

CLOSE HOLD

# USTRANSCOM *BRAC DISCUSSION*



**Mr. Durso Visit  
15 June 2005**

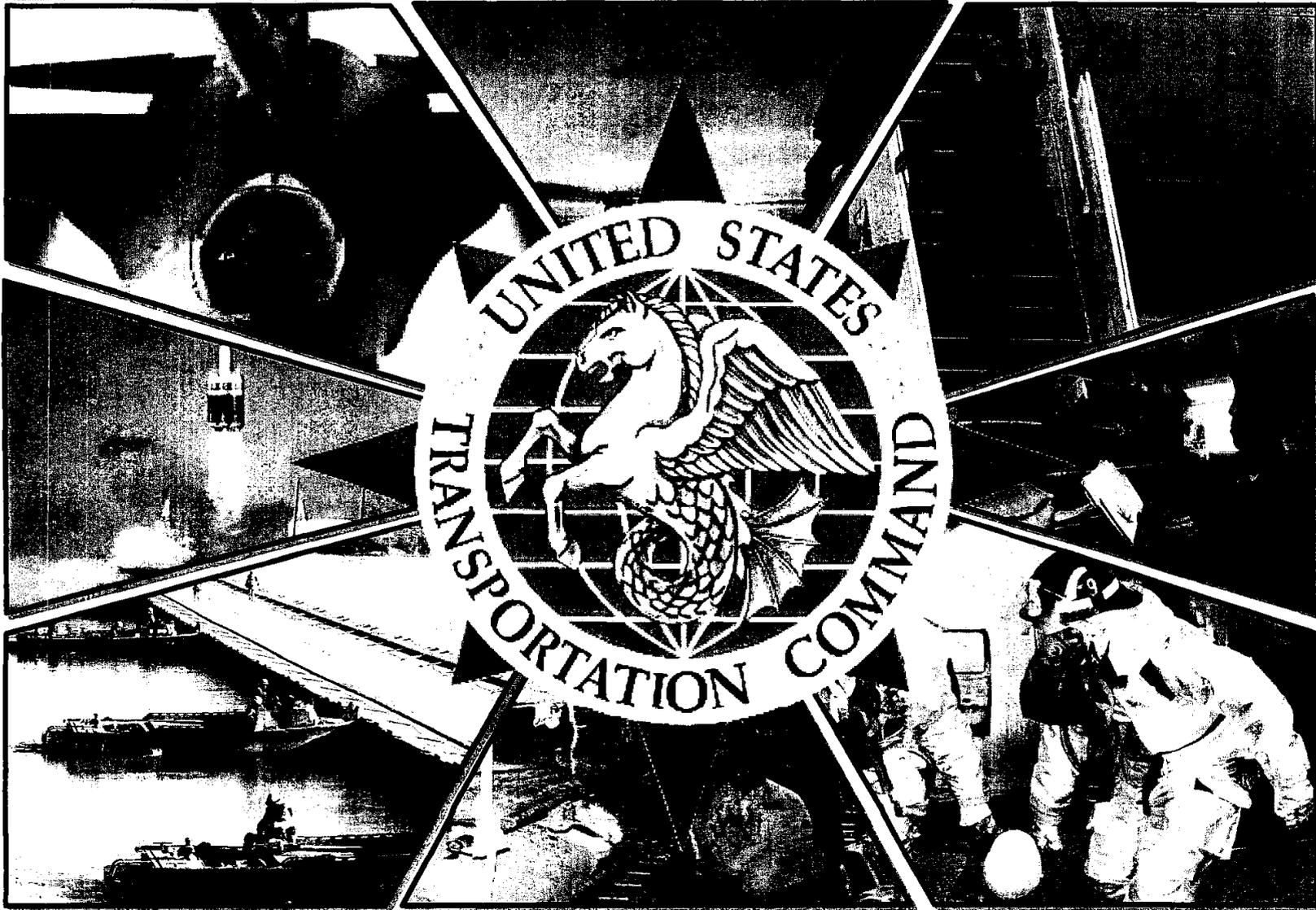
CLOSE HOLD

MEETING THE GLOBAL CHALLENGE

**Gen John Handy**  
**Commander, USTRANSCOM**



# *Projecting National Policy and Power*



***America's Military Might Moves with USTRANSCOM***



# Single Manager for Common User Transportation

## Requirements



## Mode Selection



## Execution



Unified  
Commands

Components

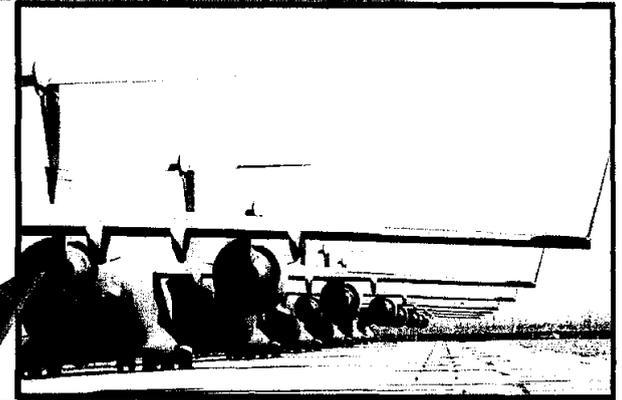
