

RED RIVER DEFENSE COMPLEX  
COMMUNITY BRIEFINGS



**BRAC 2005**  
**San Antonio Regional Hearing**  
**July 11, 2005**



## **Introduction**



**Presented By  
U. S. Representative Ralph Hall**

"Mr. Chairman, Commissioners, my Congressional colleagues, Ladies and Gentlemen, fellow Texans, and other assembled guests, **WELCOME** and how about all those yellow shirts! My name is Ralph Hall, Congressman for the Fourth District of Texas. I am joined this morning by my colleagues from the state of Texas--SEN Kay Bailey Hutchison and SEN John Cornyn-- and from the state of Arkansas--SEN Blanche Lincoln, SEN Mark Pryor, and Representative Mike Ross.

We come before you today to speak on behalf of the Red River Defense Complex of Texarkana, TX; a true military asset. It is a unique, joint logistics facility housing a variety of tenants and three primary mission activities-- the Army Materiel Command's Red River Army Depot, the Red River Munitions Center from the Joint Munitions Command, and the Defense Logistics Agency's Defense Distribution Depot Red River. Their synergistic cooperation together provides the soldier with "**OUR BEST, NOTHING LESS**".

Ladies and Gentlemen, supporters of the Red River Defense Complex have been down this BRAC road before. But the 1995 Commission's rationale for retaining the Red River Defense Complex is visible every day in this country's War on Terror. We contend that the 2005 Commission will be no less persuaded to retain Red River since the current and future need is even more compelling and when you learn the true military value of this outstanding installation and it's contribution to the American soldier.



## **A Strategic Asset**

- Possessing Critical & Unique Capabilities
- An Expanding, Enduring Mission - Performed at Operational Speed
- Capacity to Effectively Manage and Execute Workload >6M DLH
- Demonstrated Commitment to Process Improvement & Expanding the Combatant Commander's Striking Power

The Red River Defense Complex is a valuable and strategic asset located in Northeast Texas, but supported by employees from a four state area. They possess critical skills required to maintain, repair, and rebuild combat and tactical vehicles and components to support our sons and daughters as they serve our military and our nation.

They have been called upon to work long hours, weekends and even federal holidays to support an expanded mission related to the Global War on Terror. And they have been happy to do so.

By doing so, they have expanded Red River's ability to accomplish the mission and support the Army's fleet requirements by surging to execute a workload that will exceed 6 Million Direct Labor Hours (DLH).

But that has not lessened their commitment to LEAN process improvements and efficiencies that speed the critically needed equipment, such as Armored Humvees, back to soldiers stationed in this country and deployed around the world.

Mr. Chairman and Commissioners, my colleagues and I acknowledge and appreciate your commitment to making the right decision in support of our Armed Forces and concerning the Red River Defense Complex.

