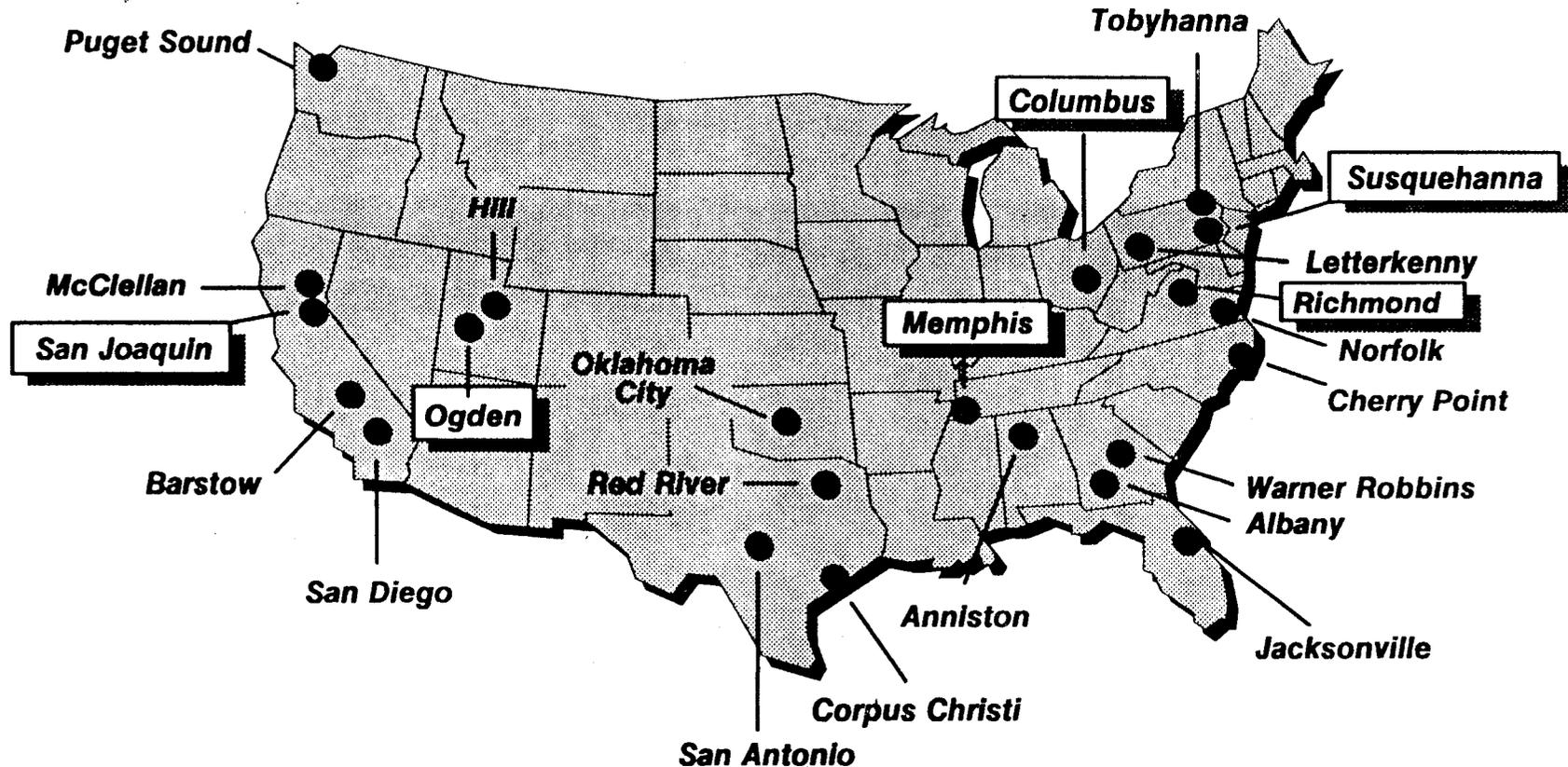
ROI year: Immediate



****Does Not Include \$11.0M Cost Avoidance in FY96***



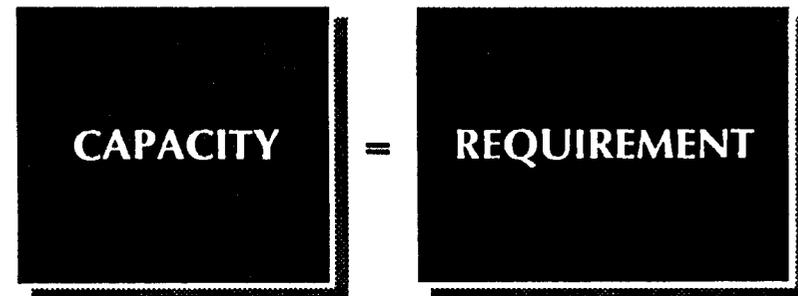
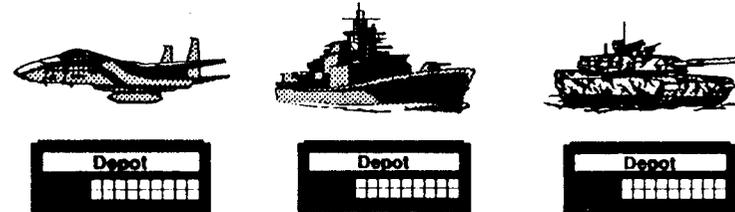
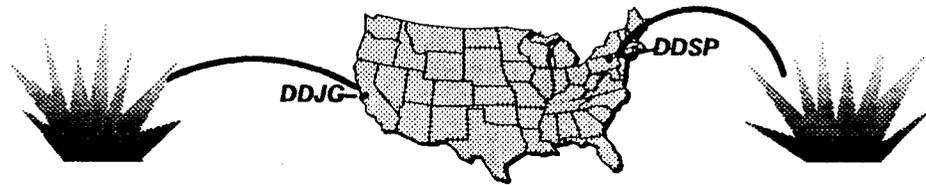
Distribution Management: 23 Distribution Depots, 11 Distribution Sites





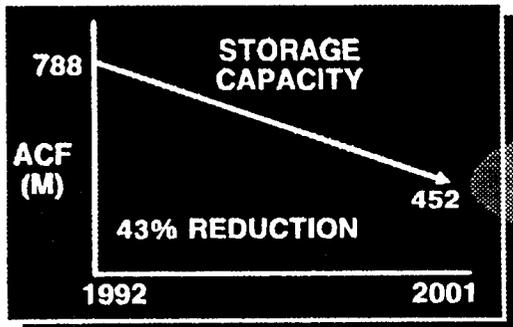
Distribution Concept of Operations

1. Support two MRC's from high throughput/storage facilities east and west coast
2. Colocate where we have a major maintenance/fleet customer
3. Accommodate specialized/contingency storage requirements
4. Optimize remaining storage
5. Optimize system cost

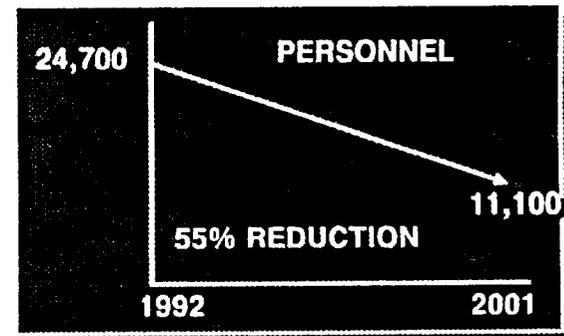
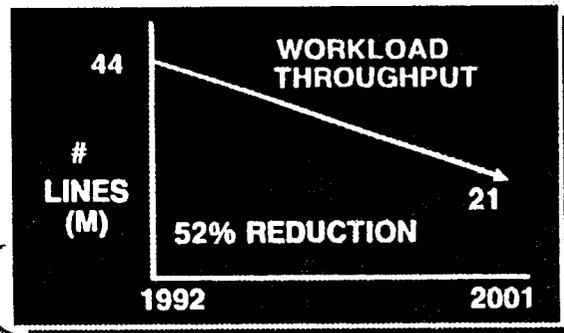




DLA Distribution Workload Projections



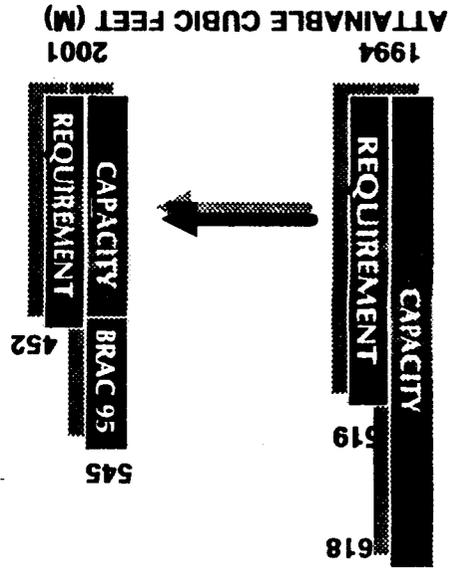
UTILIZE SERVICE EXCESS STORAGE SPACE
SHIFT WORKLOAD TO PRIVATE SECTOR
ADJUST FOR REDUCED CUSTOMER DEMAND
ADJUST FOR REDUCED INVENTORY REQUIREMENTS
INCENTIVIZE CUSTOMER TO BUY SMARTER



**EXCESS CAPACITY
MUST BE
ELIMINATED**



DLA Distribution Capacity

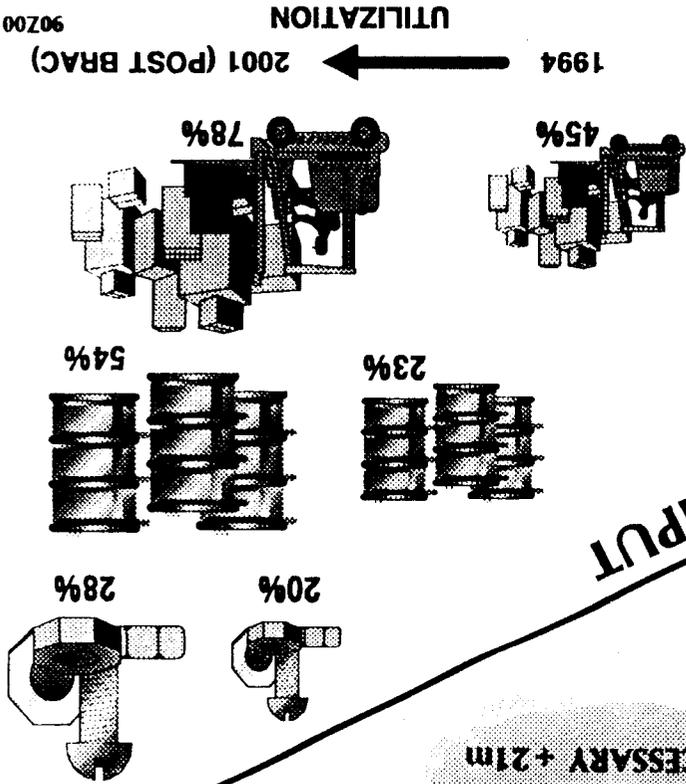


STORAGE CUBE IS THE BRAC 95 LIMITER

THROUGHPUT IS NOT A PROBLEM

CROSS SERVICE TRANSFERS IF NECESSARY + 21m

STORAGE THROUGHPUT





Distribution Decision Process

1. Closed Depots Linked to Service Closures
 - Review CONOPs/Decision Rules
 - Remaining Collocated Depots Preserved



ACTIVITY MILITARY VALUE

1. DDJC	822
2. DDSP	759
3. DDMT	505
4. DDOU	505
5. DDRV	481
6. DDCO	468

INSTALLATION MILITARY VALUE

1. Columbus	767
2. New Cumberland	681
3. Richmond	649
4. Tracy/Sharpe	623
5. Ogden	611
6. Memphis	559

DEPOT CAPACITY

DDJC	77.9M (ACF)
DDSP	69.6
DDMT	34.0
DDOU	31.8
DDCO	28.6
DDRV	27.3

- Clear Distinction in Military Value Rankings
- East and West Coast PDS's
- Facilitized for High Throughput
- Largest Storage Capacity
- Designated ALOC & CCP Locations



Distribution Decision Process (Con't)

4. Four depots left for review

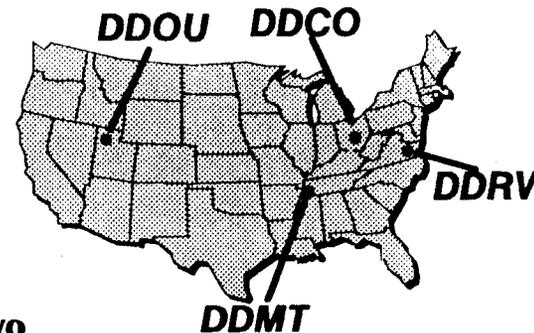


5. Convert DDCO to war reserve/slow moving storage vice closure
- Minimal depot staff remains

6. Still have ~ 60M ACF excess projected, can close two additional stand-alone depots

7. DDRV removed from consideration

- DDRV third ranked DLA installation
- Would not result in a closure
- Major backup for fleet support in Norfolk
- Optimizes annual system cost in SAILS model
- Best depot facility condition in DLA



ANNUAL SYSTEM COSTS

SAILS RESULTS, CLOSE:

DDMT + DDOU	=	\$251M
DDMT + DDRV	=	261
DDOU + DDRV	=	256

Conclusion: Close two installations



Recommendation: Distribution Sites

Close: Letterkenny, Ogden, Red River, Memphis

Realign: Columbus

Period: 1996 → 2000

Personnel

Realigned: 3148

Eliminated: 1748

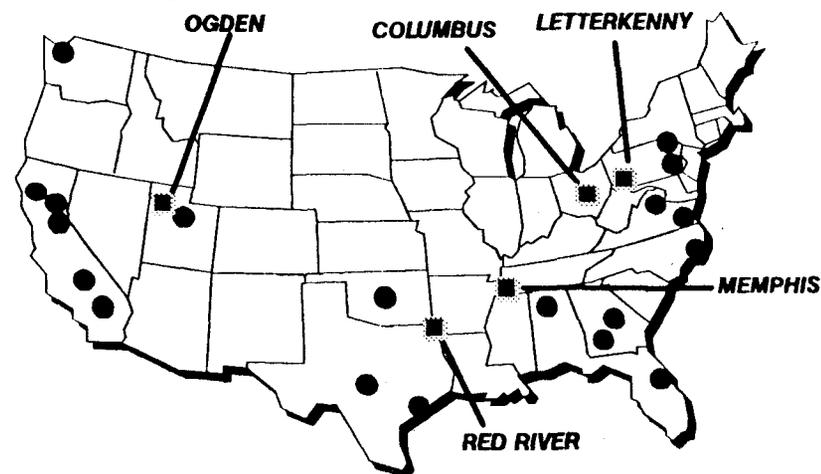
MILCON: \$58.0M

Savings (\$M)

NPV (1996 - 2016): -874.4M

Steady State: 87.9M (FY 01)

ROI: 2001 (1 yr)

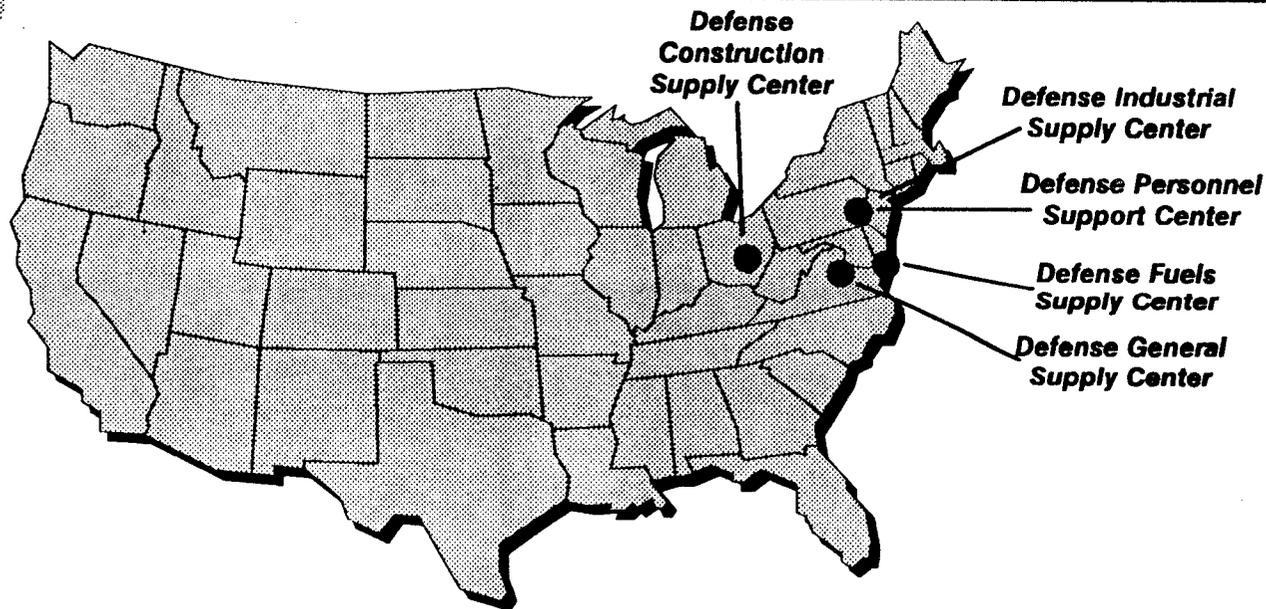


Reduce Capacity to Requirement

- Support customer decisions
- Max use of existing underutilized capacity



Supply Management: Five Inventory Control Points



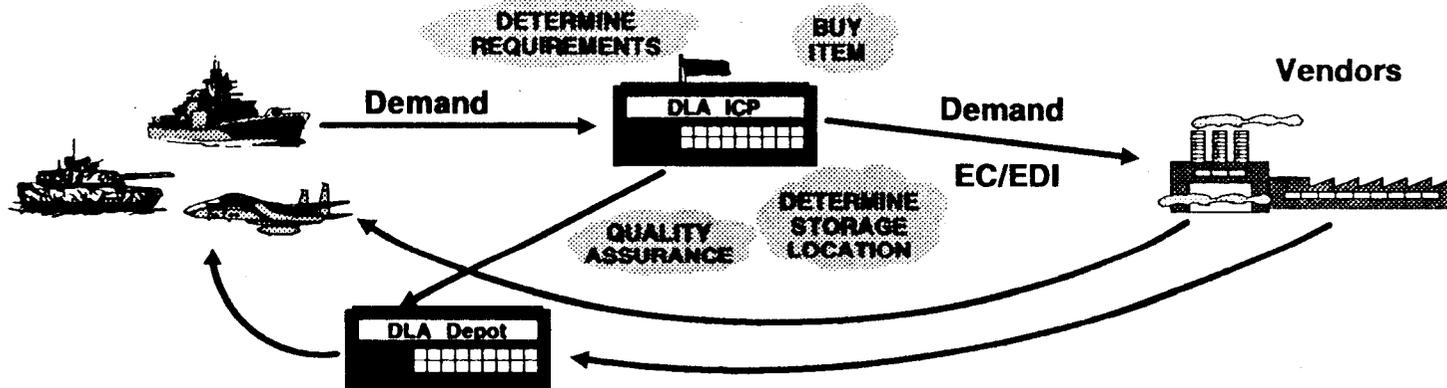
TWO COMMODITY TYPES MANAGED

Troop & General
Short Leadtime
Higher Volume
Streamlined Acquisition Process
Readily Available Commercially

Weapons System
Long Leadtime
Specialized Tooling
Not Available Commercially
Tighter Performance Specifications



Supply Concept of Operations



BETTER, FASTER, CHEAPER

TWO COMMODITY TYPES MANAGED

Troop & General

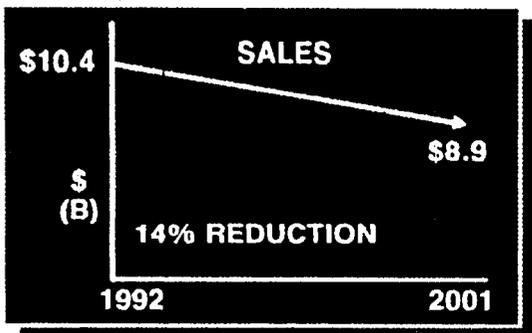
Short Leadtime
Higher Volume
Streamlined Acquisition Process
Readily Available Commercially

Weapons System

Long Leadtime
Specialized Tooling
Not Available Commercially
Tighter Performance Specifications

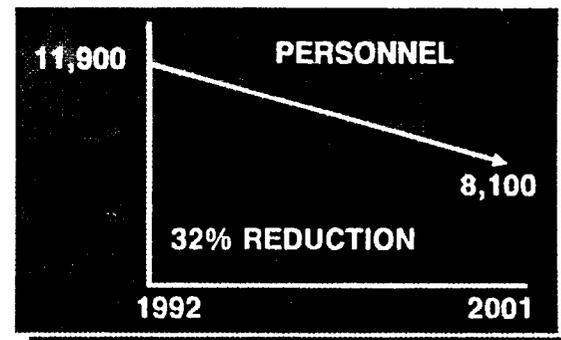
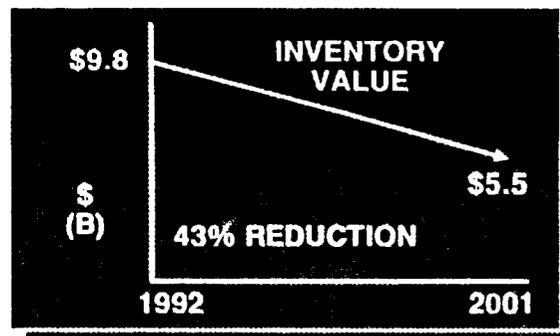


Supply Management Workload Projections



SHIFT SUPPORT TO PRIVATE SECTOR
ADJUST FOR REDUCED CUSTOMER DEMAND

RECEIVING \$6.5B
INVENTORY FROM
SERVICES...EFFECTING
SIMILAR REDUCTIONS





Supply Decision Process

1. CONOPS drives DLA to single up Weapons System and Troop and General Item Management posture

- Mission risk dictates 2 Weapons System ICP's, 1 T&G

2. Military value removes DCSC from consideration

HARDWARE ICP MILITARY VALUE RESULTS

DCSC	740
DGSC	567
DISC	541

3. Installation military value strongly supports keeping Richmond installation open

INSTALLATION MILITARY VALUE

1. Columbus	767
2. New Cumberland	681
3. Richmond	649
4. Tracy/Sharpe	623
5. Odgen	611
6. Memphis	559

4. Decision: Close DISC
Single up T&G at DPSC
Split Weapon System Management
between DGSC and DCSC



Recommendation: ICPs

Close: DISC, Realign Weapons and T&G Workload

Period: 1996 → 1999

Personnel

Realigned: 335

Eliminated: 408

MILCON: \$34M*

Savings (\$M)

NPV (1996 - 2016): -236.5M

Steady State: 184M (FY 01)