*USTRANSCOM provides the synchronized transportation, distribution, and sustainment which makes possible projecting and maintaining national power where needed with the greatest speed and agility, the highest efficiency and the most reliable level of trust and accuracy.*



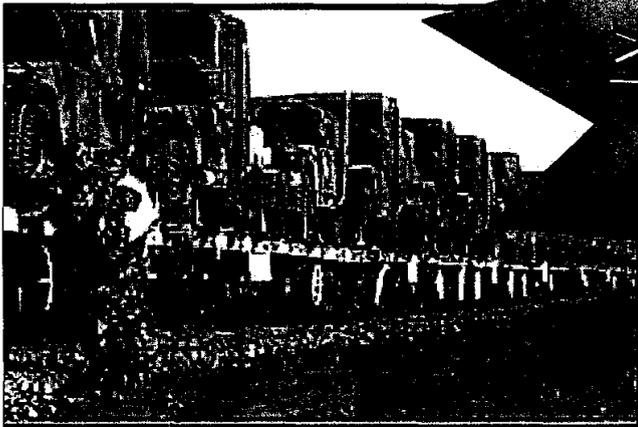
# *Operations Enduring Freedom and Iraqi Freedom*



**> 76K CONUS  
Truck shipments**

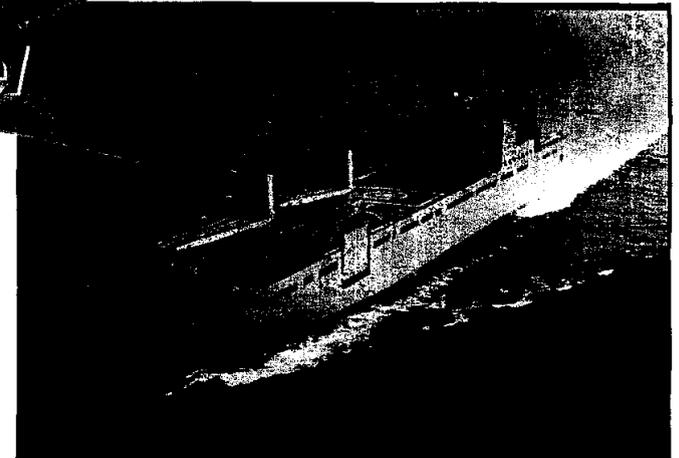


**> 35K Airlift  
Missions**



**> 114K Rail Car  
shipments**

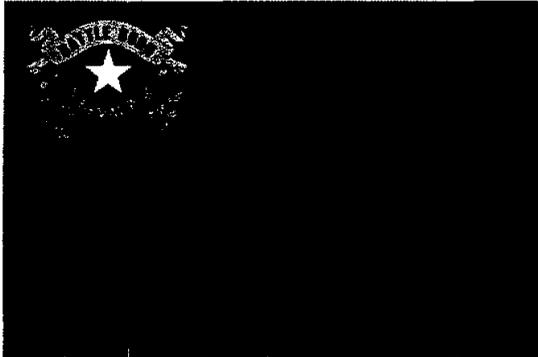
**> 6.3 M STONS  
Dry Cargo (air & sea)  
> 2.3M PAX  
> 2.6B gallons of fuel  
(air and sea)**