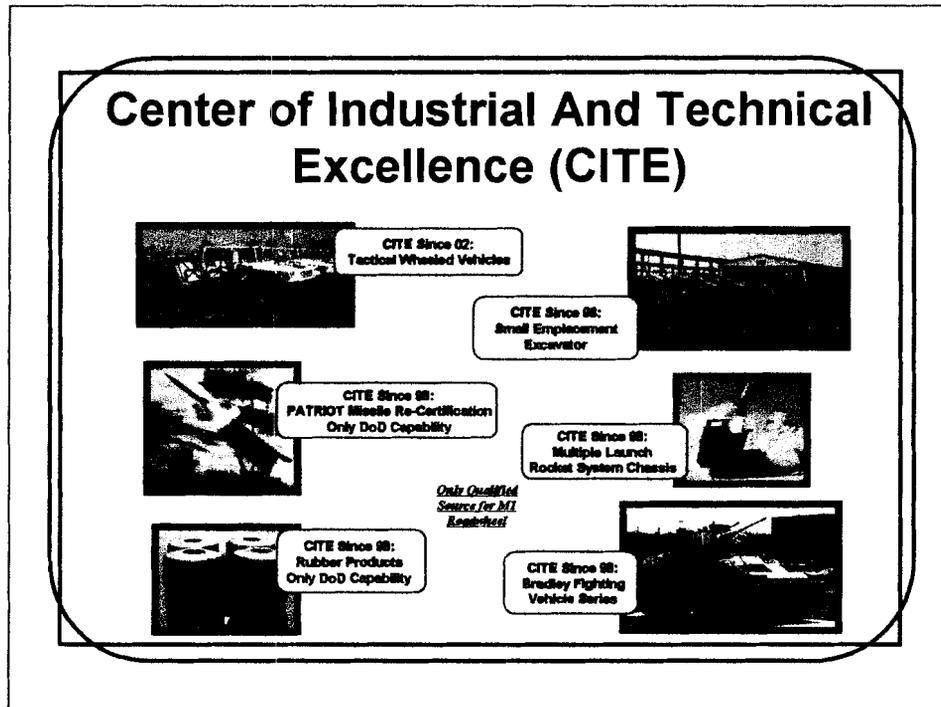


**Center for Industrial and Technical  
Excellence & Unique Capabilities**



**Presented By  
U. S. Senator Mark Pryor**





On October 24, 2002 Secretary of the Army, Thomas E. White designated Red River Army Depot as the Center of Industrial and Technical Excellence (CITE) for tactical wheeled vehicles complementing the 1998 designations for Small Emplacement Excavator, Bradley Fighting Vehicle series, Multiple Launch Rocket System chassis, Patriot Missile recertification, and for rubber products necessary for sustainment and support to the United States and Allied forces and agencies.

No other installations within the Army or DoD, to include those installations designated to receive Red River Army Depot (RRAD) workload under the proposed recommendation, have the same designations. Therefore, contrary to the rationale submitted by the Joint Cross Service Working Group, closing Red River and moving its workload to other installations does not reinforce CITE designations of tactical missiles for Letterkenny Army Depot or combat vehicles for Anniston Army Depot.

CITE is more than a designation, it is a recognition of technical competency that is earned and should not be taken for granted.



## **Unique Capabilities**

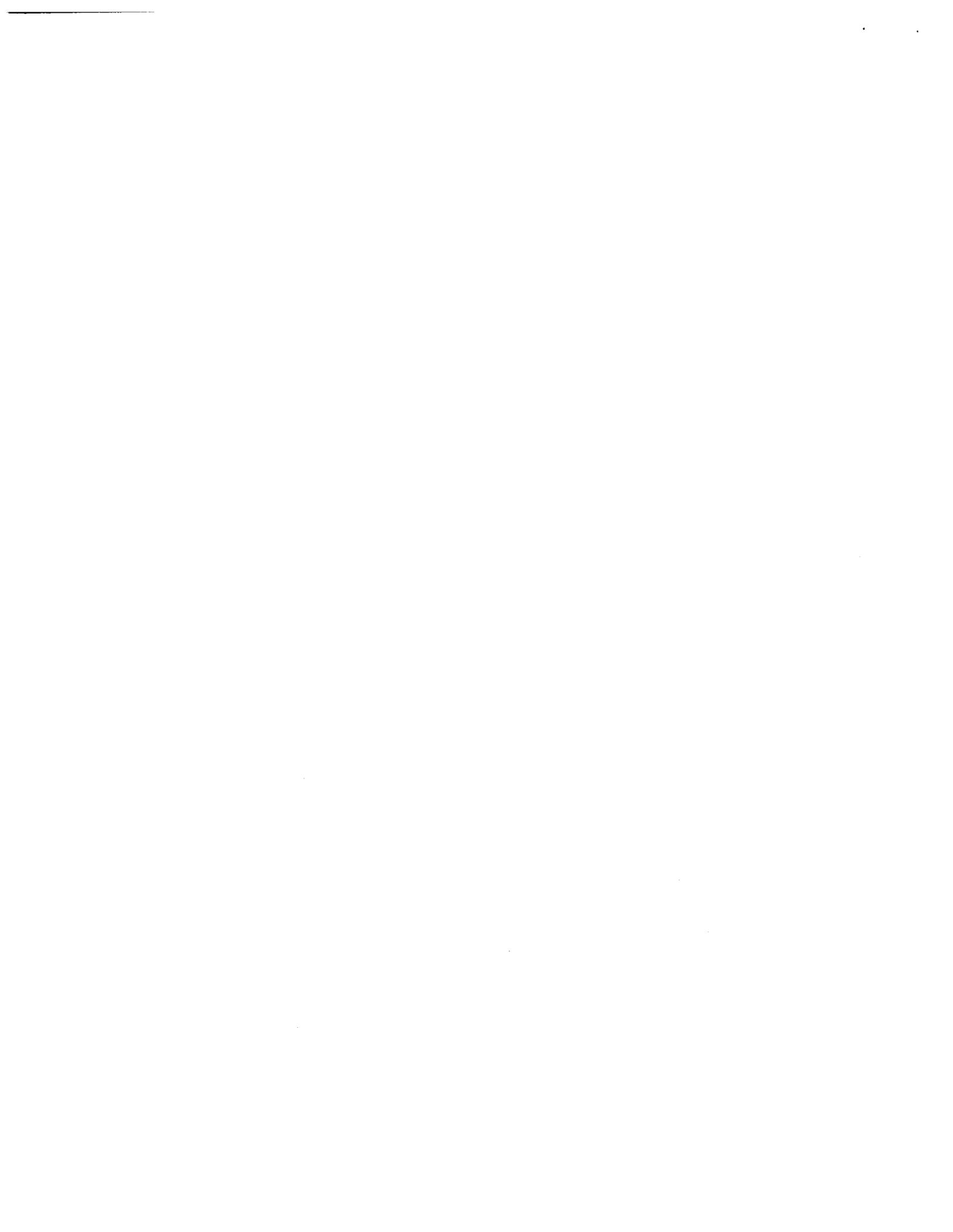
- **Red River Unique Capabilities Were Not Recognized**
  - **Bradley Fighting Vehicle Systems Transmission**
  - **Patriot Missile Recertification**
  - **Rubber Product Manufacture/Remanufacture**