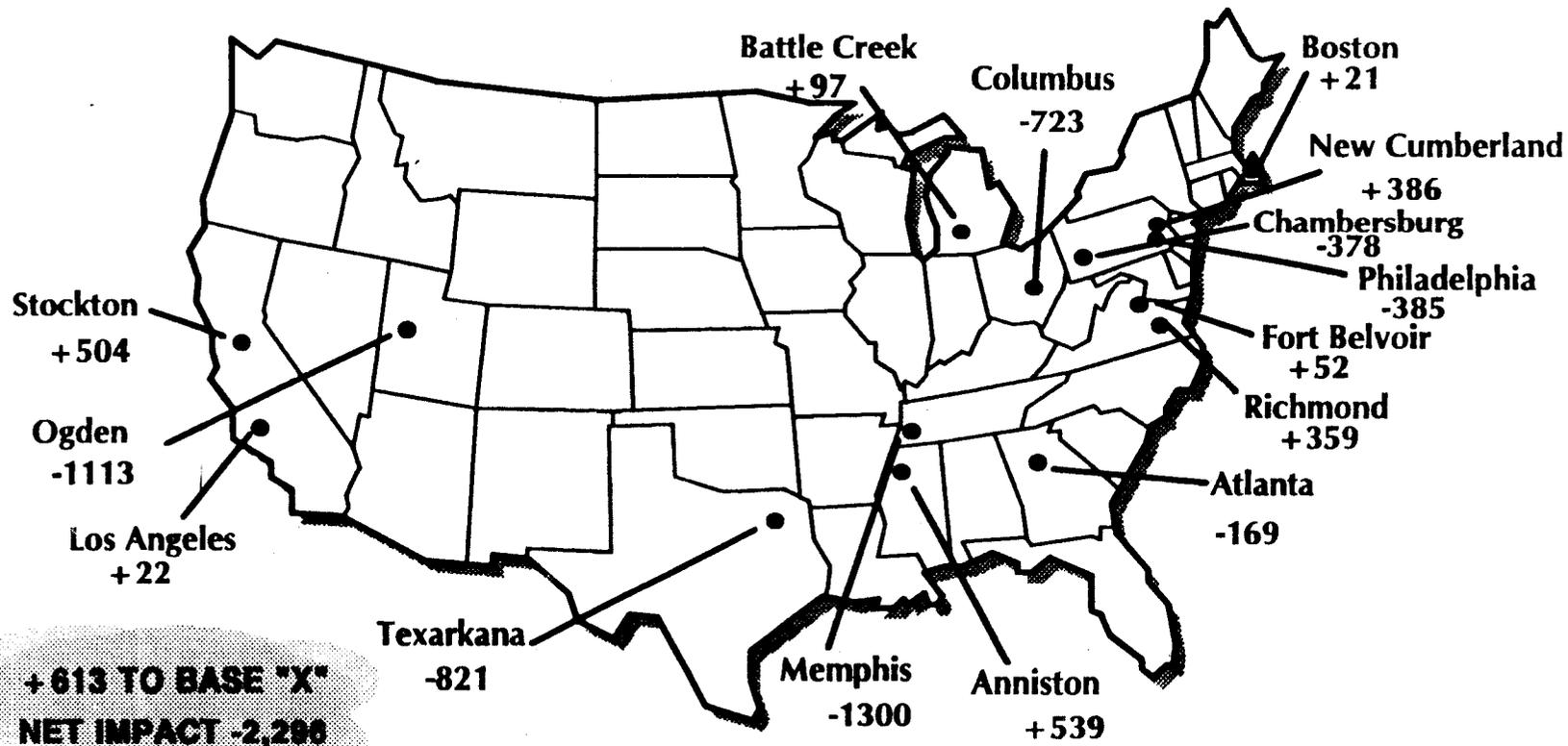
ROI: Immediate

- **Supports Concept of Operations**
 - **One installation closed**
 - **Most acceptable risk**
- **Administrative space available**
 - **Minimized personnel disruption**

****Does Not Include a \$28.6M Cost Avoidance in FY96***



BRAC '95 Total Recommendation Personnel Impacts





DLA BRAC '95 Summary

DISTRIBUTION

*23 Depots
11 Sites*

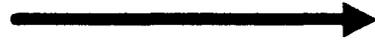


*18 Depots
5 Sites*

*22%
55%*

SUPPLY

5 Inventory Control Points



4 ICPs

20%

CONTRACT MANAGEMENT

*3 Districts
1 Command*

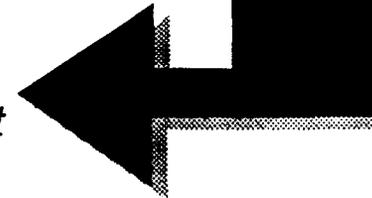


*2 DCMDs
0 Commands*

*33%
100%*

THE BOTTOM LINE:

*Meeting Customer Readiness and Weapon
Systems Acquisition Requirements at Reduced Cost*

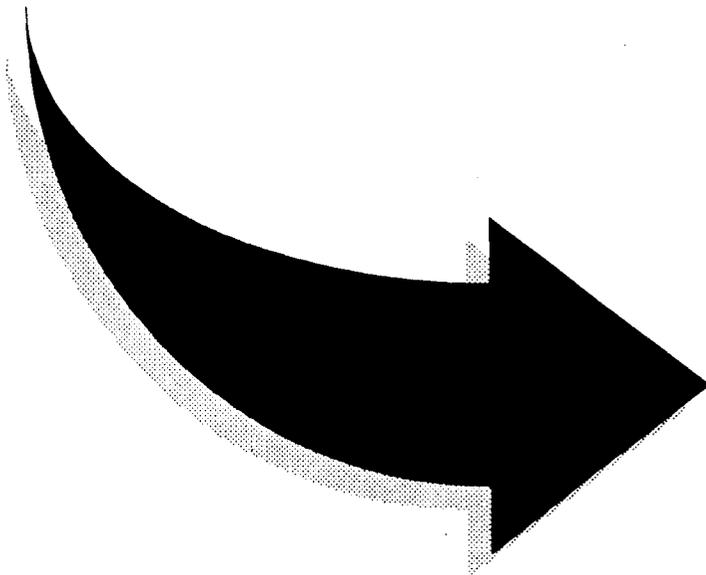


*A Reduction of 22% in Replacement Value of DLA
Infrastructure Reviewed, a 4% Reduction in Current Workforce.*



DLA BRAC 95 Recommendations

IF ACCEPTED



Savings

NPV \$-1.3B

SSS \$120M/year



Defense Logistics Agency GENERAL

1. Major General Farrell, did the Office of the Secretary of Defense remove or add any installation closures or realignments from your recommendations to the Secretary?

If so, will you please elaborate on the specifics?

2. Major General Farrell, did anyone in the administration instruct you not to place any specific installations on your list to the Secretary of recommended closures and realignments?

If so, which ones and for what reasons?

3. Major General Farrell, did the Office of the Secretary of Defense instruct your Service to place or not to place any specific installations for closure or realignment on your listed recommendations to the Secretary?

If so, will you please elaborate on the specifics?

4. Major General Farrell, will the Defense Logistics Agency have excess capacity in any major categories or installation groupings if the Secretary of Defense's recommendations are accepted by this commission? Please elaborate.

5. Major General Farrell, did you or the Office of the Secretary of Defense remove any installations from the recommendations solely for reasons of environmental or economic impact? Please elaborate.

6. Major General Farrell, given the limitations on the base closure process by current Title 10 restrictions and the fact that excess capacity will more than likely remain after this last and final round under the current Base Closure Law, what method would you recommend for consideration in future base closure efforts?

7. Major General Farrell, have you provided to the commission all of the information that you used in your decision-making process? If not, would you please provide it within the next five days?

Defense Logistics Agency PROCESS

1. Maj Gen Farrell, could you please explain the overall philosophy the Defense Logistics Agency used this year to decide which of its facilities would be closed or realigned.

What specific factors did you consider when closing or realigning a Defense Logistics Agency facility?

2. Maj Gen Farrell, what determines military value, and what were the points within the military value calculations which differentiated one installation from another?

3. Maj Gen Farrell, how much of your decisions were dependent upon the service's decisions?

Were there any service concerns which were raised which caused you some difficulty? If so, what were they and how were they resolved?

Were all possible options considered? Were there any installations excluded from consideration? If so, why?

4. Maj Gen Farrell, for all of the Defense Logistics Agency's closure and realignment decisions, what will be the total one time costs and steady state savings?

On average, at what year will you begin to break-even? Were there other options which would have yielded more savings? If so, why didn't you select those options?

Defense Logistics Agency
PROCESS, continued

5. Maj Gen Farrell, if all of the recommended closures and realignments are completed, what is the decrease in Defense Logistics Agency personnel by number and cost?

What percentage reduction does this represent?

6. Maj Gen Farrell, do any of your recommendations result in construction cost avoidance's for construction or modifications authorized by the 1991 Commission?

What are those costs and which installations are affected?

Defense Logistics Agency DISTRIBUTION DEPOTS

BACKGROUND:

The Defense Distribution Depots store and distribute the consumable items managed by the Inventory Control Points. The Department of Defense report recommends that two stand-alone Defense Distribution Depots be closed--the Defense Distribution Depot Memphis, Tennessee and the Defense Distribution Depot, Ogden, Utah with its materials being relocated to other storage space within the Department of Defense Distribution System. This action will result in 1300 direct job losses at Memphis and 1113 direct job losses at Ogden. The report also recommends that two follow-on depots be closed--Defense Distribution Depot Letterkenny, PA and Defense Distribution Depot Red River, TX. This action will result in 378 direct job losses at Letterkenny and 821 direct job losses at Red River.

1. Maj Gen Farrell, what percentage of your overall distribution depot capacity will be reduced by the recommended closures/realignments?

Will there be enough capacity in the remaining distribution depot system to accommodate the inventories that need to be moved from the proposed closed depots during the transition period?

Does this leave you with enough depot capacity to meet any unforeseen future operational needs?

2. Maj Gen Farrell, will the Defense Logistics Agency still have excess depot capacity if all of the recommended closures and realignments are implemented?

If so, why were more facilities not recommended for closure?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

3. Maj Gen Farrell, a recent U. S. General Accounting Office report on inventory reduction indicates that the Department of Defense has about 130 million item cube of material that should be excessed.

Could you have closed more depots in this round of BRAC if those inventory reductions were to occur?

4. Maj Gen Farrell, has the transfer of consumable items from the services to the Defense Logistics Agency been completed?

If not, when will this be completed, and how did you factor this into your depot capacity requirements?

5. Maj Gen Farrell, if the excess capacity available to the Defense Logistics Agency through the services was considered, and all the Defense Logistics Agency closure and realignment recommendations are completed, what effect will there be on your capacity requirements if the Commission adds other service maintenance depots to the closure list?

Defense Logistics Agency **DISTRIBUTION DEPOTS, continued**

6. Maj Gen Farrell, in 1993 the Defense Logistics Agency stated that there was no need for additional distribution space on the west coast. In fact, I'm told that this year the complex computer model you used for analyzing inventory storage locations also did not support any additional storage requirement on the west coast.

In a recent letter to James Klugh, the Deputy Under Secretary of Defense for Logistics, Vice Admiral Straw stated that the Defense Logistics Agency views any offer of additional space "solely as an insurance hedge" and that "any offers of space to DLA should carry no weight in the determination of whether a base/depot remains open".

On the other hand, at last weeks March 1st hearing, Secretary of Defense Perry stated: "The Defense Logistics Agency was able to this time take into use the logistics facilities capacity available in the Air Force, I believe, especially at McClellan, so that they were able to do some downsizing in the Defense Logistics Agency and make use of Air Force logistics capacity".

I'm told that the Air Force offered the Defense Logistics Agency storage space in the neighborhood of 11 million Attainable Cubic Feet (ACF).

There seems to be some inconsistency here. On one hand your agency indicated that no further requirement exists on the west coast for additional storage capacity. On the other hand, the Secretary of Defense stated that one reason for downsizing rather than closing a major west coast installation was to support the Defense Logistics Agency with additional storage.

General, your recommendation is to close the distribution depot at Ogden. If the recommendation is accepted by this Commission, does the Defense Logistics Agency intend to use any additional storage space other than that which is presently in use by the agency on the west coast?

If so, where and for how long will you require this additional storage?

Defense Logistics Agency DISTRIBUTION DEPOTS, continued

Did the computer model you used for inventory location (SAILS - Strategic Analysis of Inventory Logistics Systems) in fact indicate that no new storage facilities were required on the west coast?

Did you in any way alter the initial recommendation of the model? If so, how and why?

The Air Force Logistics Center policy is to down size in place rather than close. On the west coast, a large Defense Logistics Agency presence would help justify retention of an installation.

At any time, was there an agreement made with any Air Force or any other individual, internal or external to the Department of Defense, which would assure a continued Defense Logistics Agency presence at any Air Logistics Center.

7. Maj Gen Farrell, the Defense Logistics Agency is reducing the need to store inventories at defense depots through direct vendor delivery and prime vendor programs.

Were future increases in direct and prime vendor deliveries considered when the Defense Logistic Agency's capacity requirements were determined?

If so, what percentage of inventory reductions were attributed to direct/prime vendor delivery?

If this was not considered, why not?

8. Maj Gen Farrell, to what extent did you consider privatizing Defense Logistic Agency functions and/or activities?

Defense Logistics Agency

DISTRIBUTION DEPOTS, continued

9. Maj Gen Farrell, I am aware that the Defense Logistic Agency is testing a premium services delivery program with FedEx. This program allows the Defense Logistic Agency to store high turnover items at a FedEx facility.

What impact could this have on future depot storage capacity requirements if the program is successful?

10. Maj Gen Farrell, your Richmond and Columbus Depots rated lowest in their category of military value analysis. Yet you are recommending the closure of your Memphis and Ogden Depots.

Why didn't you close the Richmond and Columbus Depots?

11. Maj Gen Farrell, what went into the military value analysis decision to close the defense distribution depots at Memphis, Tennessee and Ogden, Utah?

What economic factors were considered?

What other options were considered, and why were these options rejected?

What will your total capacity reduction be as a result of closing these two depots?

What percentage of your total capacity does this represent?

How will the present mission requirements of these depots be handled?

12. Maj Gen Farrell, in your decision to close the Memphis Defense Distribution Depot, how much weight was given to its central location and excellent access to all types of transportation?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

13. Maj Gen Farrell, the Memphis community has stated that the Defense Logistics Agency has been transferring workload from Memphis to other Defense Depots.

Is this contention accurate?

If so, was the Memphis Depot adversely affected in the military value calculation?

14 Maj Gen Farrell, the 1993 BRAC directed that DoD's tactical missile maintenance work be consolidated at Letterkenny.

In light of this, has the Letterkenny Defense Distribution Depot made any infrastructure changes to accommodate the increased workload?

If so, what changes were made, and what were the costs to make these changes?

How much of the Defense Distribution Depot's workload would be directly related to the missile maintenance work versus other customers?

What is presently being stored at the depot?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

15. Maj Gen Farrell, only 12% of the Red River Defense Distribution Depot's mission relates to the direct support of the Red River Army Depot.

Did you consider keeping the Red River Defense Distribution Depot open in spite of the Army's decision to close its depot, given that over 85% of its mission is to support other customers?

If so, what consideration was this given?

What costs would there be to the Defense Logistics Agency to maintain the depot versus what it costs them now?

QUESTION FROM SENATOR DAVID PRYOR, ARKANSAS

16. Maj Gen Farrell, the Department of the Army was requested to consider the cost of moving the Defense Logistics Agency activity at the Red River Army Depot in its analysis of total closure costs. The community has estimated the cost to be in excess of \$300 million for such a move.

Is this estimate consistent with the costs calculated by the Defense Logistics Agency?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

QUESTIONS FROM CONGRESSMAN HAROLD FORD, TENNESSEE

17. After Desert Storm, the DLA undertook a study of its depots' performance, "An Assessment of Container and Rail handling Capabilities at DLA Depots", 30 January 1991.

What were the results of that report, and were they used in the evaluation process?

Why was this report not taken into account?

18. Was the impact a base closure would have on economically disadvantaged communities considered by DLA when they assessed the economic impact of their recommendations?

Did DLA compare the overall unemployment rate of the community in relation to the unemployment rate of the rest of the state and surrounding areas?

Do you believe the Commission should use this comparison as a criteria in its decision making process?

BRAC 95 COMMISSION
QUESTIONS FOR DEFENSE LOGISTICS AGENCY

1. Why does data reflected in the COBRA model drastically deviate from data submitted by the installation, specifically the costs associated with movement of wholesale/retail assets in storage at the Defense Distribution Depot Red River to the Defense Distribution depots at Anniston and San Joaquin and to depot "X"?

2. Defense Logistic Agency's basis for analysis for co-located depots was "when a military service determined that a maintenance depot was surplus to their needs, Defense Logistics Agency would consider closing co-located distribution functions." The logic was two fold:

First, the maintenance depot is by far the biggest customer and primary reason for Defense Logistics Agency presence. Question: Since Defense Distribution Depot Red River supports the maintenance function at Red River Army Depot and Fort Hood at equal percentages of overall workload, how does Defense Logistics Agency justify categorizing support to Red River maintenance as being by far Defense Distribution Depot Red River's biggest customer when eighty percent of the customers are off base?

Second, complete closure of the facilities infrastructure generates the best economic return to Department of Defense.

Question: Since Army recommends leaving the ammunition mission,

School of Engineering and Logistics, and rubber products facility open at Red River and since the operation will require base operations support, Red River maintenance, sewage, water plant maintenance, rail crew support, and power station maintenance, how does just changing the command to Lone Star Army Ammunition Plant reduce the infrastructure costs for Department of Defense?

3. Was the combined military value and cost of closure of the co-located facilities of Red River Army Depot, Lone Star Army Ammunition Plant, Defense Logistics Agency distribution depot (DDRT), and their tenants considered in the overall evaluation as requested of the Army, Defense Logistics Agency, and Department of Defense by the community?

Defense Logistics Agency INVENTORY CONTROL POINTS

Background:

The Inventory Control Points, which there are presently five, manage DoD's consumable items, such as spare parts, food, clothing, medical, and general supplies. The Department of Defense report recommends that one Inventory Control Point be disestablished--the Defense Industrial Supply Center (Philadelphia, PA)--with its mission being distributed to two of the remaining Inventory Control Points--Defense Construction Supply Center (Columbus, OH) and Defense General Supply Center (Richmond, VA). This action will result in 385 direct job losses at Philadelphia and 335 job gains at Richmond.

1. Maj Gen Farrell, you are recommending a major change in operations at your Inventory Control Points.

Why did you decide to realign your workload by troop and general support and weapon system items?

Why are you proposing only two weapon system inventory control points?

2. Maj Gen Farrell, you are recommending disestablishing one Inventory Control Point, the Defense Industrial Supply Center (DISC) in Philadelphia, and distributing the management of its weapon system-related items to the Inventory Control Points at Richmond (Defense General Supply Center [DGSC]) and Columbus (Defense Construction Supply Center [DCSC]).

Why was the Defense Industrial Supply Center chosen as the Inventory Control Point to be disestablished as opposed to the Defense General Supply Center or the Defense Construction Supply Center?

What military value analysis was done?

What is your risk to having only two weapon system-related items Inventory Control Points?

Defense Logistics Agency

INVENTORY CONTROL POINTS, continued

3. Maj Gen Farrell, The Navy contends that significant synergy exists between the Naval Aviation Supply Office and the Defense Industrial Supply Center and that these two organizations should remain collocated.

Did you evaluate the lost synergy between these two organizations?

What economic factors were considered?

What other realignment options were considered, and why were those options rejected?

4. Maj Gen Farrell, in 1993 you wanted to move two Inventory Control Points--Defense Personnel Support Center and Defense Industrial Supply Center--out of Philadelphia and relocate them into new construction in New Cumberland, PA. The 1993 Commission decision resulted in both organizations remaining in Philadelphia. In 1995 you want to split the two organizations.

What changed between 1993 and 1995 to alter the Defense Logistic Agency recommendation?

5. Maj Gen Farrell, according to your data, your decision to disestablish the Defense Industrial Supply Center will result in a direct loss of only 385 jobs. Currently, there are approximately 1800 civilian employees in this organization.

Will the remaining 1400 jobs be absorbed into the Defense Personnel Support Center (DPSC), which will remain in Philadelphia?

If so, will the increase in the number of line items to be handled at the Defense Personnel Support Center (DPSC) require an increase in the current workforce by 1400 employees?

If not, what will happen to these 1400 employees?

If these jobs are scheduled to be eliminated, why are they not included in your economic impact analysis?

Defense Logistics Agency
INVENTORY CONTROL POINTS , continued

6. Maj Gen Farrell, how can an increase of only 335 jobs at the Defense General Supply Center in Richmond, VA and no increase in jobs at the Defense Construction Supply Center in Columbus, OH accommodate the relocation of the workload currently being done at the Defense Industrial Supply Center?

7. Maj Gen Farrell, an additional 200,000 to 400,000 consumable items are scheduled to be transferred to the Defense Logistics Agency from the services in 1995.

What is the mix of these items between weapon system and troop and general support?

Are more item transfers planned in the coming years?

With your planned reduction in inventory control points, will you have enough capacity to handle the additional workload? If so, how?

If not, did you consider keeping the Defense Industrial Supply Center open to accommodate the increased workload?

Defense Logistics Agency
INVENTORY CONTROL POINTS , continued

8. Maj Gen Farrell, during BRAC 1993, to accommodate the additional personnel (approximately 3,000) coming to the Aviation Supply Office compound from the Defense Personnel Support Center, it was estimated that there would be approximately \$46 million in renovation costs.

Do you still plan to accommodate approximately the same number of employees at this installation?

If so, are building renovations still needed? What are these costs?

If not, why are building renovations not needed?

If total renovation will not be necessary is there a construction cost avoidance if this recommendation is approved?

Did you delay making any extensive renovations at the Aviation Supply Office compound and delay moving the Defense Personnel Support Center to the compound in order to make your current recommendation and thus avoid construction costs?

Defense Logistics Agency CONTRACT MANAGEMENT DISTRICTS

BACKGROUND:

The Defense Contract Management Districts provide command and control, operational support, and management oversight for 90 Defense Contract Management Area Operations and Defense Plant Representative Offices located throughout the United States. There are presently three Defense Contract Management District Offices. There used to be five. BRAC 1993 approved the disestablishment of two of these offices. The 1995 Department of Defense report recommends that one (Defense Contract Management District South, Marietta, GA) of the three remaining offices also be disestablished with its mission being relocated to the Defense Contract Management District Northeast in Boston, MA and the Defense Contract Management District in El Segundo, CA. This action will result in 169 direct job losses in Georgia and 20 job gains in the two remaining locations.

1. Maj Gen Farrell, would you describe the analysis which resulted in the decision to close the Defense Contract Management District South in Georgia as opposed to the one in Massachusetts or California?

2. Maj Gen Farrell, the Department of Defense report which addresses the Defense Logistics Agency recommendations states that having only two Defense Contract Management District offices presents only 'a moderate risk'.

What do you mean by 'a moderate risk'?

3. Maj Gen Farrell, the Department of Defense report also states that as a result of the drawdown, you expect a decline in the number of Area Operations Offices and Plant Representative Offices.

About how many offices do you expect to be eliminated in the future?

Defense Logistics Agency
CONTRACT MANAGEMENT DISTRICTS, continued

4. Maj Gen Farrell, could the remaining two Defense Contract Management District offices handle a further increase in workload should the military system go through a build up without a substantial increase in personnel?

If so, how would this be handled?

If not, how many people would have to be hired at these two locations, and would the additional personnel require the need to obtain additional workspace?

5. Maj Gen Farrell, you recommended the closure of your Contract Management District in Georgia, but I note in your analysis that the Contract Management District in California also ranked low in military value.

Did you consider closing the Western District?

If so, what would be the costs and savings of closing this district versus the one in Georgia?

If not, why was this option not evaluated?

Defense Logistics Agency
CONTRACT MANAGEMENT DISTRICTS, continued

6. Maj Gen Farrell, the 1993 BRAC authorized the Defense Contract Management District West to move from leased space in El Segundo to “Long Beach Naval Shipyard, California, or space obtained from exchange or land for space between the Navy and the Port Authority/City of Long Beach area.” You now want, through a redirect action, to expand the options to include “to a purchased office building, whichever is the most cost-effective for DoD.”

Have you obtained cost estimates for the purchase of an office building?

How long do you anticipate waiting until a decision is made to move to Department of Defense property or to buy?

If you can't get into a government building, would it be cheaper to stay in leased space?

If so, would it be cheaper to remain at your current location?

Can the District Office be located anywhere in the west coast area?

If so, have you or will you look at existing military installations with excess capacity in both California and neighboring states?

Defense Logistics Agency
ECONOMIC/ENVIRONMENTAL IMPACTS

1. Maj Gen Farrell, to what extent did you analyze the cumulative economic impact of DLA closure/realignment decisions?

How did you define cumulative economic impact?

Did the cumulative economic impact analysis cause you to alter your decision to close or realign any facility?

2. Maj Gen Farrell, are there any environmental concerns or hazards at these locations?

If so, what are they, and what is the cost of resolving them?