**> 630 Ship Loads**



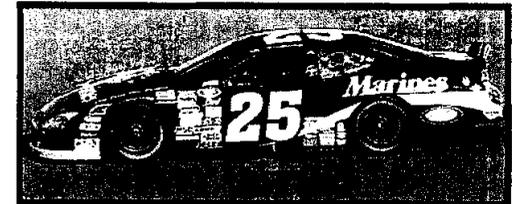
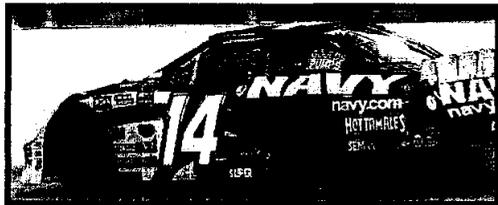
# *Practical Examples as of 11 May 05*



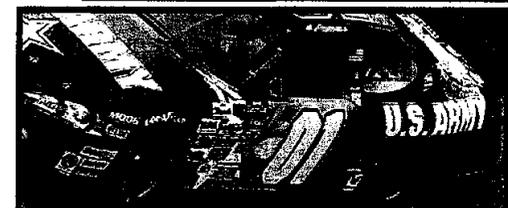
2,343,125 passengers:  
That's more than the  
entire population of the  
state of Nevada.



6,319,469 STONS of cargo:  
equivalent to a line of tractor  
trailers stretching from Los  
Angeles, CA to Jacksonville,  
FL.



2,686,014,661 gallons of fuel:  
That's enough gas to run the  
entire NEXTEL season for  
the next 18,480 years.





# *USTRANSCOM History*

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1987 -- USTRANSCOM Established

1990 -- DESERT SHIELD/STORM

1993 -- First operational C-17 joins airlift force

1996 -- First LMSR joins surge sealift force

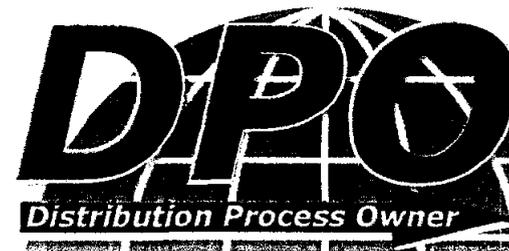
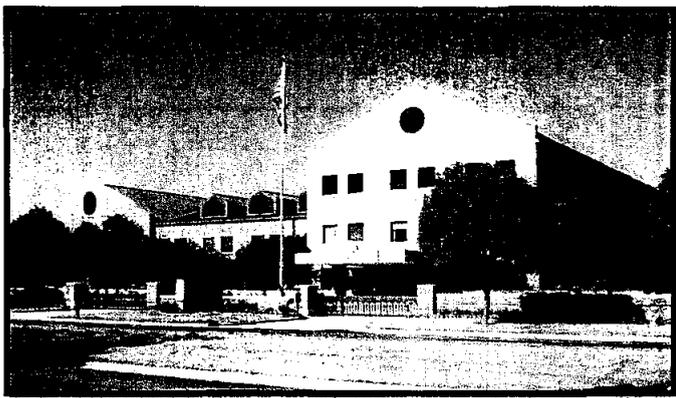
2001 -- Op. ENDURING FREEDOM / NOBLE EAGLE

2002 -- USTRANSCOM Reorganization

2003 -- AMC Reorganization

2003 -- Op. IRAQI FREEDOM

2003 -- Distribution Process Owner





# Operating in a Global Environment

These operations affect some of the COCOMs...



DESERT SHIELD / DESERT STORM  
JUST CAUSE  
Fall of the Berlin Wall  
Former Soviet Union Relief  
Kurdish Relief  
NORTHERN/SOUTHERN WATCH  
Hurricane Andrew/Iniki/Omar  
Somalia / Bosnia  
LA Earthquake  
Rwanda  
Oklahoma City  
Vigilant Sentinel  
JOINT ENDEAVOR  
Liberia NEC  
Dhahran Bombing  
Hurr  
DESERT STORM  
Zaire  
KAFIST  
DESERT STORM

...USTRANSCOM has supported them all!