In direct contradiction to BRAC criteria, the unique capabilities at Red River Army Depot were ignored while other facilities received credit and were exempted from closure consideration (i.e. Rock Island Arsenal – DoD's only forge capability). Three distinct and unique capabilities are performed at Red River. They are the piston and ball bore matching for the Bradley Fighting Vehicle System transmission, the Patriot Missile recertification, and the Rubber Products mission. In each case the capability only exists within the DoD at Red River and each are critical to sustaining readiness of the force.

In the case of the Bradley transmission, RRAD's process is certified by United Defense and Red River is currently under contract to United Defense as a source of supply for the United Defense production line. Any interruption to the production has potential for catastrophic readiness consequences for the Bradley as the transmission is the #1 readiness driver for the system.

Red River operates the only U.S. Patriot Missile Re-certification facility. This is a unique facility staffed with journeyman personnel who have received over 1,300 hours of class room training. The process is also certified under a tough quality management program continuously monitored by the Program Manager's Office, the Research, Development & Engineering Command's Quality Engineers and the Aviation & Missile Command. Standing down the facility and moving it to a new location will have far reaching effects on the Patriot Missile readiness and could set the certification program back by as much as 5 years.

Rubber Products has a two fold impact. 1<sup>st</sup> Red River is the only DoD source for remanufacture of roadwheel and track. 2<sup>nd</sup> Red River is the only approved and qualified source for new or remanufactured M1 Abrams roadwheels. Although there have been 3 commercial firms (Soltam, North American Molded Rubber Products, and Goodyear) that have attempted to qualify, none have been successful. (i.e. artisan process and Red River has developed its own rubber compound – has not been replicated)



## Reference to Red River Army Depot from Army Senior Review Group Deliberative Minutes

Meeting #23, 07 December 2004

"Red River/Letterkenny: The SRG supports retaining both facilities and directed the Army Representative to the Industrial JCSG to represent the Army position."

Meeting #31, 22 February 2005

"On Red River Army Depot (RRAD)... There is a question whether the FY03 data used accurately reflects the current and projected workload at RRAD."