Defense Investigative Service

BACKGROUND

DOD Recommendation:

Relocate the Defense Investigative Service (DIS), Investigations Control and Automation Directorate (IC&AD) from Fort Holabird, Maryland, to a new facility to be built on Fort Meade, Maryland, 18 miles away. This proposal is a redirect from the recommendations of the 1988 Base Closure Commission. Once the Defense Investigative Service (DIS) vacates the building on Fort Holabird, the base will be vacant.

Impact:

This recommendation will not result in a change in employment in the Baltimore area because all affected jobs will remain in that area. 425 personnel will relocate if the recommendation is approved.

Justification:

The Defense Investigative Service (DIS) is located in a Korean War era building. The building is in disrepair has cost over \$319,000 in repairs since fiscal year 1991 in addition to the annual cost of approximately \$400,000. A recent Corps of Engineers building analysis indicated that the cost to bring the building up to code and to correct the environmental deficiencies would cost Defense Investigative Service (DIS) approximately \$9.1 million. A military construction project on Fort Meade is estimated by the Corps of Engineers to cost \$9.4 million.

Defense Investigative Service PROCESS

1. Mr. Donnelly, the 1988 Commission stated that the Defense Investigative Service (DIS) Investigations Control and Automation Directorate (IC&AD) was adequately housed at Fort Holabird and should remain there.

Could you please explain to the Commission why you are requesting a change from that decision?

2. Mr. Donnelly, what specific factors did you consider in your decision to move the Investigations Control and Automation Directorate (IC&AD)?

3. Mr. Donnelly, were all possible options considered in the decision to move the Investigations Control and Automation Directorate (IC&AD)?

If so, what other options were considered, and what were the one time costs, steady state savings and break-even years for these options?

If not, why were other options not considered?

4. Mr. Donnelly, if the recommended realignment is completed, will this result in any decrease in Defense Investigative Service (DIS) personnel?

5. Mr. Donnelly, what, if any, is the cumulative economic impact of moving the facility from its present location?

How did you define cumulative economic impact

Defense Investigative Service COSTS

1. Mr. Donnelly, do you plan to renovate existing facilities at Fort Meade or construct a new building? What are the one time costs associated with moving the facility to Fort Meade?

What are your current operating costs at Fort Holabird?

What are your operating cost estimates at Fort Meade?

2. Mr. Donnelly, your detailed analysis only addresses three options: renovating your existing building; leasing space in the Baltimore area; and constructing a building on Fort Meade.

Are there existing facilities at Fort Meade that could be renovated to meet your needs instead of building a new facility?

If not, are there existing facilities at other Department of Defense locations that could be renovated, which would result in a lower cost than constructing a new building? If so, why were these locations not considered?

3. Mr. Donnelly, when will steady state savings occur if this move is approved?

4. Mr. Donnelly, according to the analysis of your decision to move from Fort Holabird, the Investigations Control and Automation Directorate (IC&AD) is in the process of upgrading the agency's automation system thus decreasing the number of employees by 38% by the year 2001.

Did you account for this decrease in your construction cost estimates?

Defense Investigative Service
COSTS, Continued

5. Mr. Donnelly, once the facility is closed, will Department of Defense be able to sell the land?

If so, what amount do you feel Department of Defense will be able to achieve from the sale of the land?

Has this estimate been obtained from an independent appraiser?

Defense Investigative Service MILITARY VALUE

1. Mr. Donnelly, what went into the military value analysis decision to move the facility?
2. Mr. Donnelly, the Defense Investigative Service (DIS) military value analysis states that while the current facility is not essential, the geographical area is essential.

Why is the current geographical area essential?

Defense Investigative Service ENVIRONMENT

1. Mr. Donnelly, are there any environmental hazards at your current location?

If so, what are they and what is the cost of resolving them?

Have these environmental hazards been documented?

7. Supply support for contingency operations by doctrine* depend upon strategic airlift. Where is the assessment of strategic airlift capability in this analysis? Is it given the appropriate amount of weight compared to administrative criteria?

* Army Field Manual FM 100-5 Chap 12

8. The DLA ranked stand-alone depots for military value. Both the DoD and BRAC use military value as the most important selection criteria. Among stand-alone depots, DDMT was ranked third in military value and recommended for closure. However, DLA chose to maintain Richmond and Columbus, which ranked 5th and 6th. If military value is regarded so highly, why did DLA completely disregard it with respect to stand-alone depots?
9. Defense Distribution Depot Memphis (DDMT) ranked third behind Defense Distribution Depot San Joaquin (DDJC) and Defense Distribution Depot Susquehanna (DDSP). Both DDJC and DDSP are not single entities as DDMT is. DDJC includes two depots (Tracy, CA and the Sharpe Army Depot). DDSP includes the DLA Mechanicsburg Depot and the New Cumberland Army Depot. In fact the Mechanicsburg Depot and the New Cumberland Depots are 11 miles apart. For what reasons were they lumped together, and how did this effect their individual military value scores?
10. DDMT has far superior access to transportation systems (highways, rail systems, airports etc.). Despite this superiority, DDMT only scored third in the mission suitability section of the military value test. How much weight does this crucial distribution factor carry in the test?
11. DDMT has far superior access to commercial transportation modes and the Department of Defense has recently contracted with the Federal Express Corporation for a premium transportation service where "critical" material can be delivered at maximum speed. Were these factors taken into consideration when rating DDMT?
12. "Direct vendor delivery" was used in the DLA Detailed Analysis as a reason DDMT (and other depots) would see a decline in the need for warehousing and distributing materials. The bulk of DDMT's distribution materials are food supplies, clothing and medical supplies. How much will "direct vendor delivery" have on these particular materials?
- DDMT specializes in the assembly of B-rations so that field commanders receive one containerized shipment which includes all necessary materials for a meal (food, salt, water, utensils, etc.) for their particular size force. Will "direct vendor deliveries" replace this system?
13. Why was the Defense Industrial Plant Equipment Center, DDMT's only major tenant activity, moved from Memphis just prior to BRAC 1995? The lack of a major tenant activity hurt DDMT's score on the military value test.

14. Major General Lawrence P. Farrell, Jr., USAF wrote to Congressman Harold Ford that "When we coupled the results of the statutorily prescribed BRAC analysis with the military judgement of our most senior logistics management experts, we determined it is in the best interests of the Department of Defense that DDMT be disestablished." And again, "You and your constituents can be assured that this call was based upon a fair, objective, and well documented review of the facts coupled with our best military judgement regarding the overall status of the United States' military logistics system."

Who are the senior logistics management experts and what did they base their judgements upon?

15. How many days per year are the Mechanicsburg and New Cumberland Depots closed due to weather conditions? How many days per year is DDMT closed due to weather conditions?
(DDMT did not close due to weather conditions in 1994)
16. How many days or hours per year is the Harrisburg airport closed per year? How many days or hours per year is the Memphis International Airport closed per year? (Memphis International Airport is closed for an average of less than four hours per year)
17. How far are the Mechanicsburg and the New Cumberland Depots from a major airport?
18. How far are the Mechanicsburg and New Cumberland Depots from a major interstate highway? How many lanes does the road which accesses the highway have?
19. What activities in the last three years, have been withdrawn from Memphis that would have been of value to them, when assessment for military value was done? (Examples, Defense Industrial Plant Equipment Center (DIPEC) and Defense Distribution Region Central both were tenant activities at DDMT moved within this time frame.
20. Why was the Central Region moved from Memphis to New Cumberland? What prompted this move as it relates to military value?
21. Why was Defense Industrial Plant Equipment Center (DIPEC) moved from Memphis to Richmond, VA?
22. Since the purpose of assessing military value within the DLA BRAC analysis was to assess value added for military purposes, then why was an organization that consisted of a non-military function given points under this system?
23. It has been stated that 124 jobs would be made available in New Cumberland and positions that are moving into the area from other locations was given consideration. However, was any consideration given the fact that the majority of the persons which would be affected are blue collar workers as opposed to the white collar workforce that is moving into the area?

24. It has been stated that DDMT was one of the most efficient organizations within DLA for on time processing of Material Release Orders (MRO's) and their capability to mobilize a large temporary workforce on short notice (i.e. Desert Storm/Shield, Somalia, etc.) If this is a true statement, then what consideration was given to this under your BRAC analysis, if any?
25. In a military environment why is New Cumberland and Tracy given debarkation value for moving troops, equipment and supplies by water, when today's wars are of a short duration (a few days or weeks)? Airlift is the only means of meeting these timetables as was the situation with Desert Storm and Somalia.
26. What consideration was given to large airlift capabilities by the TN Air National Guard located 2 miles from DDMT? This resource was used in Desert Storm, Somalia support and Panama.
27. Coastal Depots only provide limited jump-off points to Europe and Asia. What about more likely contingencies in South America, where the USA must provide support without allied help? Doesn't a military depot in the center of the country (DDMT) make more sense for logistical support.

QUESTIONS TO BE ANSWERED FOR CONGRESSMAN HAROLD FORD IN WRITING
FOR THE RECORD OF THE MARCH 7 BRAC HEARING

1. Did the logistic planners for each branch of the service do their own evaluation of DLA's concept of support, or merely accept DLA's recommendation?
2. How will the DLA's recommendations impact the premium service project at DDMT with Federal Express? What was behind the project if it was felt the location of DDMT was a detriment to supply support instead of an asset?
3. Did the SAILS model take into account the increasing wage bases in each industrial area in which the Depots are located? Does it assess the impact on a federal installation's ability to attract and retain quality workforce in the future? Does it assess the surrounding community's industrial wage base to project future hiring trends? Which year's labor rates were used in the SAILS model?

	Memphis	Harrisburg, PA*
1991	10.41	10.67
1992	10.42	11.18
1993	10.55	11.52
1994	10.88	11.92

* US Department of Labor, State and Area Employment, Annual averages

4. Strategic Logistics Doctrine* emphasizes the importance of the nation's industrial base to the support of our armed forces abroad. Yet, the capacity of the surrounding industrial community to support surge requirements in the area of warehousing, personnel, equipment support (Memphis was able to hire 1000 additional skilled material handlers within three weeks for Desert Storm) has not been factored in. Have interruptions due to weather, strikes, transportation bottlenecks been taken into account? How many days in the last three years have operations been impaired by adverse weather?

* Army Field Manual 100-5, 1993

5. Supply support for contingency operations by doctrine* depend upon strategic airlift. Where is the assessment of strategic airlift capability in this analysis? Is it given the appropriate amount of weight compared to administrative criteria?

* Army Field Manual FM 100-5 Chap 12

6. The DLA ranked stand-alone depots for military value. Both the DoD and BRAC use military value as the most important selection criteria. Among stand-alone depots, DDMT was ranked third in military value and recommended for closure. However, DLA chose to maintain Richmond and Columbus, which ranked 5th and 6th. If military value is regarded so highly, why did DLA completely disregard it with respect to stand -alone depots?

Document Separator



DEFENSE INVESTIGATIVE SERVICE
1340 BRADDOCK PLACE
ALEXANDRIA, VA 22314-1651

MAR 21 1995

Mr. Alan J. Dixon
Chairman, Defense Base Closure and
Realignment Commission
1700 North Moore Street, Suite 1425
Arlington, VA 22209

Please refer to this number
when responding 950309-9

Dear Mr. Dixon:

In response to your letter dated March 9, 1995, provided for your information are the responses to the questions addressed in your letter.

I appreciate the opportunity to provide additional information for the commissioner's consideration.

Sincerely,

John F. Donnelly
JOHN F. DONNELLY
Director

Attachment

1. Your detailed analysis only addresses three options: renovating your existing building; leasing space in the Baltimore area; and constructing a building on Fort Meade.

- a. Were all possible options considered in the decision to move the Investigations Control and Automation Directorate (IC&AD)?

ANSWER: The Defense Investigative Service (DIS) conducted an on-site inspection of six military installations: NSA Airport Square, Linthicum, MD; Aberdeen Proving Grounds, MD; Ft. Meade, MD., Site R (Ft. Detrick, MD); Navy Surface Warfare Center, Dahlgreen, VA; Patuxent River Naval Air Station, MD, none of which had existing space suitable to house the IC&AD operations. Additionally, the OSD Office of Economic Security queried the Defense Agencies and Military Departments on DIS' behalf concerning the possible availability of space on their various installations. All responses were negative. Had we received positive responses, we would have conducted COBRA model analyses on them.

2. According to the 1995 Department of Defense Base Closure and Realignment Report (BRAC), the Army plans to downsize some operations at Fort Meade.

- a. If this action is approved, will there be existing facilities at Fort Meade that could be renovated to meet your needs instead of building a new facility?

ANSWER: DIS understands that the Kimbrough Army Hospital is recommended for reduction to a clinic by the Army as part of the 1995 BRAC. Whether any hospital buildings or other buildings that become available on Ft. Meade could accommodate IC&AD would depend on the results of engineering and feasibility studies.

3. If the recommended realignment is completed, will this directly result in any decrease in DIS personnel?

ANSWER: The IC&AD Force Structure drawdown based on BRAC 1995, negates the requirement for 11 full-time federal security guards, based upon plans to install an electronic security system in the new facility.

4. What, if any, is the cumulative economic impact of moving the facility from its present location?

ANSWER: Should the IC&AD relocate to Ft. Meade there will be negligible cumulative economic impact on the Baltimore, Md metropolitan area. Based on the economic impact data developed by the Logistics Management Institute, the potential cumulative total job changeover rate will be a gain of 0.1%.

5. Cost Analysis

- a. What are the one-time costs associated with moving the facility to Fort Meade?

ANSWER: The one-time cost associated with moving the facility to Ft. Meade is estimated at 1.6 million dollars.

- b. What are your current operating costs at Fort Holabird?

ANSWER: As tenants of the Army at Ft. Holabird, our current operating cost is \$400,000 annually. Additionally, we pay three full-time maintenance personnel and all costs associated with repairs and minor construction. Major repairs alone cost over \$319,000 in the last three years.

- c. What are your operating cost estimates at Fort Meade?

ANSWER: Based on our projections that reflect a smaller facility to house the IC&AD at Ft. Meade, the estimated operating cost should be \$300,000 per year. However, specific maintenance cost are not identified in the COBRA model. It would be included in the new Interservice Support Agreement for operations at Ft. Meade.

6. According to the analysis of your decision to move from Fort Holabird, the Investigations Control and Automation Directorate (IC&AD) is in the process of upgrading the agency's automation system thus decreasing the number of employees by 38% by the year 2001. Did you account for this decrease in your construction cost estimates?

ANSWER: Yes, the current facility occupied by the IC&AD consists of 81,335 square feet of floor area (much of which is not useable) for 425 employees. Our proposed plan provides for the construction of a facility of 77,436 square feet of architecturally designed space to house 263 employees by the year 2001.

7. Resale Issues

- a. Once the Fort Holabird facility is closed, will the Department of Defense be able to sell the land?

ANSWER: Yes

- b. If so, what is a reasonable amount you feel the Department of Defense will be able to achieve from the sale of the land?

ANSWER: \$330,000 to \$340,000. Note: This figure subtracted from the cost to build a new facility at Ft. Meade, reduces the construction cost to a figure less than the restoration cost of the current facility.

- c. Has this estimate been obtained from an independent appraiser?

ANSWER: Yes, the Army Corps of Engineers.

8. The DIS military value analysis states that while the current facility is not essential, the geographical area is essential. Why is the current geographical area essential?

ANSWER: As the only Defense component chartered to process personnel security investigations, we provide this **unique service** to the entire defense community and 22 other departments and agencies who participate in the Defense Industrial Security Program. As such, a move outside of the geographical area would significantly disrupt our operations for at least two years. We estimate we would lose a significant number of case analysts, and two years is the minimum time it takes to train new case analysts. This translates into an unrecognized cost to the entire defense community because of the delay created in the granting of security clearances. The figure of \$43 cost per day arrived at by the General Accounting Office in 1981 for delaying an "industrial" security clearance, was adjusted to \$250 per day by the Joint Security Commission in 1994. When applied to the approximately 36,000 industrial security investigations pending on an average day, this translates to a potential daily cost of nine million dollars. This would be avoided by remaining in the geographical area.

We also believe it is essential to locate the IC&AD close to its customers--the DoD central adjudication facilities and federal intelligence and investigative agencies, all of which are located in the Baltimore-Washington area. Also, inasmuch as the IC&AD directs investigations worldwide, the need for a close and continuing relationship with these agencies to include the headquarters of the Military Department investigative elements who do our overseas work is very important, as a significant volume of investigative material flows between them every day.

Remaining in the Baltimore-Washington area is practical and cost effective. It will enable the IC&AD to maintain personal interaction with its customers and the other agencies and organizations it obtains information from and shares information with. It will also enable the IC&AD to maintain its level of service and expeditious processing of personnel security investigations.

The following listing reflects the adjudicative, intelligence and investigative agencies who are customers of the IC&AD:

Army Central Personnel Security Clearance Facility
497 IG/INS (Air Force Central Clearance Facility)
Department of the Navy Central Clearance Facility
Washington Headquarters Services

National Security Agency
Defense Office of Hearings and Appeals
Defense Intelligence Agency
Army Intelligence and Security Command
Naval Criminal Investigative Service
Air Force Office of Special Investigations
Federal Bureau of Investigations
Central Intelligence Agency
State Department





DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

February 6, 1995

Honorable Togo D. West, Jr.
Secretary of the Army
The Pentagon, Room 3E718
Washington, D.C. 20301

Dear Mr. Secretary:

Next month the Defense Base Closure and Realignment Commission will begin a series of hearings on the Defense Department's recommendations to close or realign military installations in the United States. I would like to invite you, General Sullivan, and other appropriate members of your staff to present the Department of the Army's 1995 closure and realignment recommendations to the Commission on Tuesday, March 7, 1995.

Your testimony should summarize the process used by the Army to develop its closure and realignment recommendations; the implementation schedule, the costs and the expected savings from your recommendations; and the relationship between your recommendations and the Army's current and projected force structure and training requirements. Given the interest of past Commissions in the issue of consolidating common functions across the military services, your testimony should also address the role that the Joint Cross Service Groups played in the development of the Army's recommendations, and highlight your specific proposals in this area.

This hearing will be the first opportunity for the Commission and members of the public to hear the details of the Army's 1995 closure and realignment recommendations. You should anticipate specific questions from the Commission about each of the closure and realignment recommendations which you are proposing.

As you know, the 1995 round of base closings is the final round authorized under the Defense Base Closure and Realignment Act of 1990. In light of this fact, I intend for this Commission to recommend to the Defense Department and the Congress a process for the closure and realignment of military bases in the future. I hope you and General Sullivan will give the Commission your views on this important question.

The hearing will be held in Room 345 of the Cannon House Office Building at 9:00 a.m. Please provide 100 copies of your opening statement to the Commission staff at least two working days prior to the hearing. If your staff has any questions, they should contact Mr. Ed Brown of the Commission staff.

I look forward to your testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. Dixon". The signature is fluid and cursive, with the first name "Alan" and last name "Dixon" clearly distinguishable.

Alan J. Dixon
Chairman



DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

February 6, 1995

Honorable Joshua Gotbaum
Assistant Secretary of Defense (Economic Security)
The Pentagon, Room 3E808
Washington, D.C. 20301

Dear Secretary Gotbaum:

Next month the Defense Base Closure and Realignment Commission will begin a series of hearings on the Defense Department's recommendations to close or realign military installations in the United States. I would appreciate your assistance in informing all of the Directors of Defense Agencies affected by the closure and realignment recommendations that the Commission would like them to present their closure and realignment recommendations to the Commission on Tuesday, March 7, 1995.

The testimony of the Defense Agency Directors should summarize the process used by their Agency to develop its closure and realignment recommendations; the implementation schedule, the costs, and the expected savings from their recommendations; and the relationship between their recommendations and their Agency's current and projected personnel levels and missions. Directors' testimony should also describe the role that Joint Cross Service Groups played in the development of their Agency's recommendations to consolidate common functions across the military services and highlight any specific proposals in this area.

This hearing will be the first opportunity for the Commission and members of the public to hear the details of the Defense Agencies' closure and realignment recommendations. The Defense Agency witnesses should anticipate specific questions from the Commission about each of the closure and realignment recommendations which they are proposing.

The hearing will be held in Room 106 of the Dirksen Senate Office Building at 1:30 p.m. Each witness should provide 100 copies of their opening statement to the Commission staff at least two working days prior to the hearing. If any of the Defense Agency Directors have any questions, they should contact Mr. Bob Cook of the Commission staff.

Thank you for your assistance in this matter. I look forward to the testimony of the Defense Agency representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. Dixon". The signature is fluid and cursive, with the first name "Alan" written in a large, sweeping loop.

Alan J. Dixon
Chairman



Department of Defense
1995 List of Military Installations
Inside the United States for Closure or Realignment

Part I: Major Base Closures

Army

Fort McClellan, Alabama
Fort Chafee, Arkansas
Fitzsimons Army Medical Center, Colorado
Price Support Center, Illinois
Fort Ritchie, Maryland
Selfridge Army Garrison, Michigan
Bayonne Military Ocean Terminal, New Jersey
Seneca Army Depot, New York
Fort Indiantown Gap, Pennsylvania
Red River Army Depot, Texas
Fort Pickett, Virginia

Navy

Naval Air Facility, Adak, Alaska
Naval Shipyard, Long Beach, California
Ship Repair Facility, Guam
Naval Air Warfare Center, Aircraft Division, Indianapolis, Indiana
Naval Surface Warfare Center, Crane Division Detachment, Louisville, Kentucky
Naval Surface Warfare Center, Dahlgren Division Detachment, White Oak, Maryland
Naval Air Station, Meridian, Mississippi
Naval Air Warfare Center, Aircraft Division, Lakehurst, New Jersey
Naval Air Warfare Center, Aircraft Division, Warminster, Pennsylvania

Air Force

North Highlands Air Guard Station, California
Ontario IAP Air Guard Station, California
Rome Laboratory, Rome, New York
Roslyn Air Guard Station, New York
Springfield-Beckley MAP, Air Guard Station, Ohio

Greater Pittsburgh IAP Air Reserve Station, Pennsylvania
Bergstrom Air Reserve Base, Texas
Brooks Air Force Base, Texas
Reese Air Force Base, Texas

Defense Logistics Agency

Defense Distribution Depot Memphis, Tennessee
Defense Distribution Depot Ogden, Utah

Part II: Major Base Realignments

Army

Fort Greely, Alaska
Fort Hunter Liggett, California
Sierra Army Depot, California
Fort Army Depot, California
Fort Meade, Maryland
Detroit Arsenal, Michigan
Fort Dix, New Jersey
Fort Hamilton, New York
Charles E. Kelly Support Center, Pennsylvania
Letterkenny Army Depot, Pennsylvania
Fort Buchanan, Puerto Rico
Dugway Proving Ground, Utah
Fort Lee, Virginia

Navy

Naval Air Station, Key West, Florida
Naval Activities, Guam
Naval Air Station, Corpus Christi, Texas
Naval Undersea Warfare Center, Keyport, Washington

Air Force

McClellan Air Force Base, California
Onizuka Air Station, California
Eglin Air Force Base, Florida
Robins Air Force Base, Georgia
Malmstrom Air Force Base, Montana
Kirtland Air Force Base, New Mexico
Grand Forks Air Force Base, North Dakota
Tinker Air Force Base, Oklahoma
Kelly Air Force Base, Texas
Hill Air Force Base, Utah

**Part III: Smaller Base or Activity Closures, Realignments,
Disestablishments or Relocations**

Army

Branch U.S. Disciplinary Barracks, California
East Fort Baker, California
Rio Vista Army Reserve Center, California
Stratford Army Engine Plant, Connecticut
Big Coppert Key, Florida
Concepts Analysis Agency, Maryland
Publications Distribution Center Baltimore, Maryland
Hingham Cohasset, Massachusetts
Sudbury Training Annex, Massachusetts
Aviation-Troop Command (ATCOM), Missouri
Fort Missoula, Montana
Camp Kilmer, New Jersey
Caven Point Reserve Center, New Jersey
Camp Pedricktown, New Jersey
Bellmore Logistics Activity, New York
Fort Totten, New York
Recreation Center #2, Fayetteville, North Carolina
Information Systems Software Command (ISSC), Virginia
Camp Bonneville, Washington
Valley Grove Area Maintenance Support Activity (AMSA), West Virginia

Navy

Naval Command, Control and Ocean Surveillance Center, In-Service Engineering West Coast
Division, San Diego, California

Naval Health Research Center, San Diego, California

Naval Personnel Research and Development Center, San Diego, California

Supervisor of Shipbuilding, Conversion and Repair, USN, Long Beach, California

Naval Underwater Warfare Center-Newport Division, New London Detachment, New London,
Connecticut

Naval Research Laboratory, Underwater Sound Reference Detachment, Orlando, Florida

Fleet and Industrial Supply Center, Guam

Naval Biodynamics Laboratory, New Orleans, Louisiana

Naval Medical Research Institute, Bethesda, Maryland

Naval Surface Warfare Center, Carderock Division Detachment, Annapolis, Maryland

Naval Technical Training Center, Meridian, Mississippi

Naval Aviation Engineering Support Unit, Philadelphia, Pennsylvania

Naval Air Technical Services Facility, Philadelphia, Pennsylvania

Naval Air Warfare Center, Aircraft Division, Open Water Test Facility, Oreland, Pennsylvania

Naval Command, Control and Ocean Surveillance Center, RDT&E Division Detachment,
Warminster, Pennsylvania

Fleet and Industrial Supply Center, Charleston, South Carolina

Naval Command, Control and Ocean Surveillance Center, In-Service Engineering East Coast
Detachment, Norfolk, Virginia

Naval Information Systems Management Center, Arlington, Virginia

Naval Management Systems Support Office, Chesapeake, Virginia

Navy/Marine Reserve Activities

Naval Reserve Centers at:

Huntsville, Alabama

Stockton, California

Santa Ana, Irvine, California

Pomona, California

Cadillac, Michigan

Staten Island, New York

Laredo, Texas

Sheboygan, Wisconsin

Naval Air Reserve Center at:

Olathe, Kansas

Naval Reserve Readiness Commands at:

New Orleans, Louisiana (Region 10)
Charleston, South Carolina (Region 7)

Air Force

Moffett Federal Airfield AGS, California
Real-Time Digitally controlled Analyzer Processor Activity, Buffalo, New York
Air Force Electronic Warfare Evaluation Simulator Activity, Fort Worth, Texas

Defense Logistics Agency

Defense Contract Management District South, Marietta, Georgia
Defense Contract Management Command International, Dayton, Ohio
Defense Distribution Depot Columbus, Ohio
Defense Distribution Depot Letterkenny, Pennsylvania
Defense Industrial Supply Center Philadelphia, Pennsylvania
Defense Distribution Depot Red River, Texas

Defense Investigative Service

Investigations Control and Automation Directorate, Fort Holabird, Maryland

Part IV: Changes to Previously Approved BRAC Recommendations

Army

Army Bio-Medical Research Laboratory, Fort Detrick, Maryland

Navy

Marine Corps Air Station, El Toro, California
Marine Corps Air Station, Tustin, California
Naval Air Station Alameda, California
Naval Recruiting District, San Diego, California
Naval Training Station, San Diego, California
Naval Air Station, Cecil Field, Florida
Naval Aviation Depot, Pensacola, Florida
Naval Nuclear Power Propulsion Training Center, Naval Training Center, Orlando, Florida
Naval Training Center Orlando, Florida
Naval Air Station, Agana, Guam
Naval Air Station, Barbers Point, Hawaii
Naval Air Facility, Detroit, Michigan
Naval Shipyard, Norfolk Detachment, Philadelphia, Pennsylvania
Naval Sea Systems Command, Arlington, Virginia
Office of Naval Research, Arlington, Virginia
Space and Naval Warfare Systems Command, Arlington, Virginia
Naval Recruiting Command, Washington, D.C.
Naval Security Group Command Detachment Potomac, Washington, D.C.

Air Force

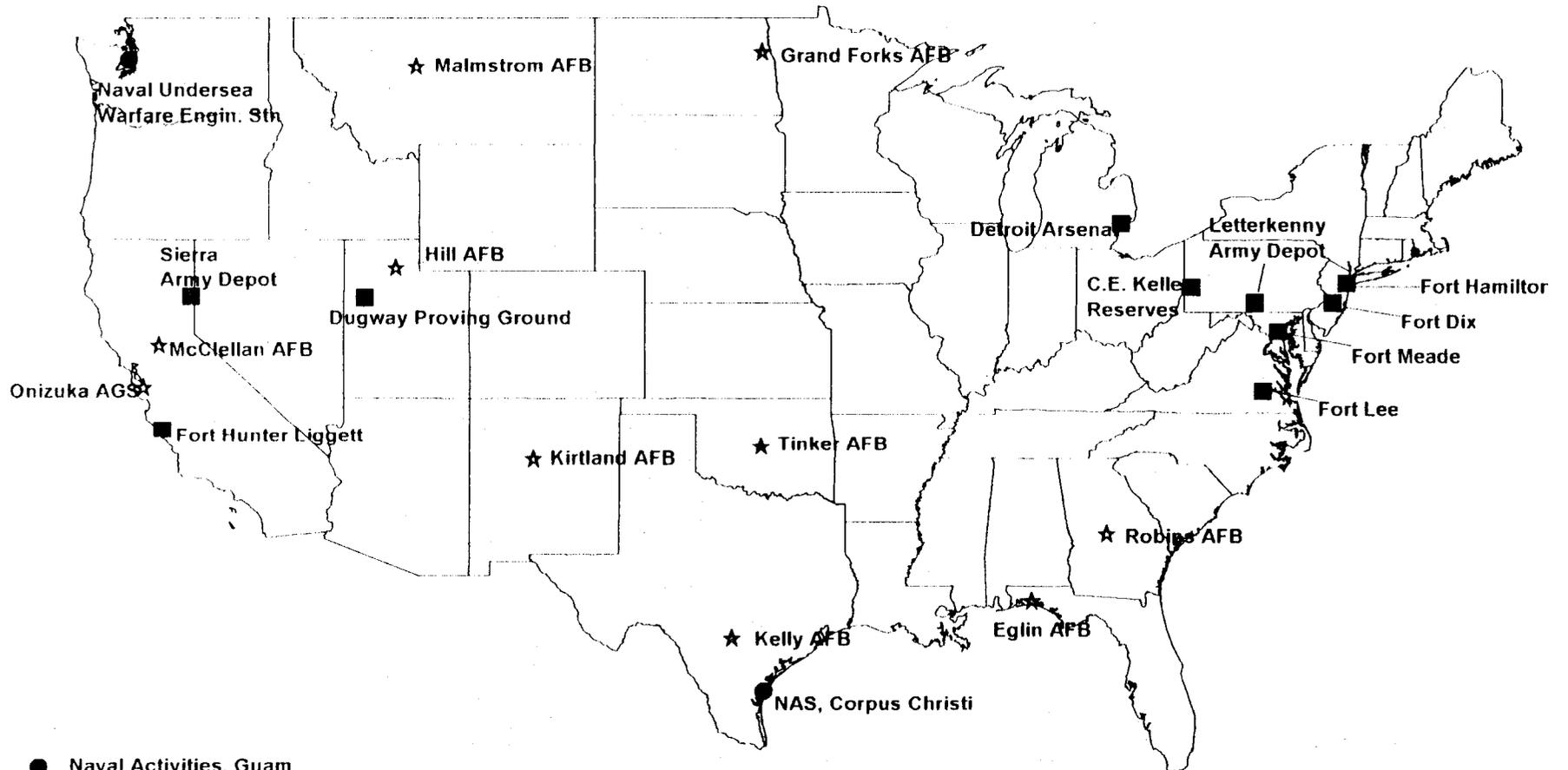
Williams AFB, Arizona
Lowry AFB, Colorado
Homestead AFB, Florida (301st Rescue Squadron)
Homestead AFB, Florida (726th Air Control Squadron)
MacDill AFB, Florida
Griffiss AFB, New York (Airfield Support for 10th Infantry (Light) Division)
Griffiss AFB, New York (485th Engineering Installation Group)

Defense Logistics Agency

Defense Contract Management District West, El Segundo, California

1995 DoD Recommendations Major Base Realignments

■ Fort Greely



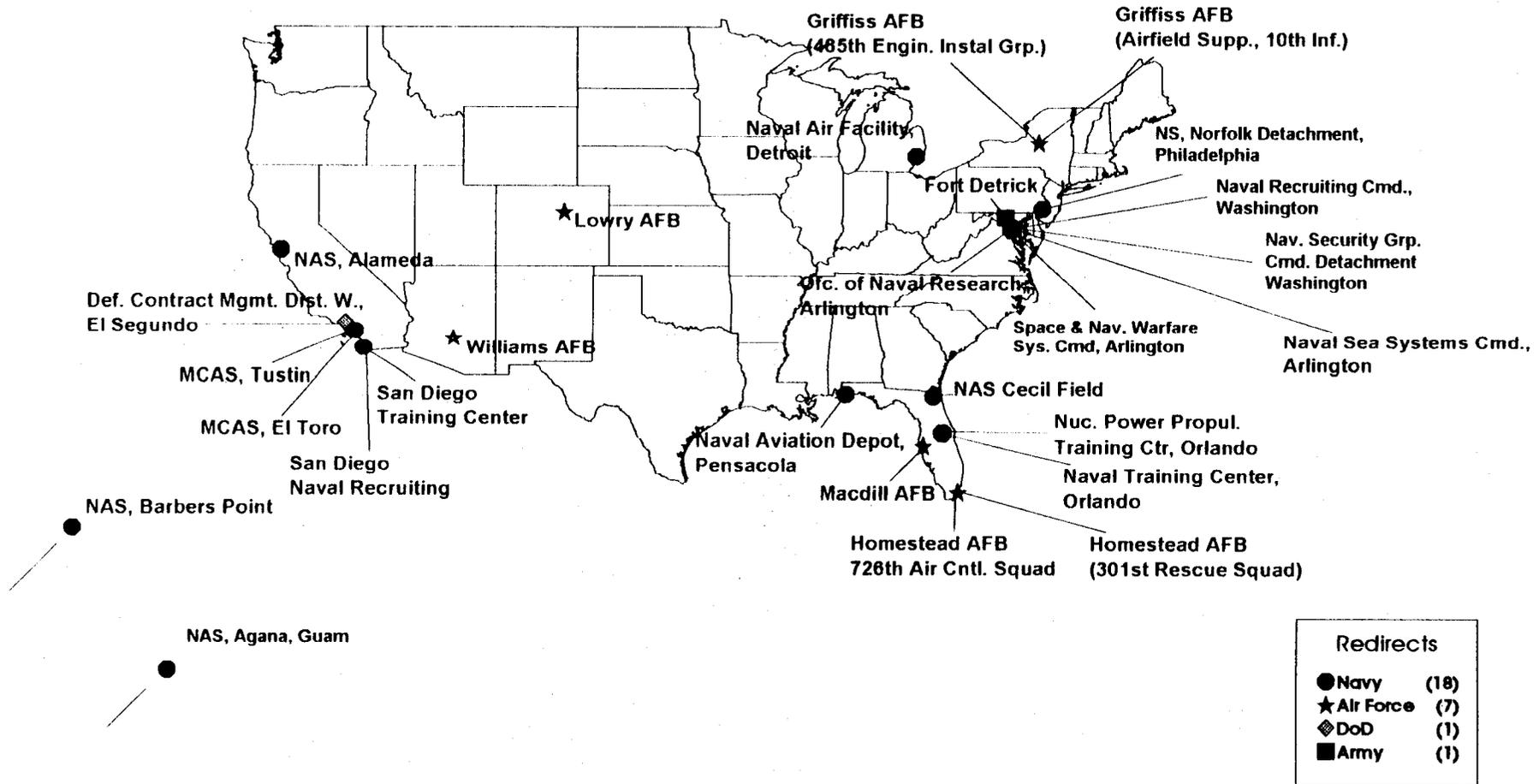
● Naval Activities, Guam

Fort Buchanan,
Puerto Rico

● NS, Key West

Legend	
■ Army	(12)
★ Air Force	(10)
● Navy	(4)

1995 DoD Recommendations Redirects

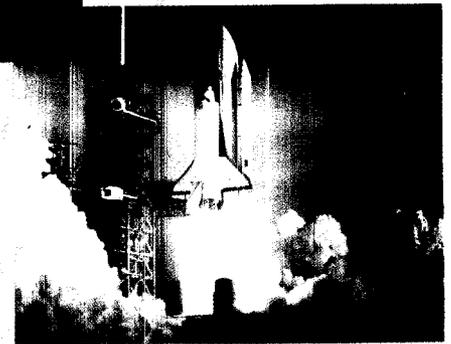
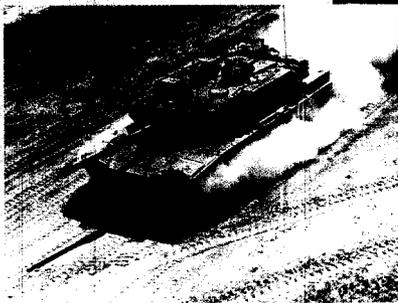
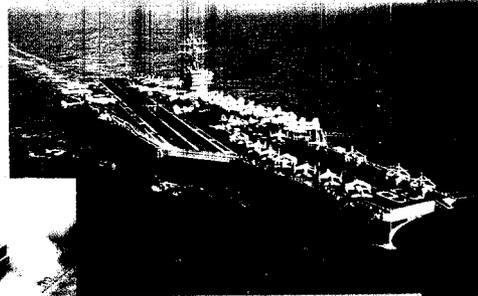


Document Separator



DEFENSE LOGISTICS AGENCY

A Combat Support Agency



The DLA

Corporate Plan

The DLA Corporate Plan
is produced
by
the members
of the DLA team



Defense Logistics Agency
Cameron Station
Alexandria, Virginia 22304-6100

HQ DLA
Corporate Administration
Cameron Station
Alexandria, VA 22304-6100
703 274-6271 DSN 284-6271

Message from the Director



For over 30 years, the Defense Logistics Agency (DLA) has been an integral part of our Nation's military defense. We have been a full partner with the Services in helping to bring about the end of the Cold War. We have also provided crucial relief to victims of natural disasters and humanitarian aid to those in need. We have seen starving people fed, the homeless sheltered, and the oppressed freed. We have been in a unique position to serve our country and have distinguished ourselves at every opportunity.

Today we are presented with new opportunities for distinguished service. Our success is, as in the past, guaranteed by our own efforts - our creativity - our dedication to excellence. We are redefining the benchmark for logistics services for the Department of Defense and the Federal Government. As the first Department of Defense agency to serve as a Pilot for the Government Performance and Results Act of 1993, we are shaping performance planning and budgeting policy for the Department as well as the rest of the Federal Government. As a leader in the National Performance Review (NPR) and the Defense Performance Review (DPR), we are in the forefront of creating and pursuing innovative ways to cut red tape, put customers first, empower employees to get results, and get back to basics. I believe DLA's focus on results, implementation of imaginative strategies, and willingness to take risks were instrumental in my being given the unique privilege to serve as the leader of the DPR for the next 2 years.

To guide our efforts we have produced the broad Corporate Plan you see here. This Plan, coupled with the Performance Plans for our business segments, is the Agency's strategic road map to the 21st century. We will track our progress through our Corporate Executive Information System and support initiatives to secure the excellence we seek by planning, programming, and budgeting for those resources needed to ensure success.

This Corporate Plan embodies the tenets of management that will make us successful. We must always make our customers highly visible in every aspect of our performance. We must be very clear in our commitments and hold ourselves and others accountable in achievement of our goals - goals that make us reach beyond what is comfortable. We will take risks to achieve logistics excellence and return even greater value to our customers.

EDWARD M. STRAW
Vice Admiral, SC, USN
Director

The DLA Corporate Plan

Mission

What we do and who we do it for.

"Standards of Conduct" for doing business in DLA.

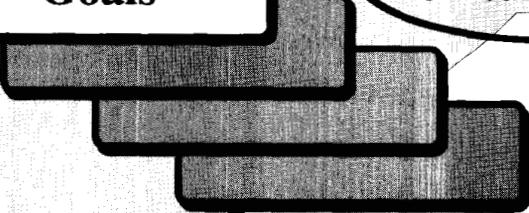
Guiding Principles

Vision

Where we want to be and how we want to be perceived.

Goals

Focus our mission, vision, and guiding principles.



Commitments

Promises to our stakeholders and customers.

To achieve our goals and meet our commitments.

Challenge

Plan for Performance

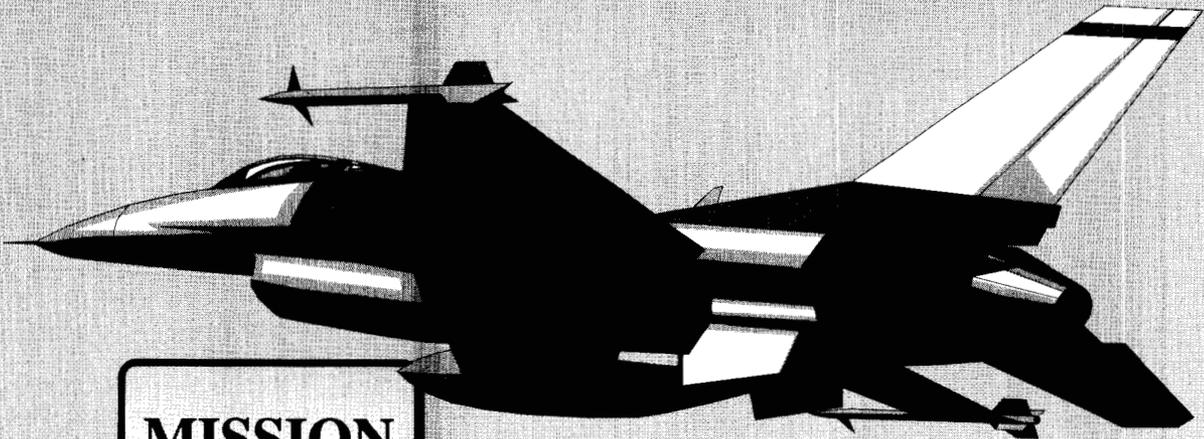
The DLA Strategic Planning Process

Manage Performance

Structure of Performance Measures

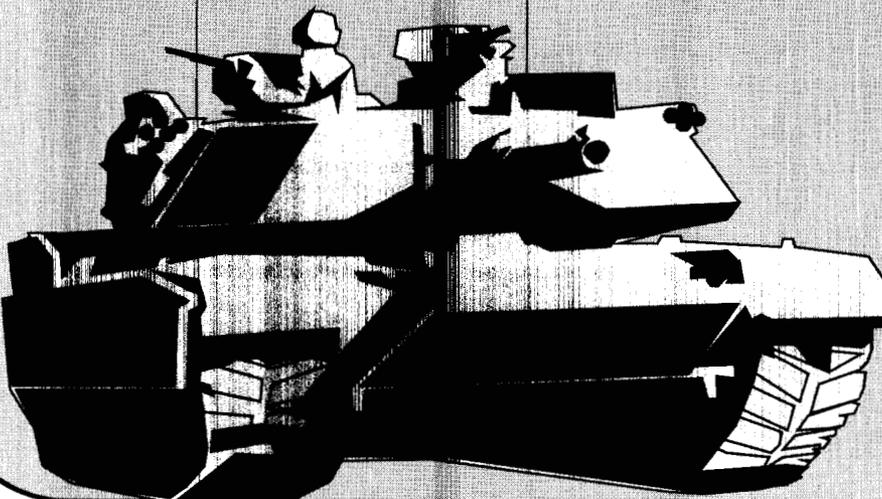
Agency Initiatives

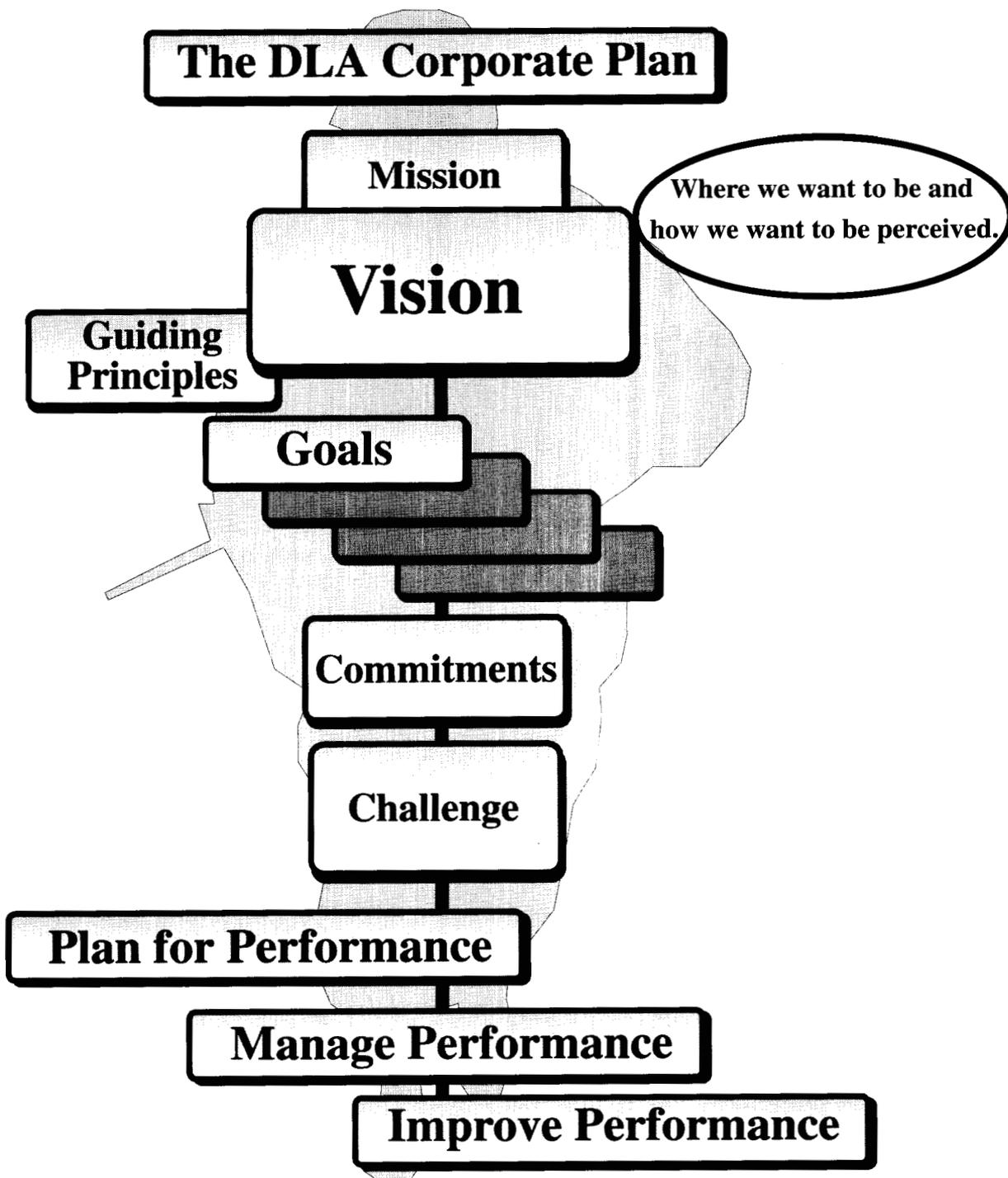
Improve Performance



MISSION

The Defense Logistics Agency is a combat support agency responsible for worldwide logistics support throughout the Department of Defense. The primary focus of the Agency is to support the warfighter in time of war and in peace, and to provide relief efforts during times of national emergency.





The DLA Corporate Plan

Mission

Where we want to be and how we want to be perceived.