Meeting #32, 01 March 2005

"Dr. College then discussed Red River, noting that the FY03 data used in Industrial JCSG's analysis does not reflect current workload or future requirements."

Meeting #33, 08 March 2005

"Regarding Red River Army Depot, the SRG determined that the FY03 data is not sufficient for analysis and that the Army should request that the Industrial JCSG analyze the impact of current and future workload projections in their process."

Meeting #34, 15 March 2005

"On Red River, Dr. College noted that the IEC approved relocation of the functions with the condition that 2.6 M DLH of capacity be added to the other Army depots. The SRG approved submitting an Army candidate recommendation to close Red River given the collection of JCSG recommendations that move activities out of Red River."

Meeting #35, 22 March 2005

"On Red River, Dr. College reported the IEC decision to close Red River and build additional capacity at Anniston Army Depot and Letterkenny Army Depot."

As a result of the 2005 BRAC recommendations, presentation charts and recorded minutes of significant Army deliberative sessions and meetings have been posted for access. What you see in this chart is a compilation of actual minutes from the Army Senior Review Group that affect Red River Army Depot. It provides a detailed, chronological summation of the events leading to Red River's inclusion on the BRAC list.

The key points are this.

--The Army supported **RETAINING** Red River Army Depot.

--The SRG was notified that the FY03 data was inaccurate and **NOT** reflective of the current workload or of the Army's future requirements.

--It documents the Infrastructure Executive Council's (IEC) decision to magically "create" capacity at two depots to be able to accept Red River's peacetime workload. The Industrial Joint Cross Service Group just waved their Harry Potter magic wand and said "Abracadabra" and there was capacity where **NONE** existed before. It is the **ONLY** way their scenario fit with the capacity numbers submitted as certified data.

And lastly, Red River was only added to the closure list late in the process. That would lead a cynical person to conclude that DOD and the Army only added Red River to the list to meet the cost savings goals the DOD needed to validate this round of BRAC. Remember, the Army's original position was to retain Red River.

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**Deviation from Criteria**



**Presented By  
U. S. Senator John Cornyn**

**Slide: Deviation from Criteria**

I would like to share with you some of deviation from the BRAC criteria that we believe occurred during the DoD's analysis.



## **Deviation from Criteria 1 Readiness**

- **Decreases overall military value rating for three commodities.**
- **Does not consider the synergy of co-located maintenance, ammunition and distribution missions**

### **Slide: Deviation Criteria 1 – Readiness**

The DoD recommendation to close Red River substantially deviates from Criteria 1 and would adversely impact operational readiness by moving workloads to locations with a lower military value.

For example, in three key areas – known as commodities – we see a decrease in the military value at the proposed gaining location compared to Red River.

For Armament and Structure Components, Red River is ranked #1 in military value but the proposed gaining location at Anniston does not even have this capability.

For Construction Equipment, once again Red River is ranked #1 in military value, but the proposed gaining location at Albany is a distant second

For Starters/Alternators/Generators, yet again Red River is ranked #1 in military value and the proposed gaining location is a distant second.

In addition, Red River was not given any military value credit for the jointness and synergy of the Army depot, the Munitions Center and the Defense Logistics Agency regional distribution center in a single location. Red River is the only depot with this combination of facilities.

As you may know, Red River is the Center of Industrial and Technical Excellence for tactical vehicles. However, for reasons that are not apparent in the data released by the DoD, Letterkenny Army Depot was ranked 1st in military value and Red River was ranked 3rd for tactical vehicles – even though Red River has double the production performance on the Humvee recapitalization effort. In fact, Red River has provided expertise to Letterkenny to help them in their Humvee efforts.

It makes no sense to shift the tactical vehicle workload to a location that does not have the expertise or the experience of Red River.

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## **Deviation from Criteria 1 Readiness (cont'd)**

- **Closes the DLA distribution depot with the highest military value in the Central Region**
- **Ignores unique capabilities – Rubber Products, Missile Recertification and Bradley Transmission production**

### **Slide: Deviation from Criteria 1 Readiness (cont'd)**

The initial DoD analysis rated the Defense Distribution Depot at Red River (DDRT) as the number one choice for assignment as the Strategic Distribution Platform for the Central Region, a mission they are performing today. However, when Red River was recommend for closure, the mission was slated to move to Oklahoma City which has a lower military value. Once again, we see an example of a mission moving from an installation with higher military value to one with a lower military value.