Vision

Guiding Principles

Goals

Commitments

Challenge

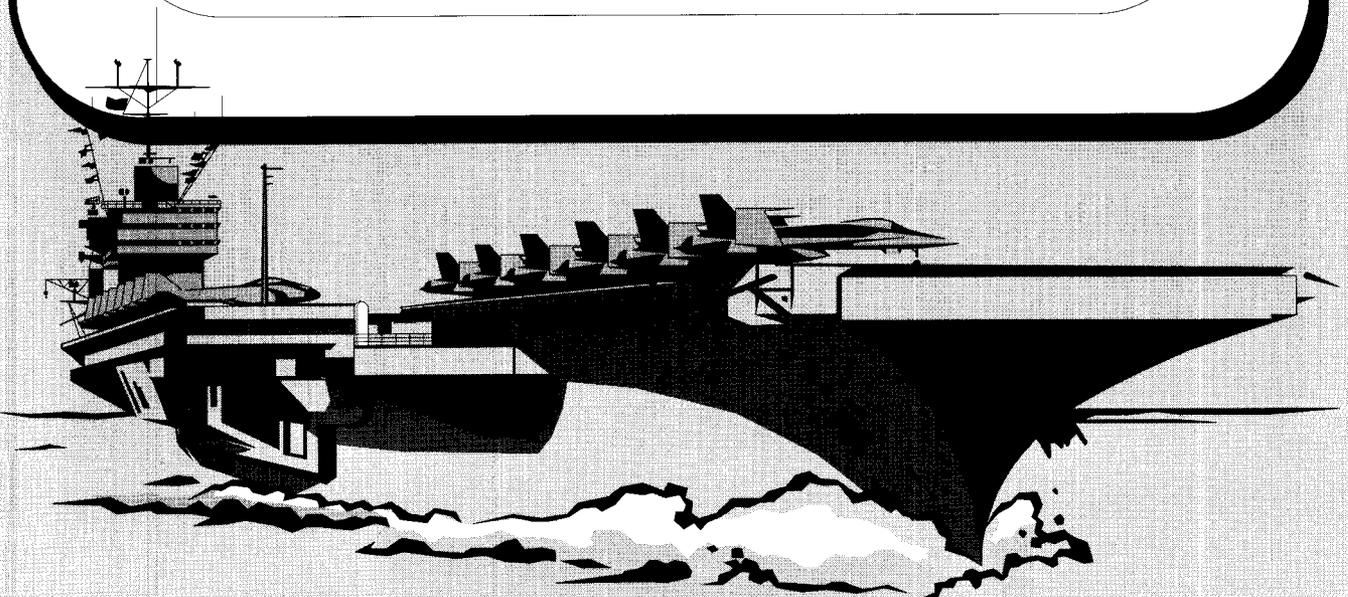
Plan for Performance

Manage Performance

Improve Performance

VISION

- **Provider of choice - our customers want to buy from DLA.**
- **Around the Clock - Around the World.**
- **Providing logistics readiness and enabling weapon systems acquisition at reduced cost.**
- **By leveraging our corporate resources against global logistics targets, and**
- **Finding savings through *teams*, improved business practices, and technological breakthroughs.**



The DLA Corporate Plan

"Standards of Conduct" for doing business in DLA.

Mission

Vision

Guiding Principles

Goals

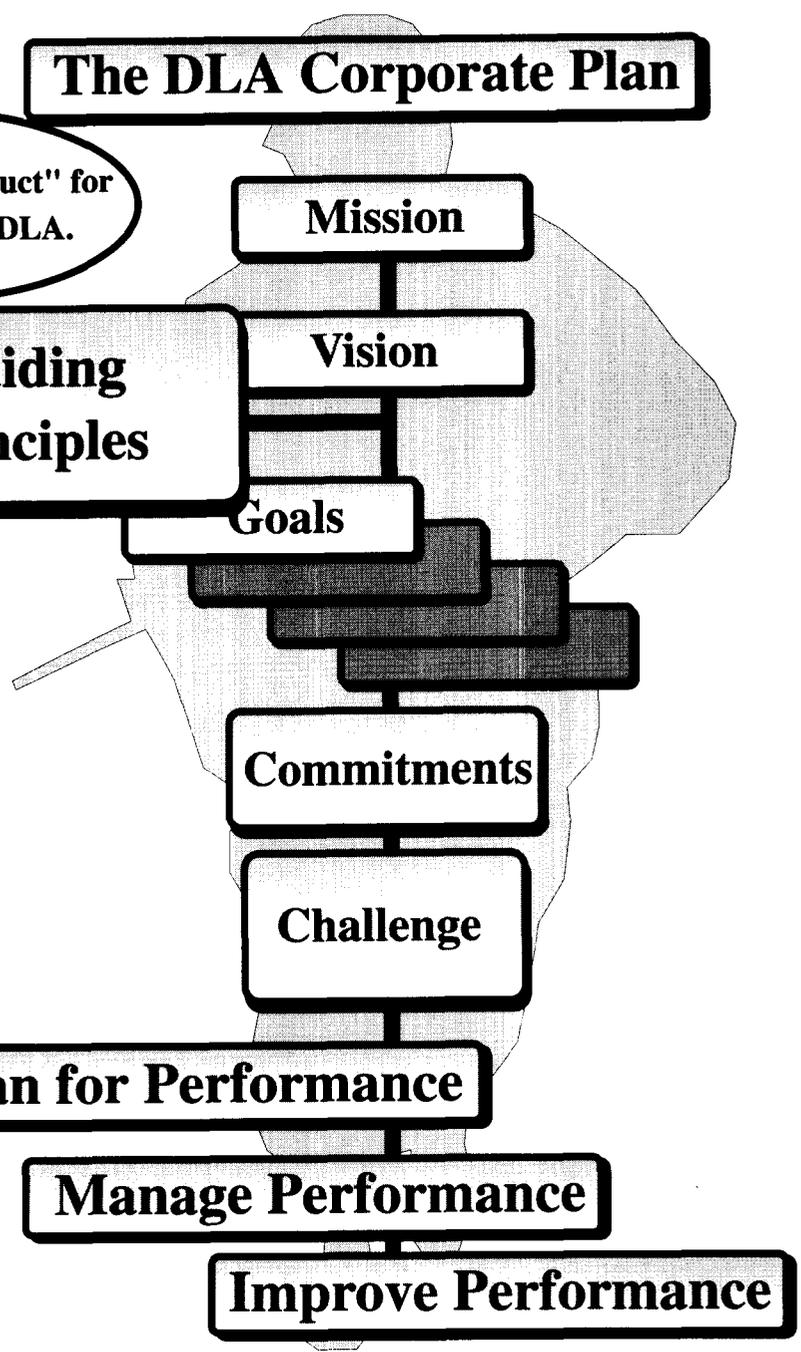
Commitments

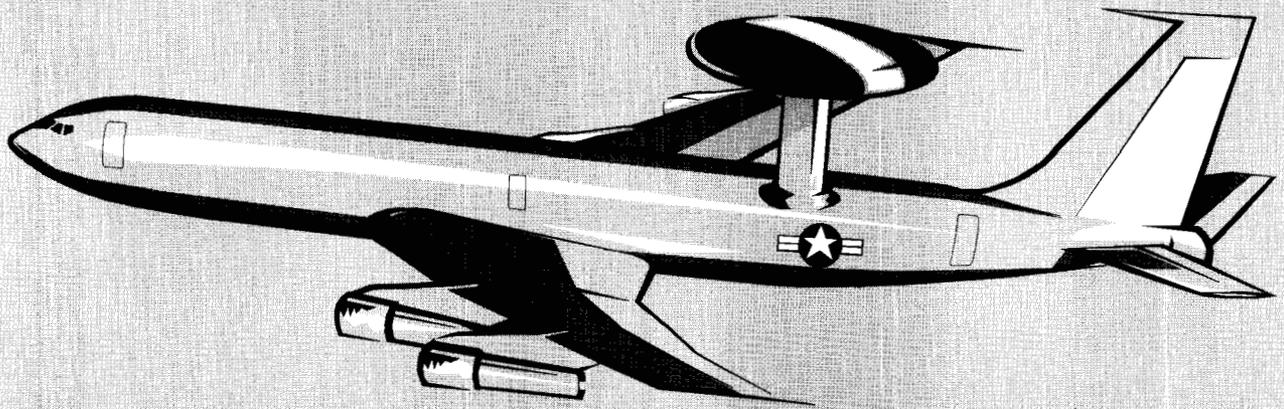
Challenge

Plan for Performance

Manage Performance

Improve Performance





Guiding Principles for Achieving Logistics Excellence

1. We are close to our customers and able to measure how well we meet their needs.

2. We are the quality provider of choice -- the benchmark for others.

3. We continuously succeed at doing it better, faster, cheaper.

The DLA Corporate Plan

Mission

Vision

Guiding
Principles

Goals

Focus our mission, vision, and
guiding principles.

Commitments

Challenge

Plan for Performance

Manage Performance

Improve Performance

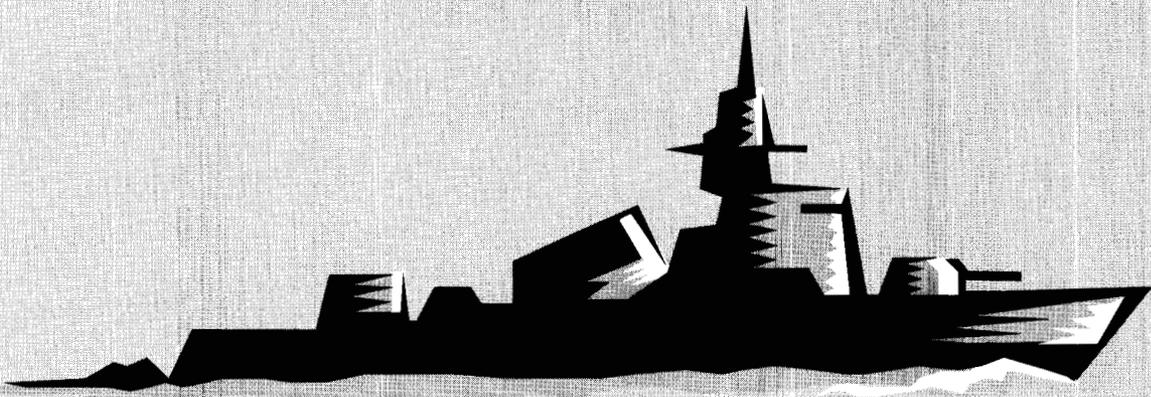
STRATEGIC GOALS

GOAL #1 - Put customers first

**GOAL #2 - Improve the process of delivering
logistics support**

GOAL #3 - Empower employees to get results

**GOAL #4 - Meet customer readiness and weapon
systems acquisition requirements at
reduced cost**



GOAL #1 - Put Customers First

HOW:

- **Focus on the warfighters' and other customers' special needs.**
- **Ensure our operating practices are responsive to customer needs through benchmarking our processes.**
- **Establish open communication channels with all customers.**
- **Team with customers (that is, become their partner).**

TO THE DLA TEAM THIS MEANS:

- **KNOW THE CUSTOMER - Understand your customers --- who they are and what they need.**
- **TALK TO YOUR CUSTOMER - Communicate often with customers and solicit their feedback to improve your service to them. (Exchange ideas, issues, problems, and solutions with *each* other.)**
- **THINK PARTNERSHIP - Work together --- and treat your customer as you would like to be treated.**
- **PUT THE CUSTOMER FIRST - Never forget that customer needs are our number one priority.**

GOAL #2 - Improve the process of delivering logistics support

HOW:

- **Continually improve basic logistics practices by adopting "World Class" commercial and Government processes.**
- **Promote technological advancements in every part of the logistics process. Make full use of Electronic Commerce/ Electronic Data Interchange.**
- **Determine and assess the true cost of doing business. Use Activity Based Costing.**
- **Develop and use measures that show the performance of our logistics systems and their responsiveness to customer needs.**

TO THE DLA TEAM THIS MEANS:

- **WORK SMART - Streamline your work methods and focus on critical functions.**
- **THINK TECHNOLOGY - Seek opportunities to apply advanced technology that improves customer support.**
- **IMPROVE PROCESSES - Focus on improving the way we do our job.**
- **MEASURE PERFORMANCE - Become personally involved in developing and using performance measures in your area of responsibility.**

GOAL #3 - Empower employees to get results

HOW:

- **Foster an environment where people and their individual differences and contributions are valued.**
- **Use teaming arrangements to achieve synergy and to eliminate functional barriers.**
- **Use management practices that empower everyone. Focus on training, partnering with unions, and use of both individual and team recognition.**
- **Assure an environment that recognizes and harnesses individual contributions in meeting customers' needs.**

TO THE DLA TEAM THIS MEANS:

- **JOIN IN - Participate in and promote use of teams. Create a sense of community in DLA.**
- **GET INVOLVED - Expand your horizons. Capitalize on opportunities for greater challenges.**
- **UNDERSTAND EMPOWERMENT - Look for ways to advance your innovative ideas. Share information.**
- **SUPPORT EACH OTHER - Treat everyone with trust and respect. Enhance each person's ability to develop his or her talents. Help people reach their potential.**

GOAL #4 - Meet customer readiness and weapon systems acquisition requirements at reduced cost

HOW:

- **Rightsize by having the right people -- in the right place -- at the right time.**
- **Work with industry to improve performance on Government contracts and reduce costs. Employ techniques such as Process Oriented Contract Administration Services (PROCAS).**
- **Leverage our logistics expertise to improve responsiveness, while reducing charges to the customer and generating savings for customer programs. Employ business strategies that reduce dependence on costly storage of large inventories.**
- **Continually improve our capability to support the warfighter.**

TO THE DLA TEAM THIS MEANS:

- **BE CREATIVE - Find innovative ways to improve our performance.**
- **CUT COSTS - Find ways to reduce customer costs.**

The DLA Corporate Plan

Mission

Vision

Guiding Principles

Goals

Commitments

Promises to our stakeholders and customers.

Challenge

Plan for Performance

Manage Performance

Improve Performance

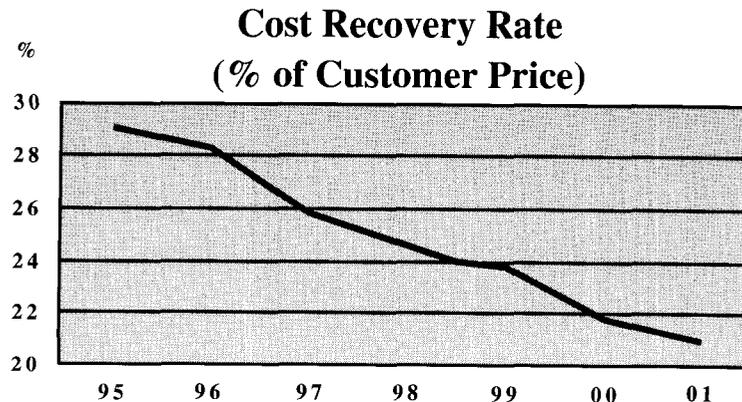
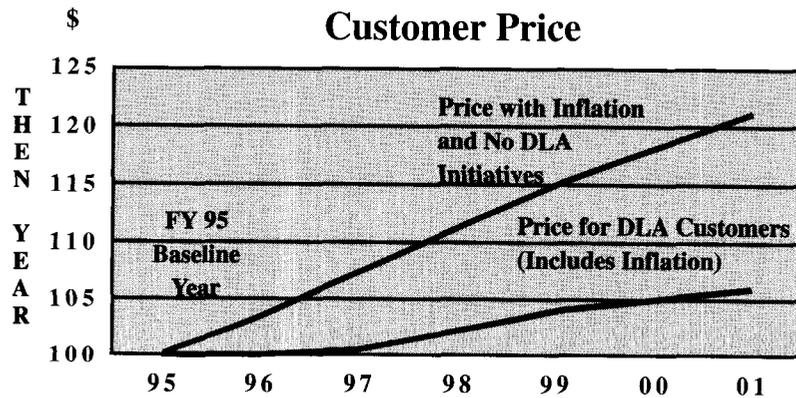
Commitments

To our customers
who order our supplies
and services

We
Commit

To beat inflation in the
prices you pay while
meeting your readiness
needs.

We will maintain a customer price change rate below the rate of inflation, reduce our cost recovery rate as a part of that customer price, and ensure an average price increase that is less than 1% per year between now and FY 2001. We are aiming to exceed your expectations but this is what we guarantee.



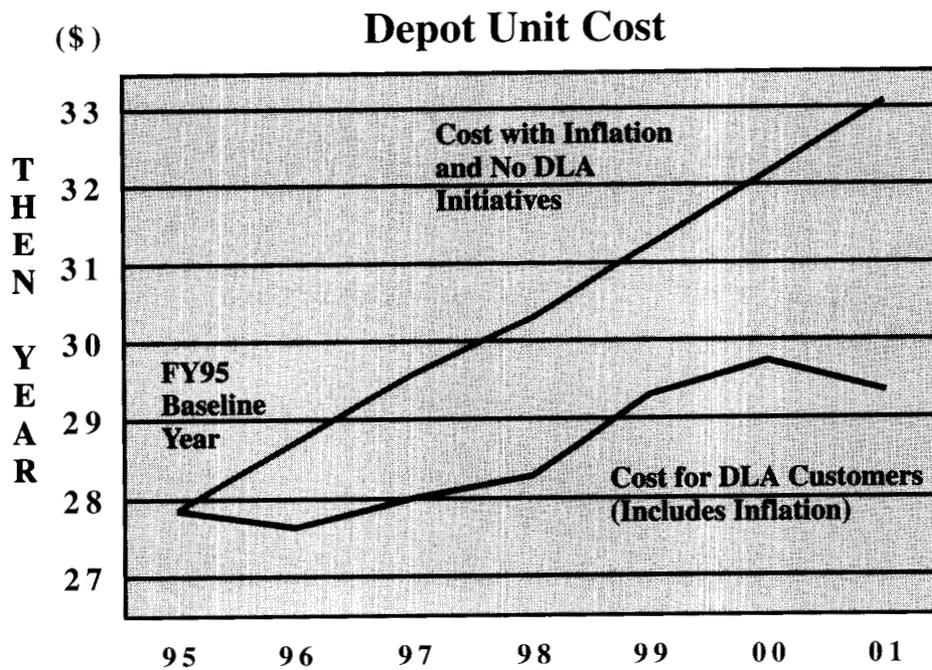
Commitments

To our customers
who store goods in
our depots

We
Commit

To hold off inflation with
process improvements
and meet or beat your
standards for
responsiveness.

While lowering our overall costs for distribution services we will also separately price issues by the type of storage and handling required, allowing each customer to pay only for the specific service received.

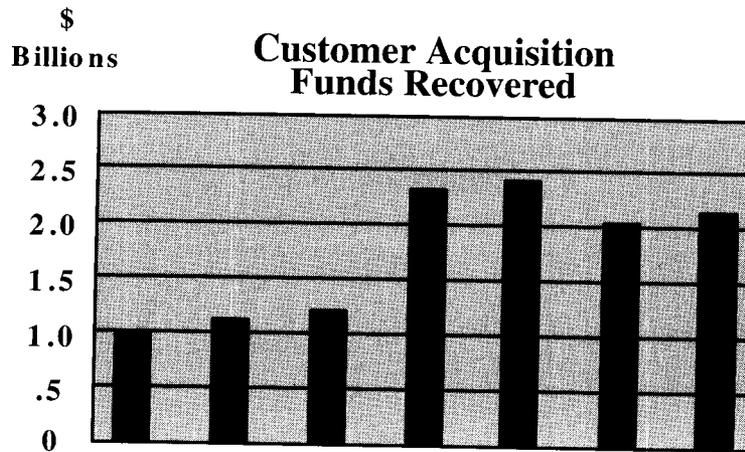
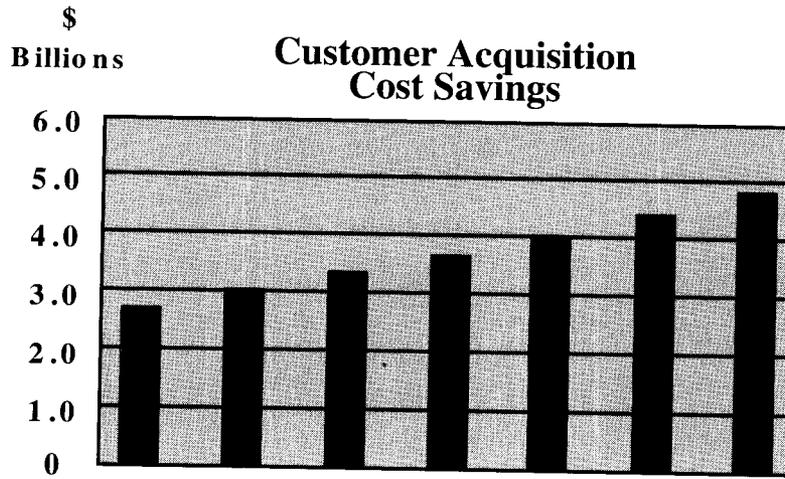


Commitments

To our customers who
send us contracts to
administer

We
Commit

To reduce the overall
cost of your acquisitions
and free resources to
enhance readiness.



The DLA Corporate Plan

Mission

Vision

Guiding Principles

Goals

Commitments

To achieve our goals and meet our commitments.

Challenge

Plan for Performance

Manage Performance

Improve Performance



**Challenge to All Members
of the DLA Team**

All employees and teams are expected to:

1. Know their customers.

2. Meet the Agency's goals, strategic initiatives, outcome measures, and customer commitments.

3. Have process metrics to show how well they are supporting their customers and the Agency's goals, initiatives, and measures through continuous process improvement.

BOTTOM LINE:

Individual and team performance will be evaluated on how well employees and teams achieve measurable goals and meet customer commitments.