The DoD recommendation requires \$43 million in construction costs at Oklahoma City, but this is only sufficient to construct a facility 65% the size and capability of the Red River facility. With no construction – and saving \$43 million – DDRT can take on the Central Region distribution

I would also like to add the DoD recommendation ignores many unique capabilities at Red River – including Rubber products, Missile Recertification and Bradley Transmission products. Disruption in any of these areas would have a serious impact on readiness.

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## **Deviation from Selection Criteria 1 & 3: Readiness & Capacity**

- **Failed to follow DOD capacity guidelines**
- **Did not consider current and projected workload**
- **Overloads capacity at Anniston, Letterkenny and McAlester**
- **Requires extensive construction and relocation cost**

### **Slide: Deviation for Criteria 1 & 3: Readiness and Capacity**

The DoD recommendation to close Red River deviates from Criteria 3 by failing to provide an adequate surge capacity.

The DoD uses 40 hours per week to determine depot capacity and the Army's goal is to load the depots to 85% capacity and have 15% for surge. Based on that standard alone, there is not sufficient capacity to warrant closure of any depot.

However, the Joint Cross Service Group decided to use 60 hours per week to artificially create more capacity in order to move Red River's 2.1 million man hours to other depots. However, these additional 20 hours per week are reserved for surge.

Furthermore, the DoD analysis did not consider Red River's FY05 workload of 4.0 million plus manhours or the 6.4 million manhours in FY06. Instead, they relied on the FY03 figure of 2.1 million man hours.

Similar capacity issues are true for the Red River Munitions Center. There is insufficient ammunition storage capacity within the Army to accommodate the Red River Munitions Center and Lone Star Ammunition plant's current stored ammunition. For example, Red River has 107 high security storage facilities whereas the proposed gaining location at McAlester only has 50. The DoD recommendation does not identify how it plans to address this discrepancy.

I should also note that the Munition Center is closely integrated into the Patriot missile recertification process which is also at Red River. Relocating the Munition Center and the Patriot missile recertification process to different locations make little sense.

In short, the DoD recommendation overloads capacity at other depots and ammunition plants which clearly would impact readiness. The DoD recommendation does not eliminate excess capacity as they claim because the excess capacity simply does not exist.

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## **Deviation from Selection Criteria 5 Cost & Savings**

- **Savings Overstated**
  - Indirect Overhead of 30%
- **Costs Understated**
  - Costs to Replicate Rubber Products and Missile Recertification
  - Potential Environmental Restoration (Criterion #8)
  - Assumes 75% Movement of Personnel
  - MILCON @ DDOO; Refacilitize @ ANAD/LEAD

### **Slide: Deviation from Selection Criteria 5 – Cost & Savings**

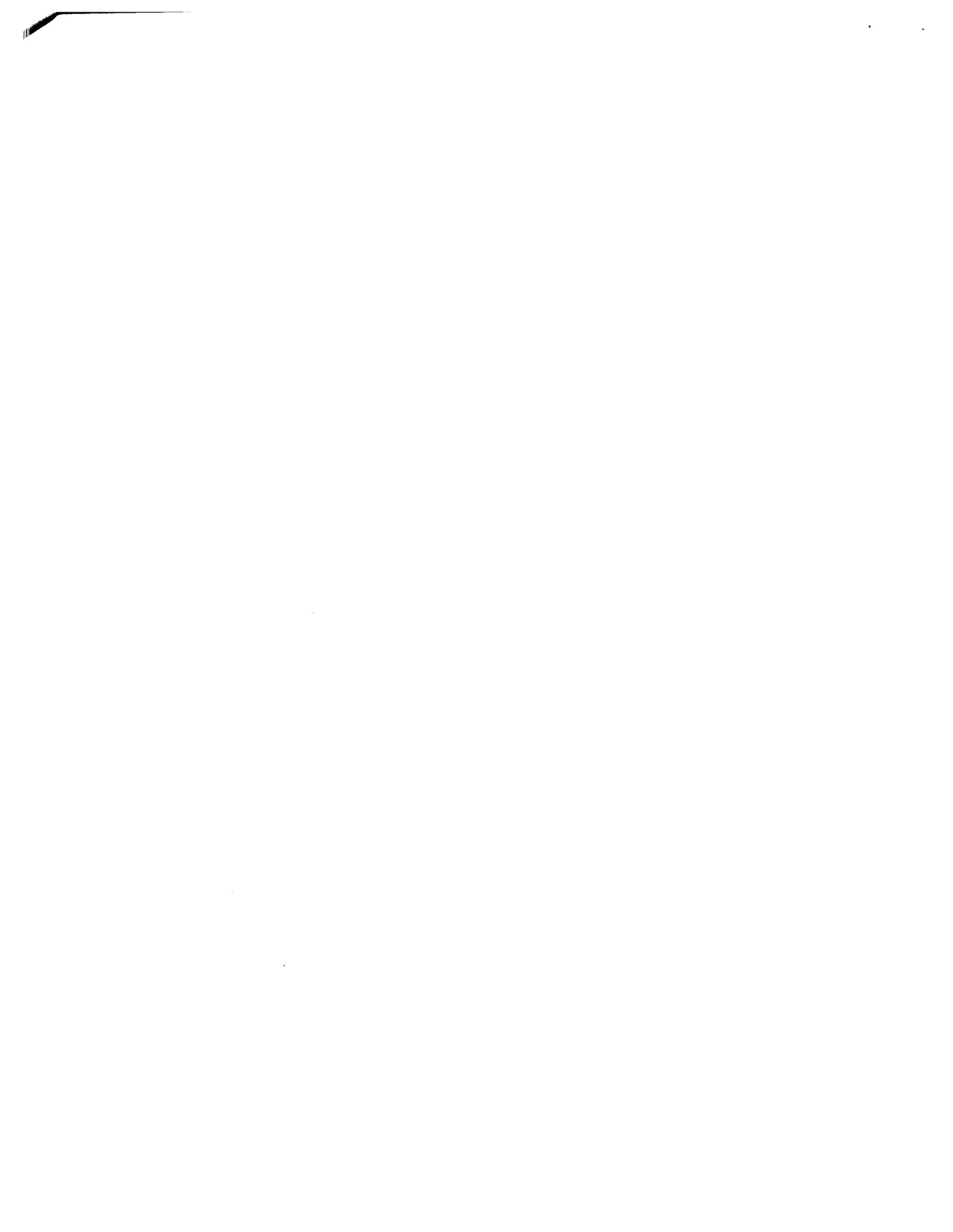
The DoD recommendation substantially deviates from Criteria 5 by overstating savings and understating costs.

Depots operate at approximately a 30% indirect to 70% direct labor ratio. The DoD assumed that it was possible to save the 30% indirect labor costs at a closing depot. This assumption fails to take into account that a large portion of the indirect labor is directly related to workload and will require additional staffing at the gaining installation for support personnel. In simple terms, a proportion of the indirect man-hours will be required at the gaining installation and therefore to assume a 30% savings in indirect labor costs is incorrect.

In addition to savings being overstated, the costs to move facilities are understated. The cost to replicate the rubber products and missile recertification capabilities as well as the other required military construction costs are not accurately reported in the DoD analysis. These costs alone are over \$200 million. Additionally, environmental costs were ignored and the assumption that 75% of the personnel will transfer is overstated.

Even using the DoD's own data, it will still take over 10 years to break even, and if the true cost and savings figure were known, it could potentially be more than doubt that estimate.