The DLA Corporate Plan

Mission

Vision

Guiding Principles

Goals

Commitments

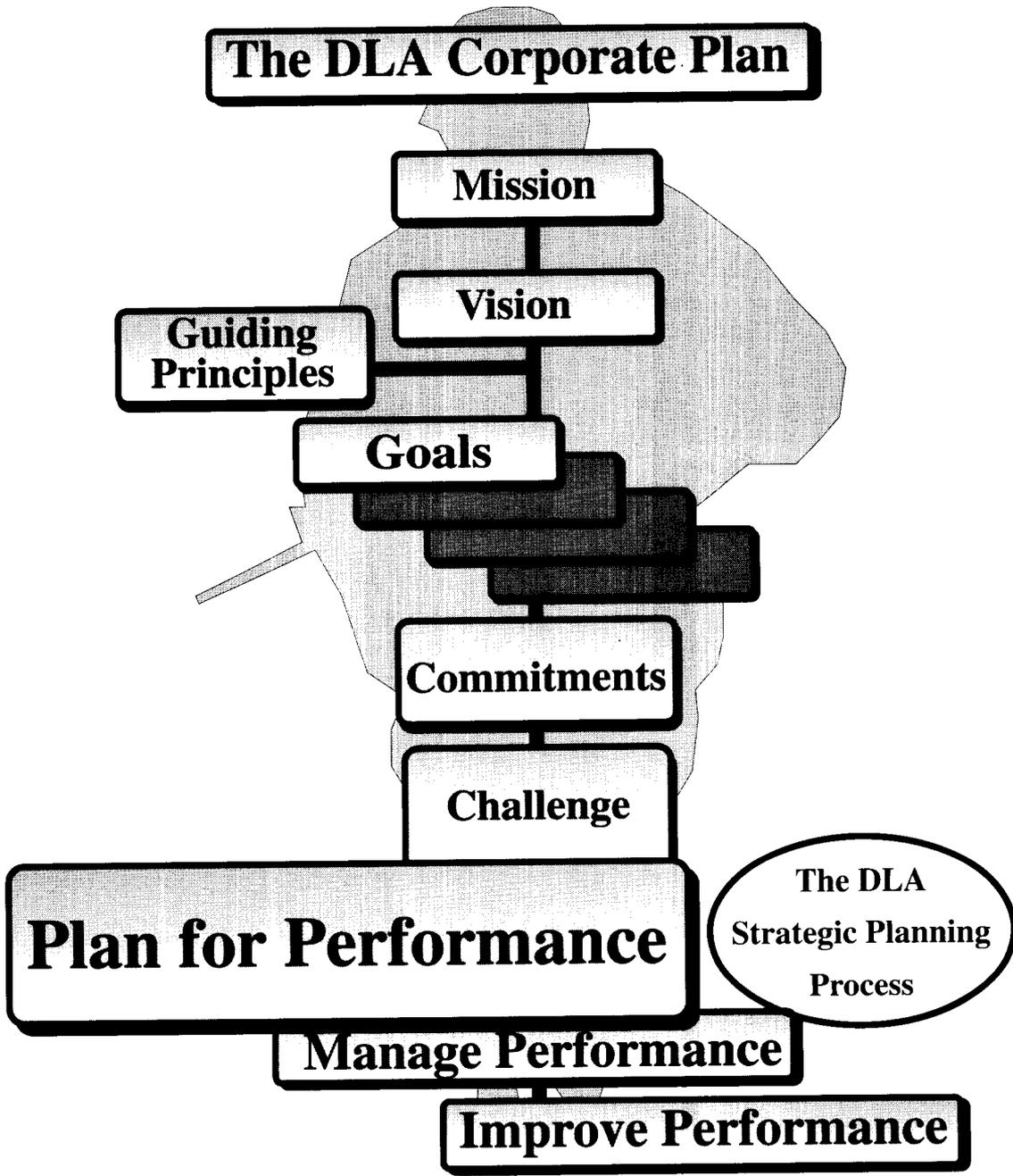
Challenge

Plan for Performance

Manage Performance

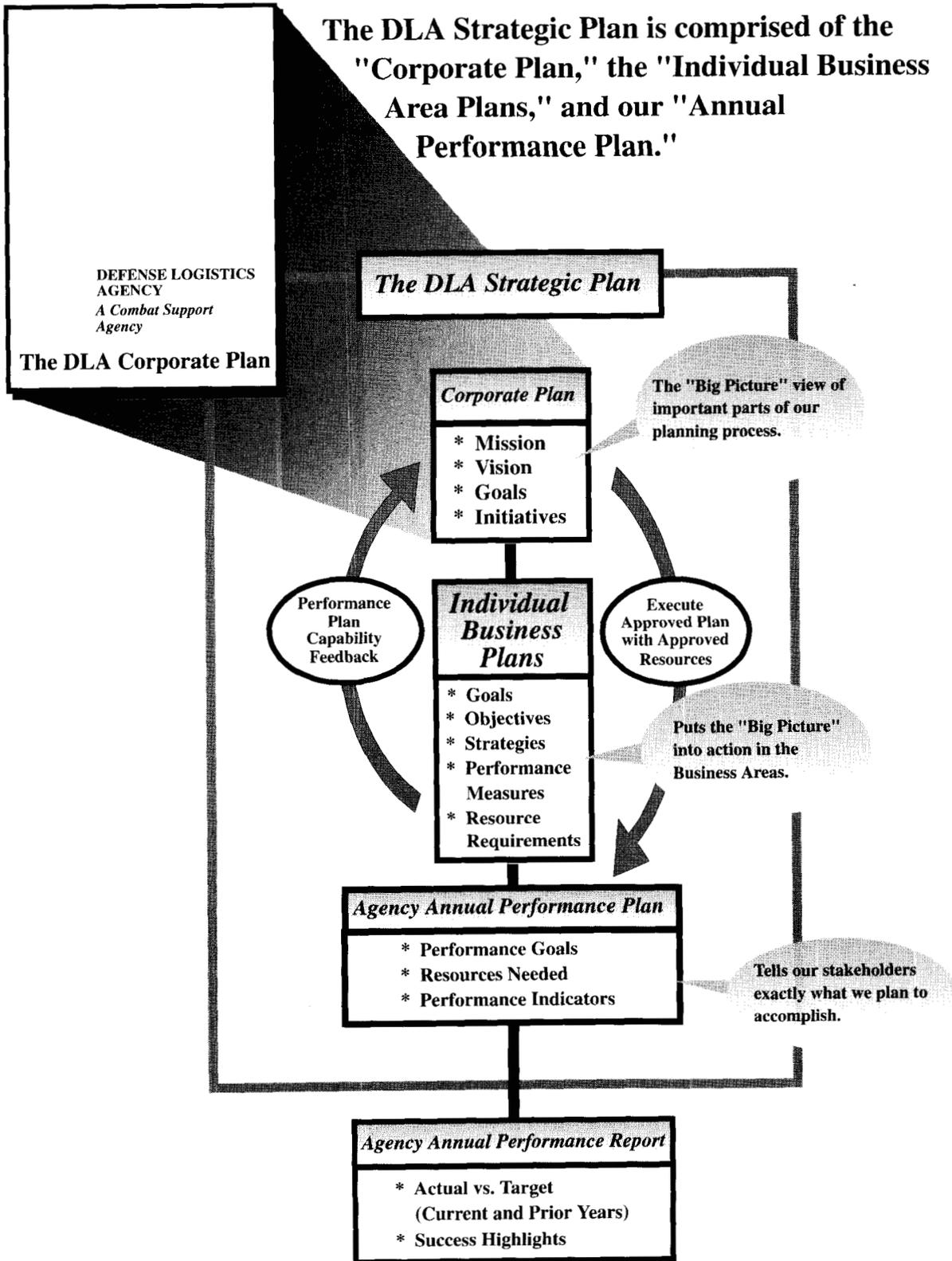
Improve Performance

The DLA
Strategic Planning
Process



The DLA Planning Process

The DLA Strategic Plan is comprised of the "Corporate Plan," the "Individual Business Area Plans," and our "Annual Performance Plan."



The DLA Corporate Plan

Mission

Vision

Guiding Principles

Goals



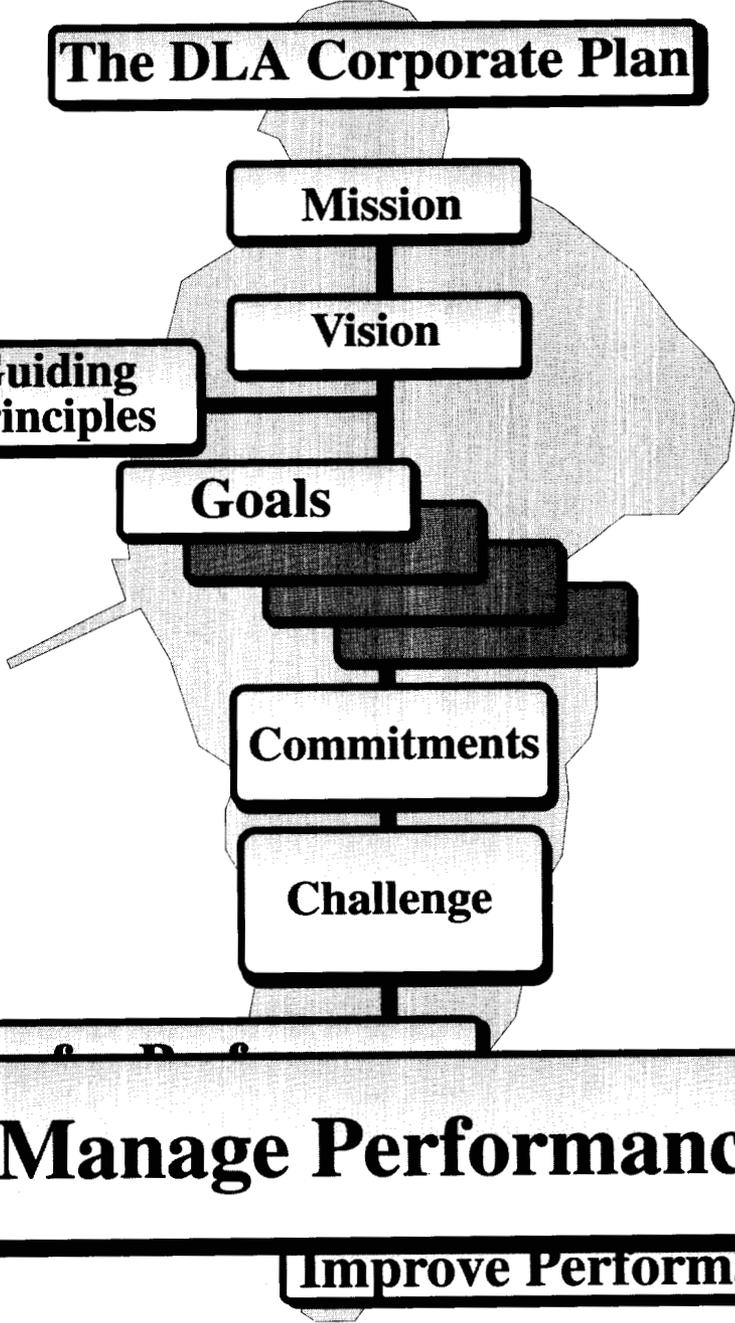
Commitments

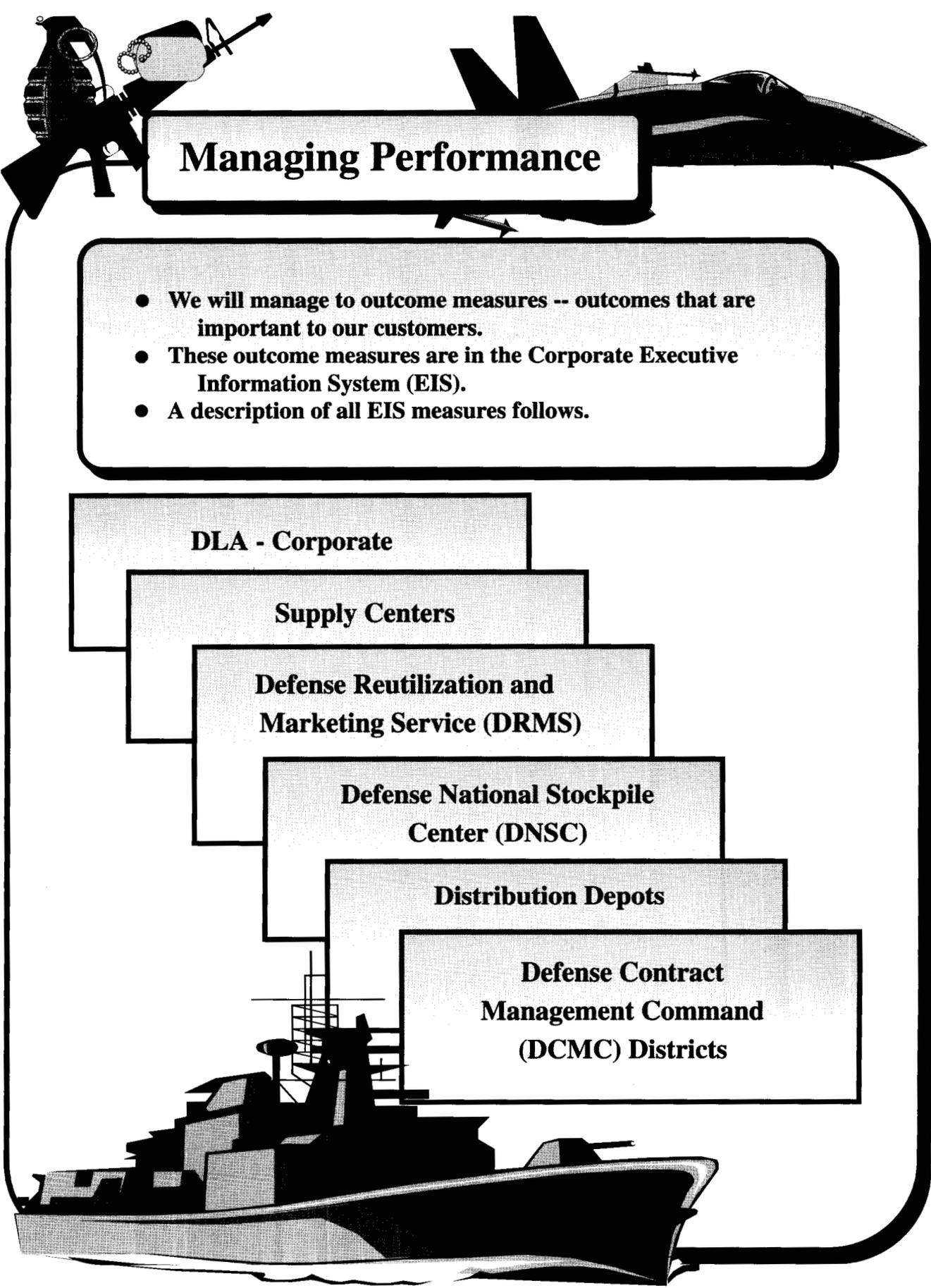
Challenge

Manage Performance

Improve Performance

Structure of Performance Measures





Managing Performance

- **We will manage to outcome measures -- outcomes that are important to our customers.**
- **These outcome measures are in the Corporate Executive Information System (EIS).**
- **A description of all EIS measures follows.**

DLA - Corporate

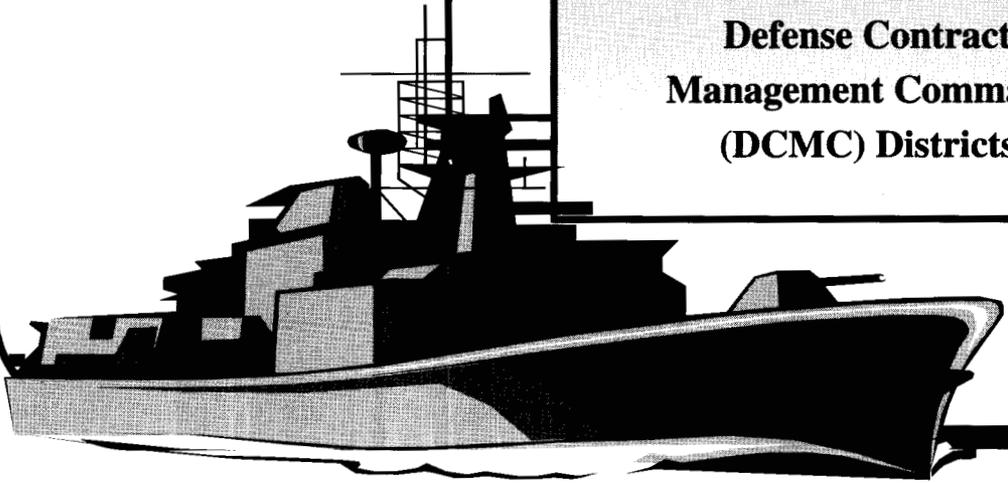
Supply Centers

**Defense Reutilization and
Marketing Service (DRMS)**

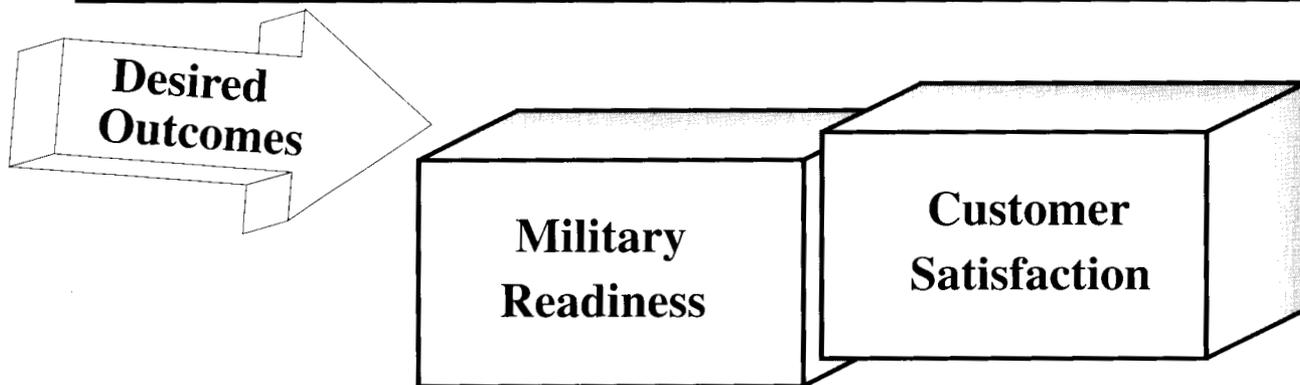
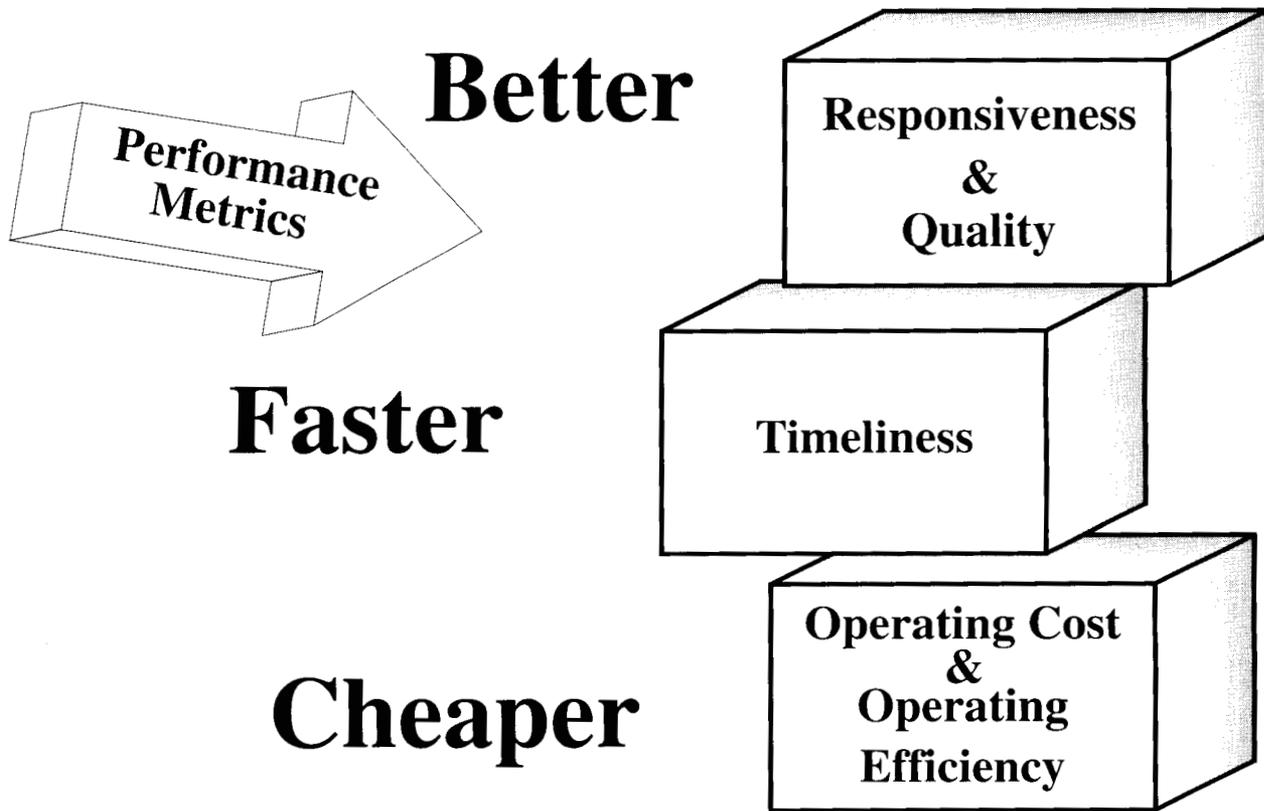
**Defense National Stockpile
Center (DNSC)**

Distribution Depots

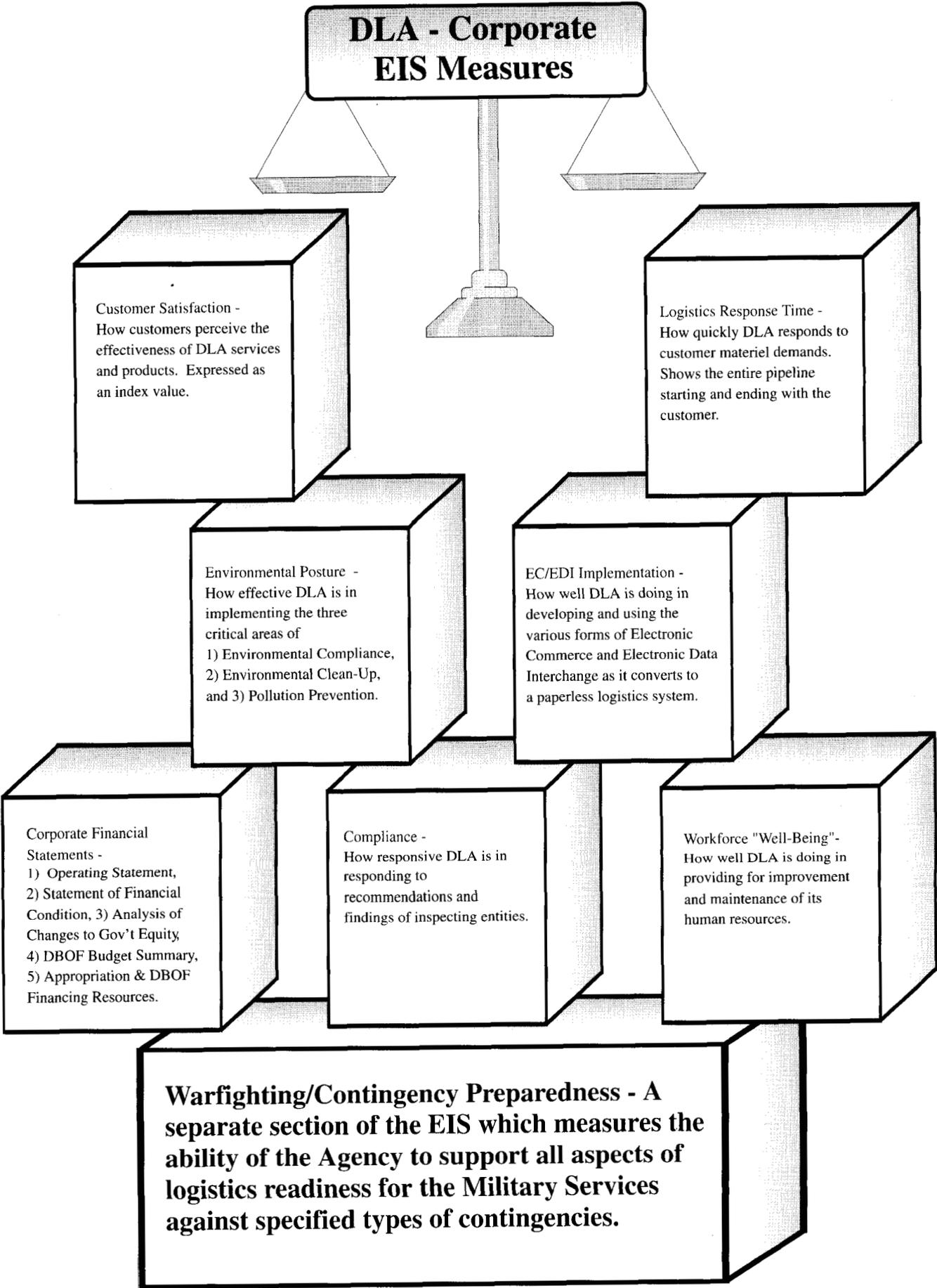
**Defense Contract
Management Command
(DCMC) Districts**



DLA Executive Information System



DLA - Corporate EIS Measures



Customer Satisfaction -
How customers perceive the effectiveness of DLA services and products. Expressed as an index value.

Logistics Response Time -
How quickly DLA responds to customer materiel demands. Shows the entire pipeline starting and ending with the customer.

Environmental Posture -
How effective DLA is in implementing the three critical areas of
1) Environmental Compliance,
2) Environmental Clean-Up,
and 3) Pollution Prevention.

EC/EDI Implementation -
How well DLA is doing in developing and using the various forms of Electronic Commerce and Electronic Data Interchange as it converts to a paperless logistics system.

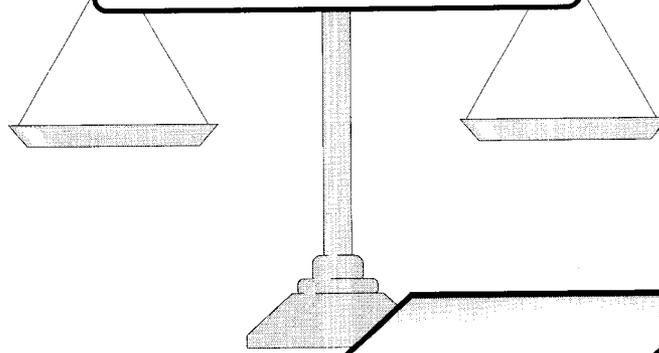
Corporate Financial Statements -
1) Operating Statement,
2) Statement of Financial Condition, 3) Analysis of Changes to Gov't Equity,
4) DBOF Budget Summary,
5) Appropriation & DBOF Financing Resources.

Compliance -
How responsive DLA is in responding to recommendations and findings of inspecting entities.

Workforce "Well-Being"-
How well DLA is doing in providing for improvement and maintenance of its human resources.

Warfighting/Contingency Preparedness - A separate section of the EIS which measures the ability of the Agency to support all aspects of logistics readiness for the Military Services against specified types of contingencies.

Supply Centers EIS Measures



Responsiveness

(Better)

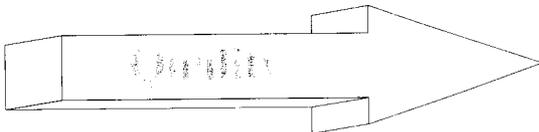
Stock Availability
(Backorders/Demands)-
How often customer orders for stocked items are filled immediately. Shown by major weapon systems as well as total inventory.

Stocked Backorders
(Stocked Items not Immediately Filled/Demands) -
How often customer orders cannot be filled immediately from stock on-hand. Shown also by weapon system.

Product Availability
(On-Hand Inventory and Projection of Fill/ Inventory Objective) -
How well DFSC makes all products available to meet their customers' requirements.

Quality
What percentage of items bought by the Centers fail random testing for critical and major defects.

Customer Satisfaction
How much of the materiel provided customers is not satisfactory to them based on complaints registered.



(Better)

Supply Centers EIS Measures (cont)

Timeliness
(Faster)

Logistics Response Time (LRT) (Requisition Receipt to MRO Transmittal) - How long (average days) customer orders spend at the Centers.

Operating Efficiency
(Cheaper)

Inventory Status (Actual Inventory Values) - How much inventory DLA has (millions of dollars). Includes materiel in transit. Shows inventory with and without Consumable Item Transfer stocks.

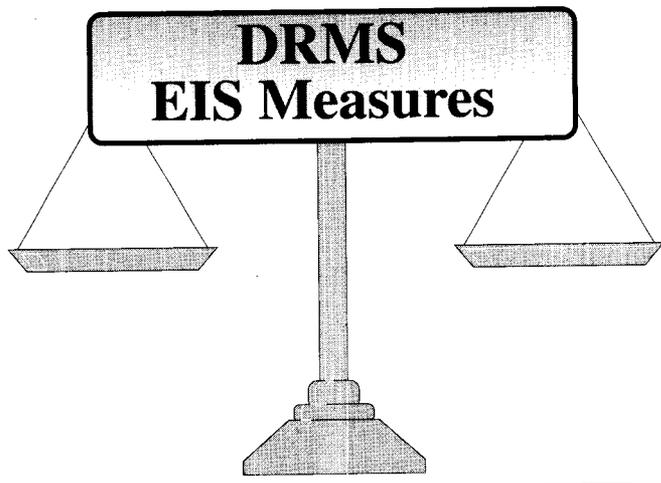
Operating Cost
(Cheaper)

Financial Performance Result (Resources Famed Total Cost) - How well the Centers are living within their earnings.

Goals or Obligation vs. Plan (Actual/Adhered) - How well plans are being met.

Customer Satisfaction

Customer Satisfaction (Index of Customer Perceptions) - To what degree customers approve of the Centers' performance.



Responsiveness
(Better)

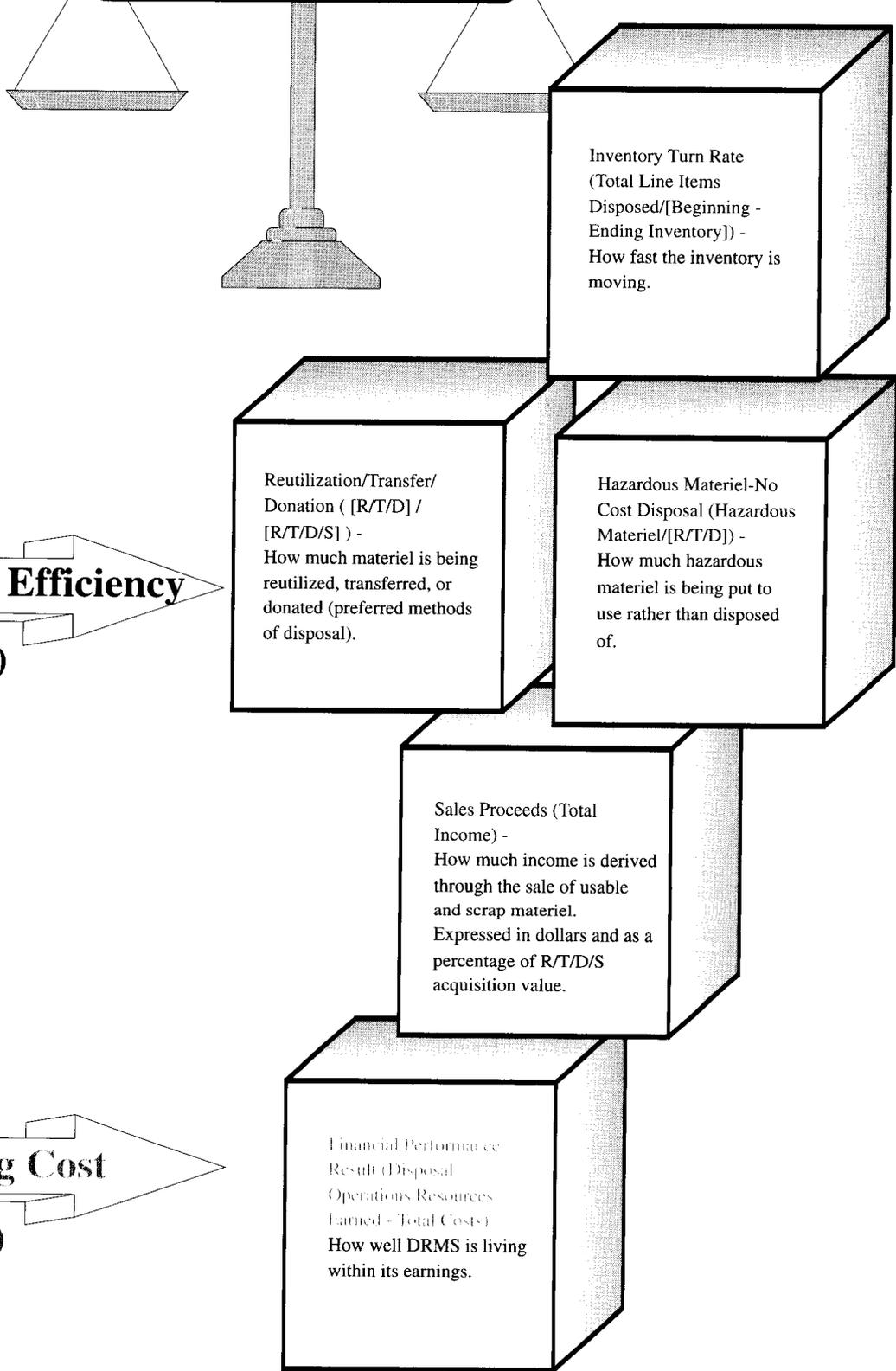
Backlog (Total Workload Backlog) -
How much workload is awaiting processing to or through disposal.

Environmental Compliance/Violations or of Formal Violations
How many formal environmental compliance Notices of Violation (NOVs) are open at DRMS activities.

Quality
(Better)

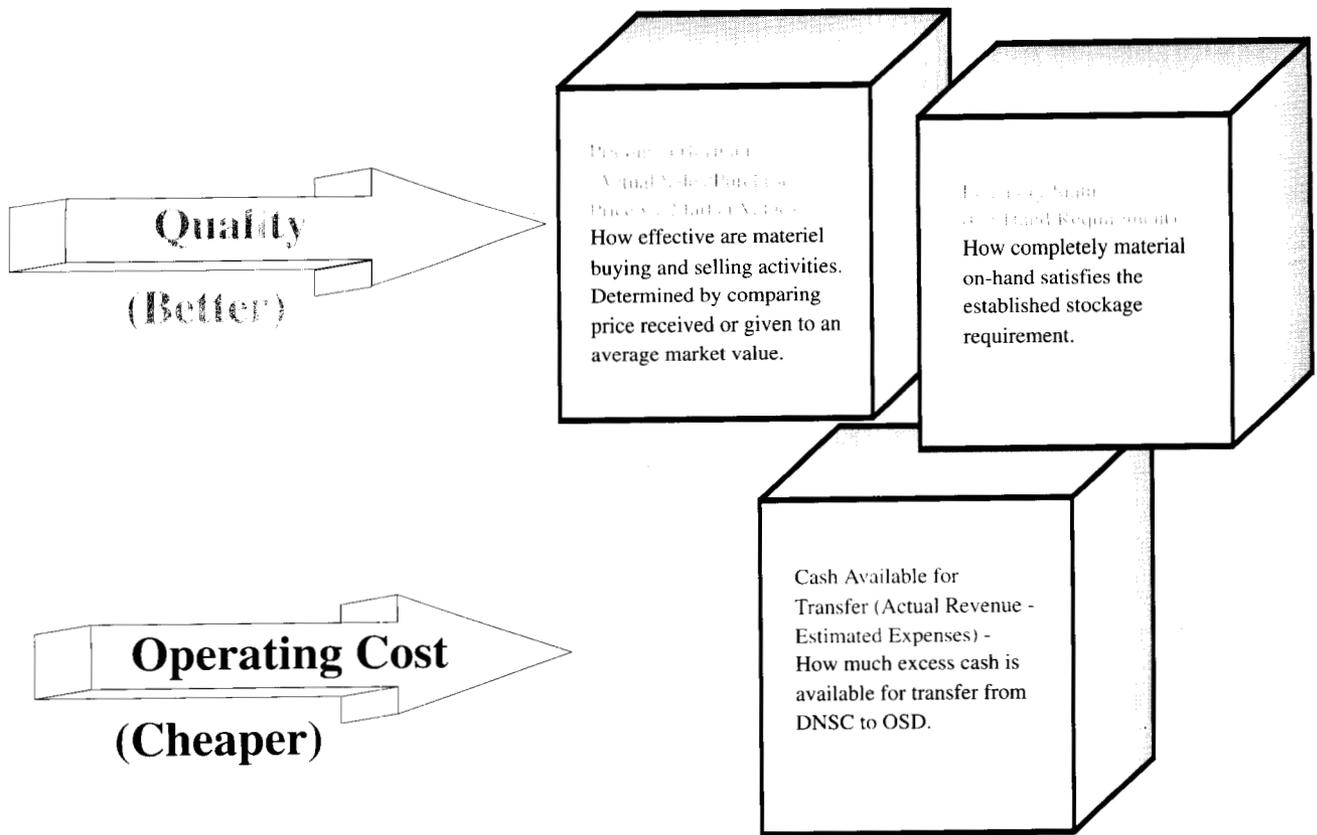
Overdue Hazardous Waste (Hazardous Waste Not Removed)
How many lines of Hazardous Waste have not been removed within the required 90 days of receipt.

**DRMS
EIS Measures (cont)**

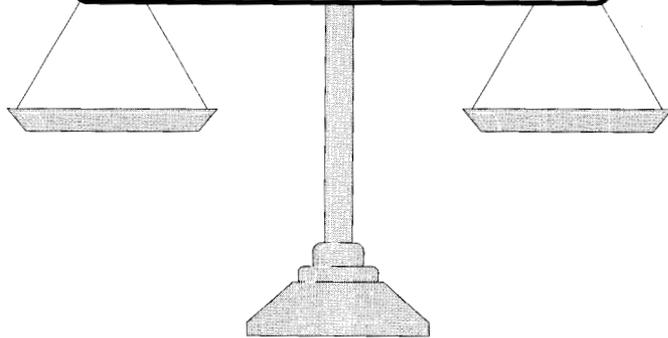


Operating Efficiency
(Cheaper)

Operating Cost
(Cheaper)



**DNOSC
EIS Measures (cont)**



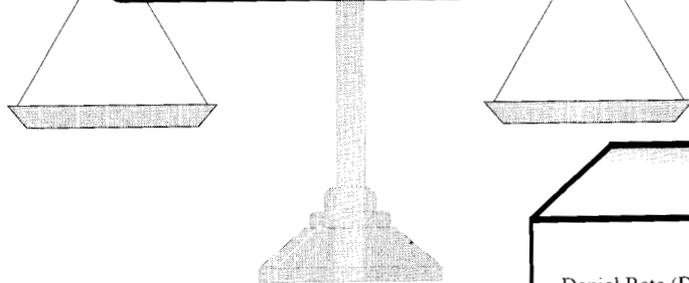
Operating Efficiency
(Cheaper)

Planned Obligations
(Actual vs. Planned) -
How well plans are being
met to acquire required
materiel and services.

Storage Space Utilization
(Occupied Storage/Total
Available Space) -
How much storage space
(open and covered) is
occupied.

Planned Sales (Actual vs.
Planned) -
How well plans are being
met to sell materiel deemed
excess to needs.

Distribution Depots EIS Measures



Responsiveness

(Better)

Denial Rate (Denied/Total Received) - How accurate inventory records are and how effectively Depots respond to customer demands.

Quality

(Better)

Customer Complaints (Total RODs or TDRs/MROs Shipped) - How often customers complain about Depot actions on shipments.

Timeliness

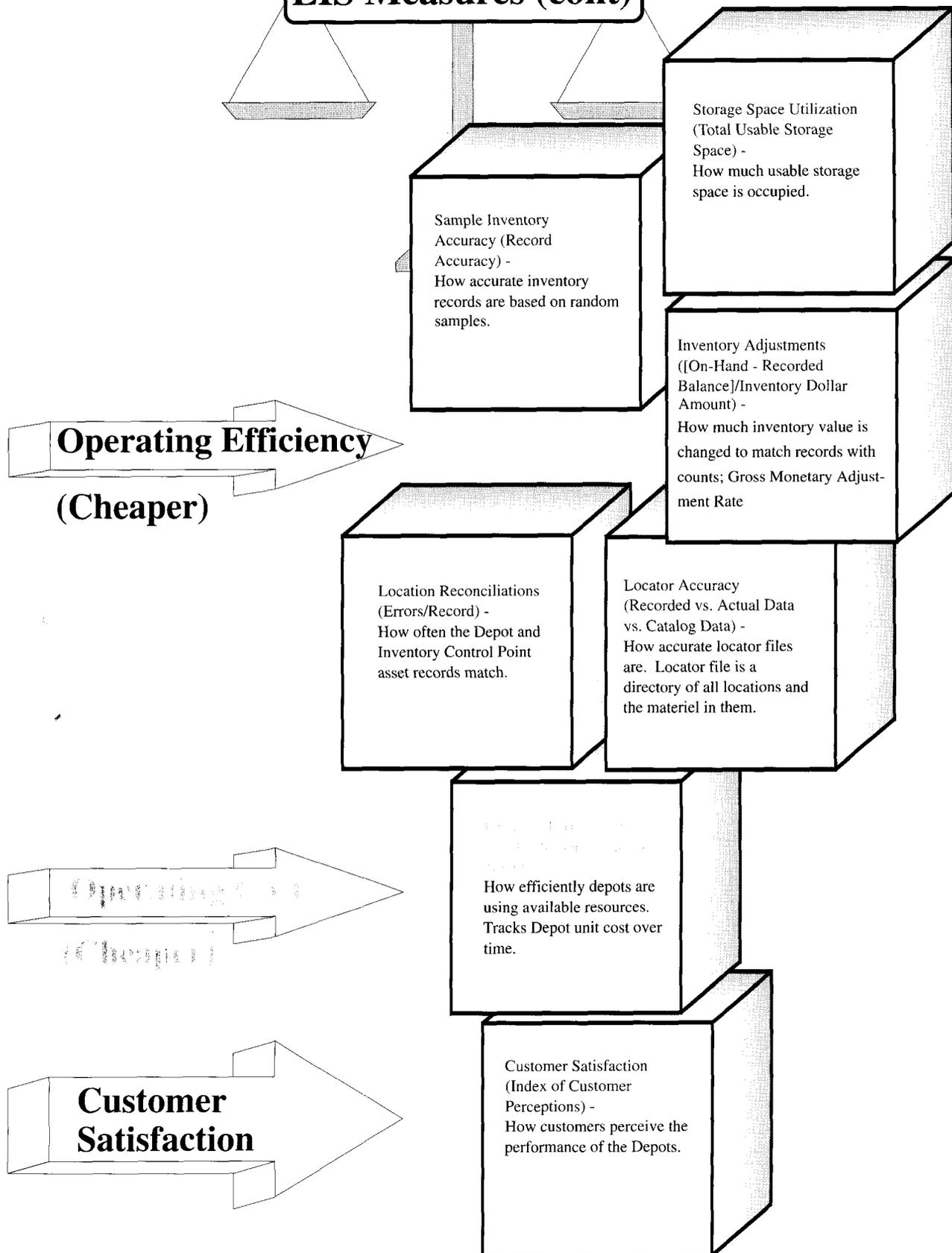
(Faster)

MRO Processing Time (MRO Receipt to Shipment) - How long (average days) hi-priority customer orders spend at the Depots. The Distribution part of Logistics Response Time.

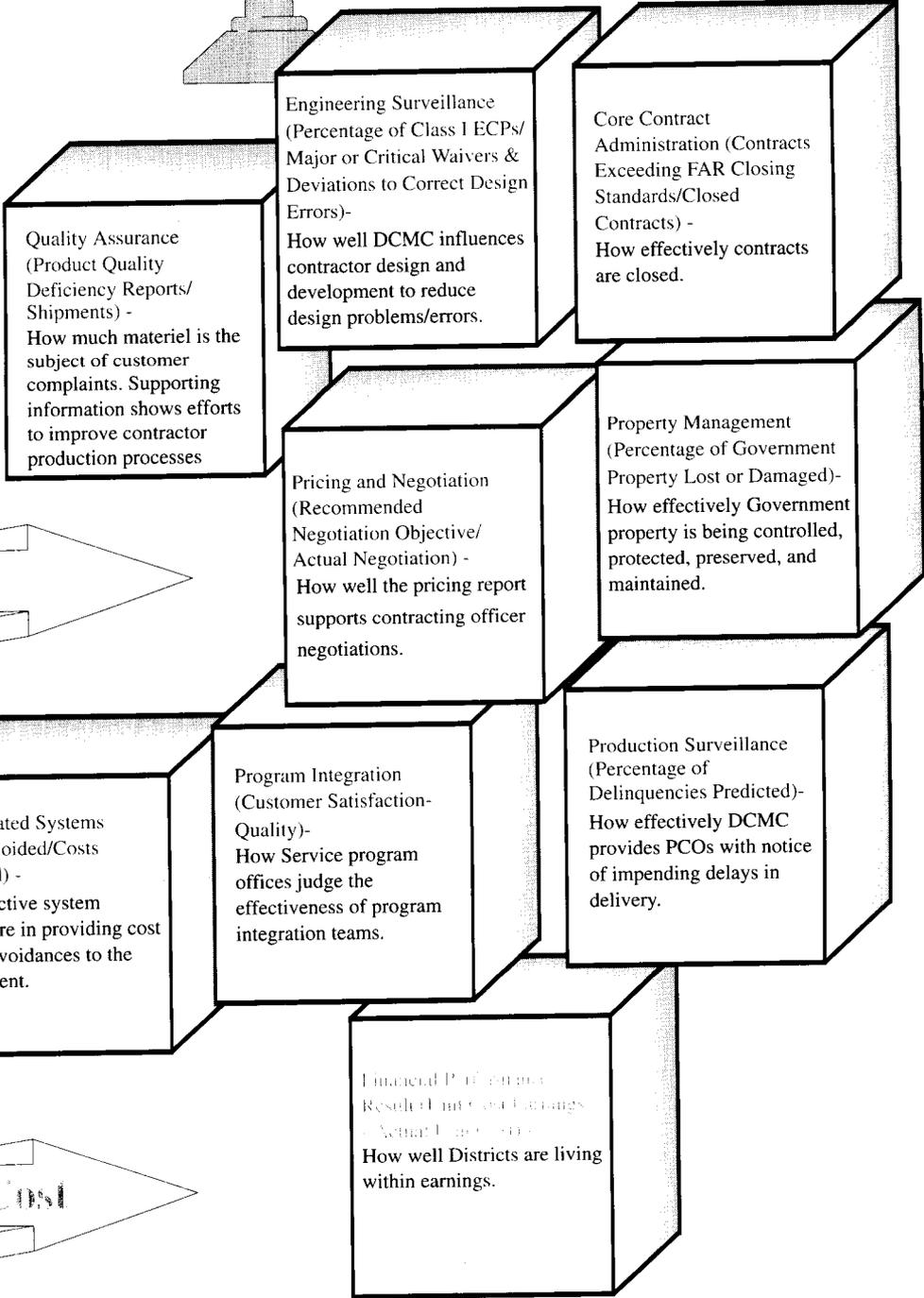
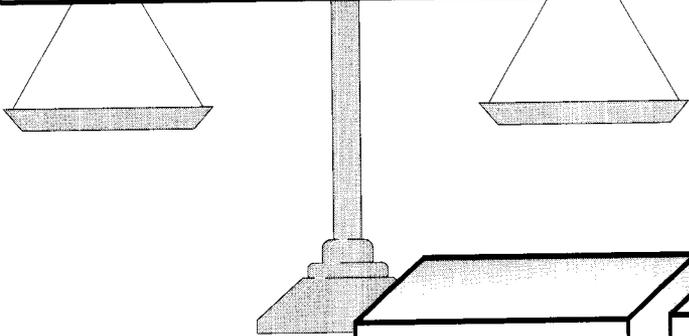
DRO Processing Time (DRO Receipt to Shipment) - How long (average days) it takes Depots to process/ship Disposal Release Orders (DROs).

Receipt Processing (Depot Arrival to Materiel Stow) - How long (average days) it takes Depots to post, to record, and to stow new procurement receipts to a storage location.

Distribution Depots EIS Measures (cont)



Contract Management Districts EIS Measures



Quality
(Better)

Operating Cost
(Cheaper)

Quality Assurance
(Product Quality
Deficiency Reports/
Shipments) -
How much materiel is the
subject of customer
complaints. Supporting
information shows efforts
to improve contractor
production processes

Engineering Surveillance
(Percentage of Class I ECPS/
Major or Critical Waivers &
Deviations to Correct Design
Errors)-
How well DCMC influences
contractor design and
development to reduce
design problems/errors.

**Core Contract
Administration** (Contracts
Exceeding FAR Closing
Standards/Closed
Contracts) -
How effectively contracts
are closed.

Pricing and Negotiation
(Recommended
Negotiation Objective/
Actual Negotiation) -
How well the pricing report
supports contracting officer
negotiations.

Property Management
(Percentage of Government
Property Lost or Damaged)-
How effectively Government
property is being controlled,
protected, preserved, and
maintained.

Price Related Systems
(Costs Avoided/Costs
Expended) -
How effective system
reviews are in providing cost
savings/avoidances to the
Government.

Program Integration
(Customer Satisfaction-
Quality)-
How Service program
offices judge the
effectiveness of program
integration teams.

Production Surveillance
(Percentage of
Delinquencies Predicted)-
How effectively DCMC
provides PCOs with notice
of impending delays in
delivery.

Financial Performance
Resultant Profit Margins
- Actual Earnings -
How well Districts are living
within earnings.

Contract Management Districts EIS Measures (cont)

Engineering Surveillance
(Average Cycle Time to Process ECPs/Waivers/ Deviations) -
How long it takes to process necessary exceptions to the standing technical design or manufacturing solutions.

Quality Assurance
(Average Number of Days to Close PQDRs) -
How long it takes to answer complaints from customers regarding the quality of products provided them.

Core Contract Administration (Close Out Cycle Time) -
How long it takes to close out specific type contracts (All, FFP, Cost, Other).

Timeliness
(Faster)

Pricing and Negotiation
(Percent Pricing Cases (Type A,B,C) Completed by Original Due Date) -
How often the customers' requested due dates are met.