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## **Deviation from Selection Criteria 8 Environmental Impact**

- **Failed to consider \$89.5M in environmental costs that were identified in the certified data call**
  - \$23.8M for Plans/Permits/Compliance at gaining installations
  - \$22.0M for Environmental Restoration Projects at RRAD
  - \$31.4M for Possible future remediation sites at RRAD
  - \$11.3M for Disposal and Decontamination at RRAD
  - \$ 1.0M for Investigation of range (UXO) sites at RRAD

### **Slide: Deviation from Selection Criteria 8 – Environmental Impact**

The DoD chose to ignore the environmental costs for both the gaining sites and the closure candidates, and rely on the notion that the DoD is responsible for environmental cleanup regardless of whether the installation closes or remains opens.

In fact, several environmental expenses caused by closure would be unnecessary if the installation remained opened. Examples are the new permit requirements at the gaining installations, closure costs at the losing sites, and potential remediation costs. Closure drives remediation decisions that may not be the most economical. Removal of contaminated soil versus the option of natural attenuation over several years is a prime example. Re-use plans may include residential development in lieu of industrial use, or requiring full rather than partial remediation.

I will now turn the floor over to General Robles for his perspective.



**A Former Commissioner's & Combatant  
Commander's Perspective**



**Presented By  
Major General Josue Robles, Jr. (USA Ret)**



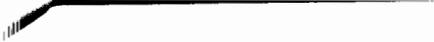
## **The Army does not have excess depot capacity for Red River's missions**

- Department of Army's analysis on Depot Maintenance showed **no significant excess capacity** among the five Army depots.
- "Army depots are working beyond capacity and show no signs of slowing down, says **Army Secretary Francis J. Harvey**. With these industrial facilities operating 24/7 to keep up with equipment repair workloads, **the Army is not in a position to close any of them**, even as a round of base closures looms, he asserts. This year, the services eight depots and arsenals will generate 19 million direct labor hours. Next year, the number is going up to 25 million direct labor hours. 'We have surge capacity within that, and we pay very close attention to having that capability,' says Harvey. The Base Realignment and Closure Commission will have to take that into account. 'We are going to maintain the capability to surge—in the 25 to 30 million range.' (from National Defense/May 2005).
- Department of Army resisted closure of Red River throughout Service deliberations and only acquiesced when DoD promised additional capacity.



## **Flaws in the Red River Recommendation**

- **Industrial Joint Cross Service Group reached its recommendation to close Red River Army Depot using a flawed methodology.**
  - DoD handbook uses a workload of 85% capacity based on 1 shift, 8 hours/day 5 days/week or 40 hours per week for capacity analysis.
  - No excess capacity exists beyond necessary surge ratio.
  - Industrial JCSG incorrectly used a surge rate of 60 hours per week (1.5 shifts), making it appear feasible that other depots could absorb Red River's 2.1 million direct labor hours peacetime workload.
  - This approach assumed peacetime workload and removed depot surge capacity to allow recommendation to close Red River.
- **This flaw requires the creation of 2.6 million direct labor hours in new capacity to support the Red River closure.**
  - Recommendation requires creation of 2.2 M DLH in capacity at Anniston and 0.4 M DLH in capacity at Letterkenny.
  - Recommendation requires over \$194 M in one time costs and over \$40 M in milcon to recreate capacity that exists at Red River today.

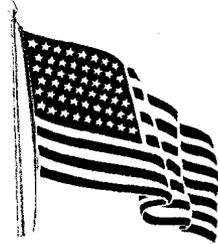


## **Risk to Capacity Resulting from the Red River Recommendation**

- It is uncertain that Red River's peacetime workload of 2.1 M DLH can be absorbed at other depots without increased costs and lost productivity.
- Even the proposed new 2.6 M DLH in capacity may not be sufficient based upon Red River's escalating workload:
  - FY03: 2.1 M DLH
  - FY06: 4.0 M DLH
  - FY08: 6.4 M DLH (projected)
  -
- Army discussions on Red River noted that "FY03 data used in Industrial JCSCG's analysis does not reflect current workload or future requirements." (Army Senior Review Group Meeting #32, 01 March 2005)
  - The Army benefited from the BRAC '95 decision to keep Red River open and maintain its crucial depot capacity.
  - The ongoing Global War on Terrorism makes it dangerous to eliminate capacity based upon data from the past.