Property Management
(Percent Plant Clearance Cases Completed On Time) -
How often contract administrators meet standards for disposing of residual Government property.

Production Surveillance
(Number of Days Prior to Delinquency that PCO is Notified) -
The degree of warning DCMC provides to the buyer of material that a delivery will be delinquent.

Program Integration
(Customer Satisfaction Level - Timeliness) -
How program offices judge the timeliness of program integration teams' responses to requests.

Price Related Systems
(Percent of Required Reviews Completed) -
How often needed reviews are being accomplished.

Customer Satisfaction

Customer Satisfaction
(Index of Customer Perceptions) -
How customers perceive the performance of Contract Management.

The DLA Corporate Plan

Mission

Vision

Guiding Principles

Goals

Commitments

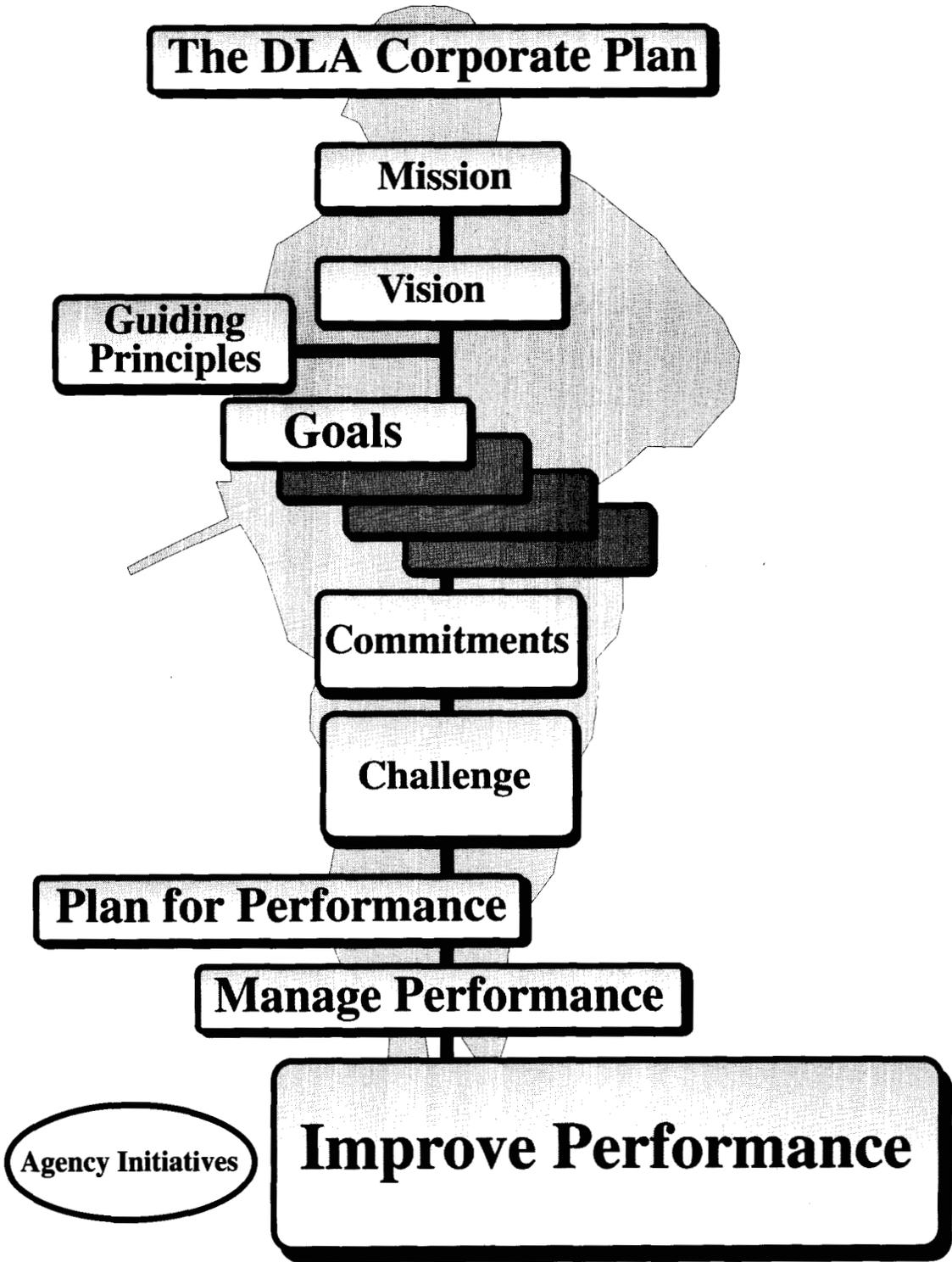
Challenge

Plan for Performance

Manage Performance

Agency Initiatives

Improve Performance



Improving Performance

- The reason we have Strategic Initiatives is to improve our performance as shown by the EIS measures.
- The matrices on the following pages array the Strategic Initiatives by the Agency goal they support and the EIS Performance Management Measures they will improve.
- Only those EIS performance measures which are currently demanding our added attention have corresponding Strategic Initiatives and thus are shown in the following matrices. The other EIS measures are not shown.

Strategic Initiatives & Performance Management Measures		Strategic Initiatives		
GOAL	Measure	Initiative #1-	Initiative #2-	Initiative #3-
Quality	Measure	Initiative #4-	Initiative #5-	Initiative #6-
Responsiveness	Measure	Initiative #7-	Initiative #8-	Initiative #9-
Operating Efficiency	Measure			
Customer Satisfaction	Measure			
Military Readiness	Measure			
Operating Cost	Measure			

Strategic Initiatives and Performance Management Measures

Performance Measurement Areas (Executive Information System)							
GOAL #1 Put Customers First	Responsiveness	Timeliness	Quality	Operating Efficiency	Operating Cost	Customer Satisfaction	Military Readiness
CAS Early Involvement						Customer Satisfaction	
Customer Satisfaction						Customer Satisfaction	
DCMC On-Time Delivery			Production Surveillance	Production Surveillance		Production Surveillance	
DLA Contingency Support Team							Warfighting Contingency Preparedness
DLA Premium Logistics						Customer Satisfaction	
Executive Information System (EIS)						Customer Satisfaction	
Forward Deployed Depot							Warfighting Contingency Preparedness
Logistics Response Time (LRT) (Average Customer Wait Time)			Logistics Response Time			Customer Satisfaction	
Materiel Positioning			Logistics Response Time		Storage Space Utilization	Financial Performance	Customer Satisfaction
Electronic Commercial Catalog						Customer Satisfaction	
Reserve Utilization (Maximize use on "Core Teams")					Unit Cost/Financial Performance		Warfighting Contingency Preparedness
Warfighting Assessment/Requirements Model							Warfighting Contingency Preparedness
War Reserve Management (Reduce War Reserve Deficit)							Warfighting Contingency Preparedness

LEGEND

S = Supply Centers

DD = Distribution Depots

DLA = Corporate - All Business Areas

CDM = Contract Management Districts

STRATEGIC INITIATIVES

GOAL #1: Put Customers First

Contract Administration Services (CAS) Early Involvement - Expand the Defense Contract Management Command's (DCMC) role in the early phases of systems acquisitions to "nontraditional" applications; e.g., source selection and Cost/Schedule Control System Criteria (C/SCSC) validation, by a minimum of 6 in FY94 and 20 in FY95.

DCMC On-Time Delivery - Ensure contractors adhere to delivery schedules and impose discipline on the delivery surveillance process.

Customer Satisfaction - Develop a process for continuously obtaining and acting upon feedback from customers.

DLA Contingency Support - Develop a tailored contingency support plan for each warfighting Commander-in-Chief.

DLA Premium Logistics - Provide selected logistics services that can meet the most demanding requirements of our customers.

Executive Information System (EIS) - Field an online performance management system including all Agency business areas and warfighting/contingency preparedness.

Forward Deployed Depot - Develop a forward depot capability to support forces engaged in operational military missions.

Logistics Response Time (LRT) (Average Customer Wait Time) - Establish a means for DLA to measure the time from the receipt of the requisition by the Inventory Control Point (ICP) through receipt of the materiel by the customer.

Materiel Positioning - Develop a materiel positioning policy which maximizes customer responsiveness while minimizing the aggregate overall DoD stocking and distribution costs.

Electronic Commercial Catalog - Adopt commercial buying practices that will make DLA competitive in any market for the purchase of commercial type items.

Reserve Utilization - Utilize Military Reserve personnel to enhance DLA support of warfighters and achieve cost savings by utilizing Reserve personnel in place of commercial contractors where appropriate.

Warfighting Assessment/Requirements Model - Develop a model to determine critical NSN shortfalls, project when a specific item would be out of stock, identify weapons systems at risk, and provide significant information to make investment decisions.

War Reserve Management - Improve DLA's preparedness position by developing (1) a defensible funding package (coordinating with the Services) and (2) war reserve materiel requirements that would allow DLA to quickly develop materiel investment strategies in support of the most probable contingencies.

Strategic Initiatives and Performance Management Measures

Performance Measurement Areas (Executive Information System)							
GOAL #2 Improve the process of delivering logistics support	Responsiveness	Timeliness	Quality	Operating Efficiency	Operating Cost	Customer Satisfaction	Military Readiness
Activity Based Costing						Unit Cost/ Financial Performance	
Commercial Asset Visibility	Backorders		Logistics Response Time				
DEMIL Policy						Unit Cost Performance	
Distribution Standard System (DSS)					Inventory Accuracy, Storage Space Utilization, & Financial Performance		Warfighting/ Contingency Preparedness
EC/EDI Implementation			Logistics Response Time			Unit Cost/ Financial Performance	Warfighting/ Contingency Preparedness
Environmental Excellence (Recognized leader by 95/96)			Pollution Prevention, Environmental Compliance & Environmental Cleanup				
Federal Contract Administration Services (FEDCAS) (Increase # & \$ value of contracts)						Unit Cost Performance	
Fee-for-Service Product Testing Centers						Unit Cost Performance	
In-Storage Visibility of Retail Assets	Backorders		Logistics Response Time				
Intransit Visibility (Implement AMS)			Customer Complaints			Financial Performance	Warfighting/ Contingency Preparedness
Preaward CAS Involment			All	All			
Process Oriented Contract Administration Services (PROCAS)			Closeout Cycle Time / Delinquency Alerts	% PQDRs/Shipments & No. KR Design Related Corrective Actions		Unit Cost Performance	Customer Satisfaction
Quality of Parts				Customer Complaints; Product Conformance Verification			Customer Satisfaction

LEGEND

☐ = Supply Centers

☐ = Reutilization
& Marketing

☐ = Corporate - All
Business Areas

☐ = Distribution Depots

☐ = Contract Management Districts

STRATEGIC INITIATIVES

GOAL #2: Improve the Process of Delivering Logistics Support

Activity Based Costing (ABC) - Use activity based costing to focus on process improvement opportunities. The goal is to employ ABC at field activities by Apr 94 and at Headquarters by Jul 94, and to follow deployment until ABC is institutionalized.

Commercial Asset Visibility - Explore the feasibility of, and possible mechanisms for, achieving commercial asset visibility.

Demilitarization (DEMIL) Policy - Ensure that marketable personal property does not have an erroneous demilitarization code while ensuring a proper level of control or destruction is maintained, to preclude sale of critical material (weapon system and technologies) to unauthorized customers.

Distribution Standard System (DSS) - Deploy a standard distribution information system to all DLA depots.

Electronic Commerce/Electronic Data Interchange (EC/EDI) - Exploit electronic commerce methods to streamline DoD logistics. The goal is to incorporate EC/EDI technology within all DLA business segments.

Environmental Excellence - Make DLA a leader in promoting environmental excellence in 3-5 years (on/about FY 95-96).

Federal Contract Administration Services (FEDCAS) - Perform contract administration for selected non-DoD agencies. The goal is to double the number and dollar value of contracts assigned in FY94 and FY 95 from the top 20 civilian agencies.

Fee-For-Service (FFS) Product Testing Centers - Implement FFS operational concept at DLA Product Testing Centers.

In-Storage Visibility of Retail Assets - Implement an automated interface with the Services to obtain visibility of DLA-managed, Service-owned retail assets.

Intransit Visibility - Implement Automated Manifest System (AMS); i.e., use "smart cards" for all DLA depot shipments. Simply put, the goal is to improve visibility of intransit shipments.

Preaward CAS Involvement - Continuously improve the quality of preaward CAS activities and reduce the cost of our customers' weapon system acquisition by effectively using lessons learned during contract execution. Track cost avoidances from improved proposal negotiations.

Process Oriented Contract Administration Services (PROCAS) - Fully implement PROCAS by increasing the number of agreements to 500 and the number of blue-lined processes to 2,500 for FY 94, with similar increases in FY95. Track cost savings/avoidances from PROCAS implementation.

Quality of Parts - Track the management of completion of the DLA Quality Action Plan to continually improve product and service quality provided to our customers.

Strategic Initiatives and Performance Management Measures

Performance Measurement Areas (Executive Information System)							
GOAL #3 Empower employees to get results	Responsiveness	Timeliness	Quality	Operating Efficiency	Operating Cost	Customer Satisfaction	Military Readiness
Affirmative Action Recognition (EEO Activity Award)					*		
Employee Recognition (Team-oriented award criteria)					*		
EEO Coverage (Staffing ratio = 1:600 by the end of FY96)					*		
Partnering with Unions					*		
Professional Development (Increase percent of funded priority #1 training)					*		
Teaming	*	*	*	*	*	*	*

*

All initiatives are targeted on workforce productivity and performance enhancement in some fasion. (Corporate and all Business Areas)

STRATEGIC INITIATIVES

GOAL #3: Empower Employees To Get Results

Affirmative Action Recognition - Establish an EEO Activity of the Year award.

Employee Recognition - Link awards with Agency objectives. Emphasize team performance recognition through award criteria.

Equal Employment Opportunity (EEO) Coverage - Expand availability of EEO managers to DLA employees. The goal is to obtain a staffing ratio of 1:600 for EEO resources by the end of FY 96.

Partnering with Unions - Establish a formal partnership arrangement with the union via a written agreement. Ensure effectiveness of the agreement by continuing evaluations.

Professional Development - Ensure that training and development expenditures are linked to, and have a positive impact on, the achievement of organizational objectives.

Teaming - Establish teaming as the exhibited behavior throughout the Agency in dealing with our customers and each other.

Strategic Initiatives and Performance Management Measures

Performance Measurement Areas (Executive Information System)							
	<i>Responsiveness</i>	<i>Timeliness</i>	<i>Quality</i>	<i>Operating Efficiency</i>	<i>Operating Cost</i>	<i>Customer Satisfaction</i>	<i>Military Readiness</i>
GOAL #4 Meet customer readiness requirements at reduced cost							
Base Realignment & Closure 1993 (Complete Ahead of BRAC Schedule)					Storage Space Utilization	Unit Cost / Financial Performance	
Base Realignment & Closure 1995						Unit Cost / Financial Performance	
GSA Strategy/Prototypes						Unit Cost / Financial Performance	
Buy Response vs. Inventory (Reduce Inventory to \$6B by FY 97)	Backorders				Inventory On Hand	Customer Price Change	Customer Satisfaction
Chief Financial Officer (CFO) Act Accounting Initiatives						Corporate Financial Statements	
Consumable Item Transfer (CIT)						Customer Price Change	
Depot Unit Cost Accuracy						Financial Performance	
DRMS Self-Sufficiency (Earnings Greater Than or Equal To Cost)			Total Backlog		Inventory Turn Rate	Unit Cost Performance	
Cancelling Funds/Closeout Strategy				Overage Contracts			Customer Satisfaction
Fee-for-Service DASCs						Unit Cost / Financial Performance	
Food GOCO (Government-Owned, Contractor-Operated) Facility						Financial Performance	

PAGE 1 of 2 PAGES

This Matrix Is Continued On Subsequent Pages →

LEGEND

= Supply Centers
 = Distribution Depots
 = Contract Management Districts

= Reutilization & Marketing
 = Corporate - All Business Areas

STRATEGIC INITIATIVES

GOAL #4: Meet Customer Readiness Requirements At Reduced Cost

(Page 1 of 2 Pages)

Base Realignment and Closure (BRAC) 1993 - Integrate implementation actions to close/realign activities on or ahead of schedule and within cost projections.

Base Realignment and Closure (BRAC) 1995 - Develop an Agency closure and realignment recommendation to DoD that fully incorporates OSD policies, selection criteria, and force structure requirements while maintaining the highest possible level of Agency capability.

GSA Strategy/Prototypes - Achieve a single face to industry and customers, and eliminate duplication of logistics effort among Government agencies.

Buy Response vs. Inventory - Use Buy Response and Power Buying initiatives (long-term contracts, Direct Vendor Delivery (DVD), Electronic Commerce/Electronic Data Interchange (EC/EDI), and prime vendor) to reduce the value of DLA inventory by FY 97 to \$6B.

Chief Financial Officer (CFO) Act Accounting Initiatives - Improve the accuracy and usefulness of all information contained in the Agency financial statements.

Consumable Item Transfer (CIT) - Complete in an efficient and timely manner the transfer of management responsibility for consumable items from the Military Services to DLA.

Depot Unit Cost Accuracy - Improve accuracy of depot unit costs by achieving more reliable unit cost data; a more accurate costing system; and a better/more reliable efficiency measure.

Defense Reutilization and Marketing Services (DRMS) Self-Sufficiency - Increase revenues and decrease costs to make DRMS self-sufficient.

Cancelling Funds/Contract Closeout Strategy - Expedite contract closeout in order to use funds that are due to become unavailable at the end of the fiscal year.

Fee-For-Service DASCs - Implement fee-for-service operational concept at the HQ DLA Administrative Support Center (DASC) and field DASCs.

Government Owned - Contractor Operated (GOCO) Food Depot - Prototype a contracted-out depot.

The list of initiatives under this Goal is continued on subsequent pages

Strategic Initiatives and Performance Management Measures

Performance Measurement Areas (Executive Information System)

		Responsiveness	Timeliness	Quality	Operating Efficiency	Operating Cost	Customer Satisfaction	Military Readiness
GOAL #4 Meet customer readiness requirements at reduced cost								
Inventory Accuracy				Locator Accuracy	Inventory Accuracy	Sample Inventory Accuracy & Location Reconciliations	Inventory Adjustments	Warfighting/Contingency Preparedness
Logical Inventory Control Point (ICP)						Stock Availability; Stocked BOs; Inventory On-Hand	Unit Cost Performance	Warfighting/Contingency Preparedness
Fuel Savings Initiatives							Unit Cost Performance	Customer Satisfaction
Overhead Strategy					\$ Saved / Avoided; Price Related Systems		Customer Satisfaction	
Returns Backlog (Reduce to 10 Days or Less)			Processing Time					
Savings Through Value Enhancements -- SAVE (\$70M / Year Greater Than DMRD Commitment)							Unit Cost Performance	Warfighting/Contingency Preparedness
Spec Busting (Decrease MIL Specs & Increase CID Population)							Unit Cost Performance	Warfighting/Contingency Preparedness

PAGE 2 of 2 PAGES

LEGEND

S = Supply Centers

D = Distribution Depots

C = Contract Management Districts

R&M = Reutilization & Marketing

DA = Corporate - All Business Areas

STRATEGIC INITIATIVES

GOAL #4: Meet Customer Readiness Requirements At Reduced Cost

Page 2 of 2 Pages

Inventory Accuracy - Achieve increased inventory accuracy, resulting in reduced investment.

Logical Inventory Control Point (ICP) - Develop a command and control structure to integrate ICPs across geographic and commodity lines, streamlining the organization to provide the best service to our customers.

Fuel Savings Initiatives - Optimize the procurement, storage, and distribution of fuel.

Overhead Strategy - Achieve a consistent and effective approach across DCMC in assessing contractor overhead activities, negotiating forward pricing rate agreements, and settling final overhead rates. Establish an Overhead Center of Excellence.

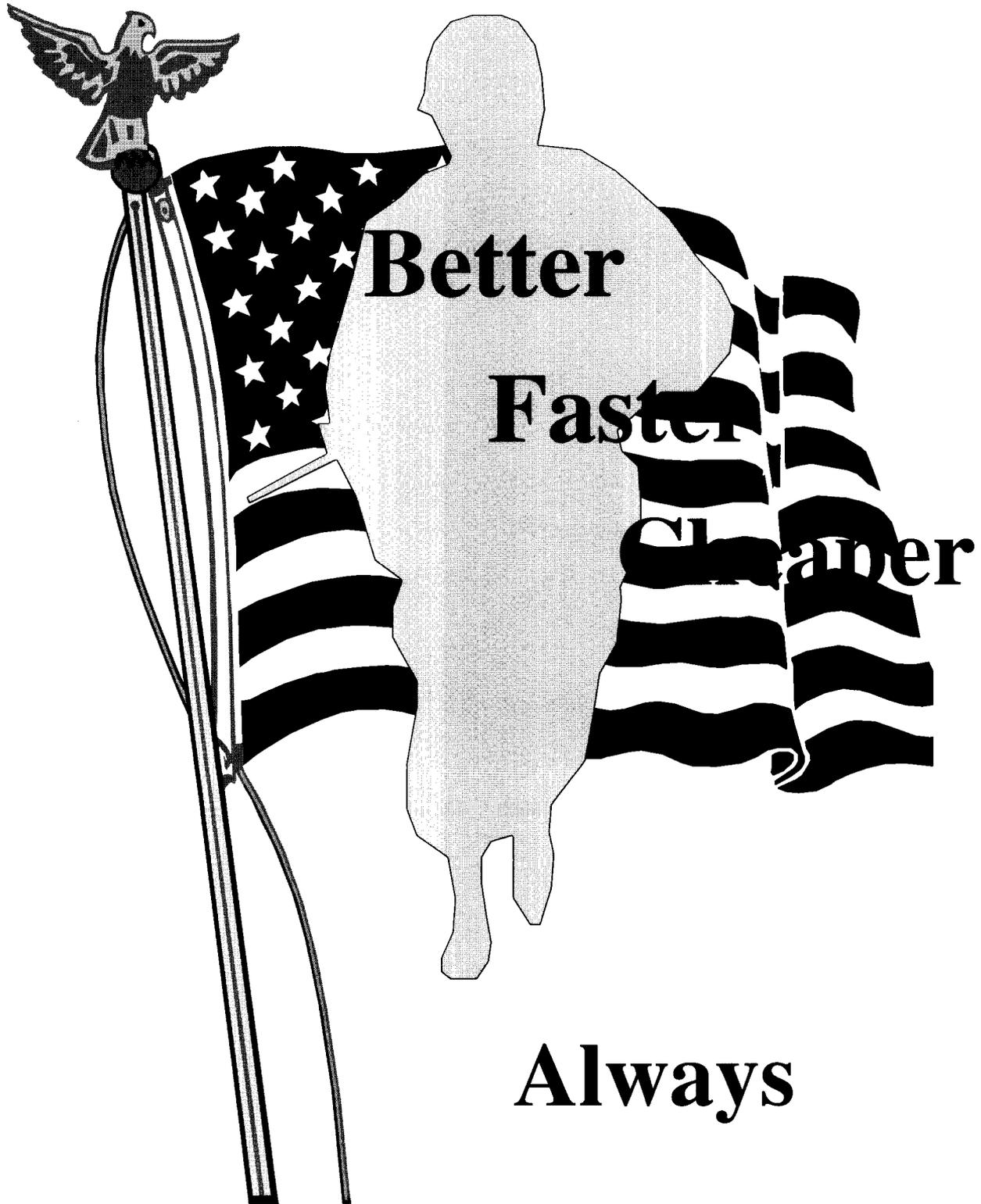
Returns Backlog - Reduce the backlog of all materiel returns (drawdowns, base closures, etc.) at depots to 10 days workload or less (DLA standard for processing returns).

\$avings Thru Value Enhancement (\$AVE) - Attain tangible savings for customers through Value Engineering and similar strategies: \$70M/year beyond Defense Management Review Decision (DMRD) commitment of \$132M.

Spec Busting - Transition to the use of Commercial Item Descriptions (CIDs) (vice Military Specs) for commonly used items. Achieve a downward trend for MILSPECS and an upward trend for CIDs.



Our Bottom Line



Always