**Closing Remarks**



**Presented By  
U. S. Senator Kay Bailey Hutchison**

Mr. Chairman and Commissioners, Good Morning. I am Senator Kay Bailey Hutchison and from the great state of Texas and a real Red River fan (hold up hand held fan).

Today we have presented our case for the removal of the Red River Defense Complex and from the BRAC closure recommendation. Please allow me to provide you with some additional data to assist you in this decision.



## **GAO Conclusions On RRAD**

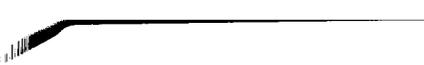
- **Capacity with Expanded Shifts is an Issue**
- **Uncertainty on Munitions Storage**
- **Rubber Products Transfer is a Concern**
- ***“THE COMMISSION MAY WANT TO REVIEW THE EXTENT TO WHICH THESE CONCERNS ASSOCIATED WITH RED RIVER ARE VALID AND WHETHER THEY WERE ADEQUATELY CONSIDERED BY DOD.”***

Pages 89-91; GAO-05-785



## **Capacity Is An Issue**

- **Recommendation Does Not Eliminate Capacity, It Replicates It at Gaining Installations**
- **Planned Replication Does Not Satisfy Known Future Requirements**
- **Current Workload at Red River Above Requirements for What the Army Has Called A "Small War"**
  - **FY03: 2.1 M DLH**
  - **FY05: 4.0 M DLH**
  - **FY06: 6.4 M DLH (in the workload lock)**
- **Demonstrates What Army Knew to Be Factual In March**
  - **SRG Deliberative Minutes, 8 March 2005**



**The Army does not have excess depot capacity for Red River's missions**

- “Army depots are working beyond capacity and show no signs of slowing down, says **Army Secretary Francis J. Harvey**. With these industrial facilities operating 24/7 to keep up with equipment repair workloads, **the Army is not in a position to close any of them**, even as a round of base closures looms, he asserts.”  
(from National Defense magazine, May 2005)



## **A Sound Recommendation**

- **Retain Red River Army Depot, Red River Munitions Center, and Red River Defense Distribution Depot**
- **Designate the Red River Defense Distribution Depot as the Strategic Distribution Platform for Central Region**

To close, we wish to reiterate what must happen to retain the Red River Defense Complex. We request the Commission propose the removal of the Red River Army Depot, the Red River Munitions Center and the Red River Defense Distribution Depot from the from the BRAC closure list and designate the Defense Distribution Depot-Red River as the Central Region Strategic Distribution Platform for DLA.

Red River is a first-class service provider that is first in the hearts of each yellow-clad supporter you see here today. It is first in many other ways also. The first depot to acquire ISO 9000 certification for all its processes; the first to implement the LEAN manufacturing concept; and the first depot to obtain the Malcolm Baldrige award for Quality. Red River Army Depot is a pioneer of new efficiencies in the Army Materiel Command.

Mr. Chairman and Commissioners, my colleagues and I are appreciative of your commitment to achieving what is best for the brave men and women now serving in harm's way. Because of their importance to this nation, I pray you will reject DOD's ill conceived recommendation regarding Red River.

There are good reasons that your 1995 predecessors saw the future Military Value of this installation and voted Red River off the Base Closure list. Their wisdom and insight were proven correct, and we believe those reasons are even more clear and compelling today given recent history including last week's attacks in London. The ability of our nation to combat terrorists at home and abroad are directly linked to the Army depots. Do not dismiss as simply "excess" the critical support they need to wage that war and to return home safely. When Staff SGT Adrian Andrews recently related a story concerning an Iraqi attack on his armored HMMWV, he commented he knew he would be safe because his HMMWV was rebuilt at Red River and was armored by Red River technicians in Iraq. The depot's motto is "Building it as if our lives depend on it; Theirs do". Do not deny other combat soldiers that same sense of security assured by a Red River product.

On behalf of my Texas and Arkansas colleagues in the U.S. House and Senate, thank you Commissioners and staff, and thank you Red River Defense Complex workers and citizens for your service to our Nation.



*Building It As If Our Lives Depend On It -- Theirs Do!*