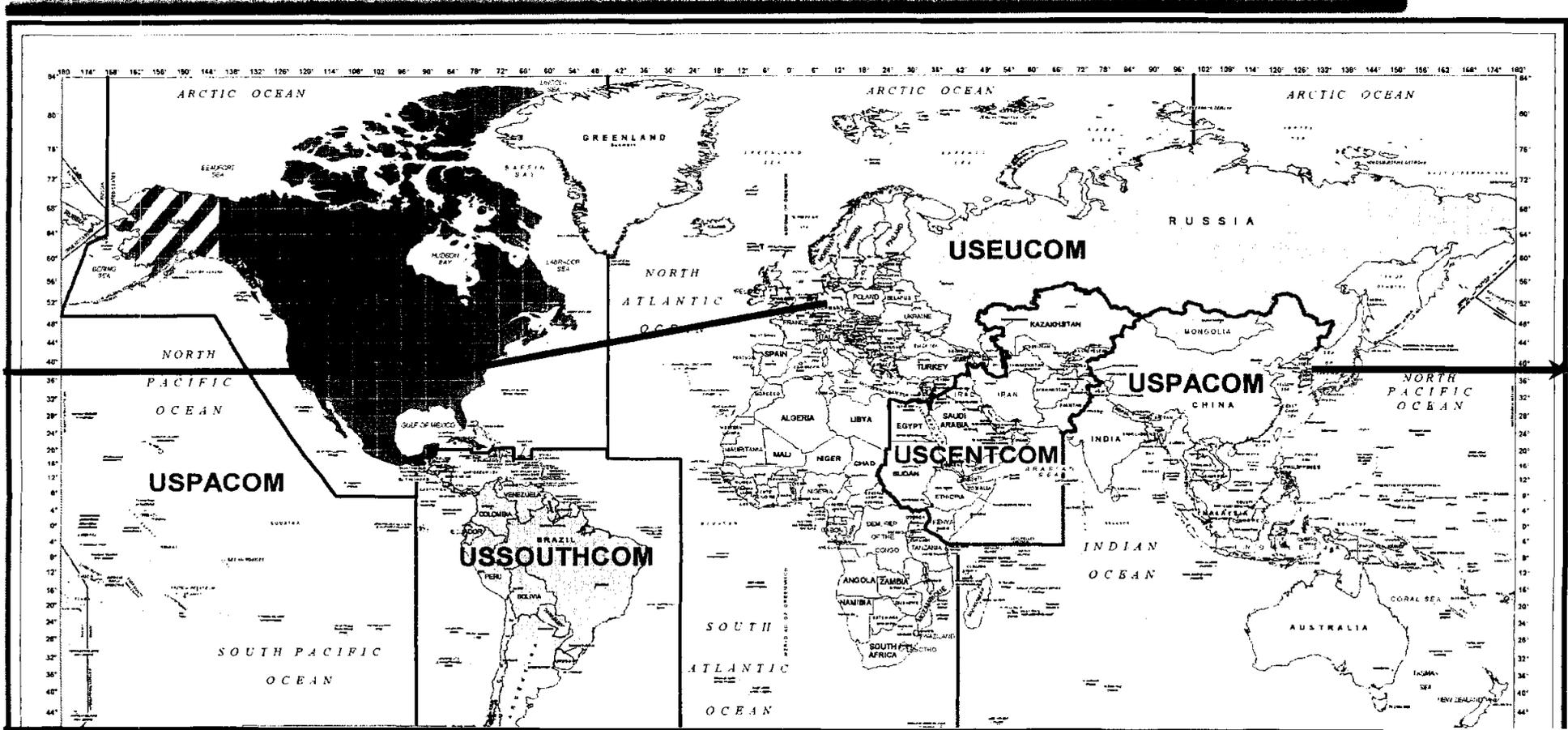
Kosovo  
DESERT FOX  
Hurricane Mitch  
DESERT THUNDER III  
Hurricane Georges  
African Embassy Bombings  
Florida Wildfires  
DESERT THUNDER II  
Ice Storms  
THUNDER I  
Alaska

NOBLE EAGLE  
USS





# *CONUS based DOD Force Structure*

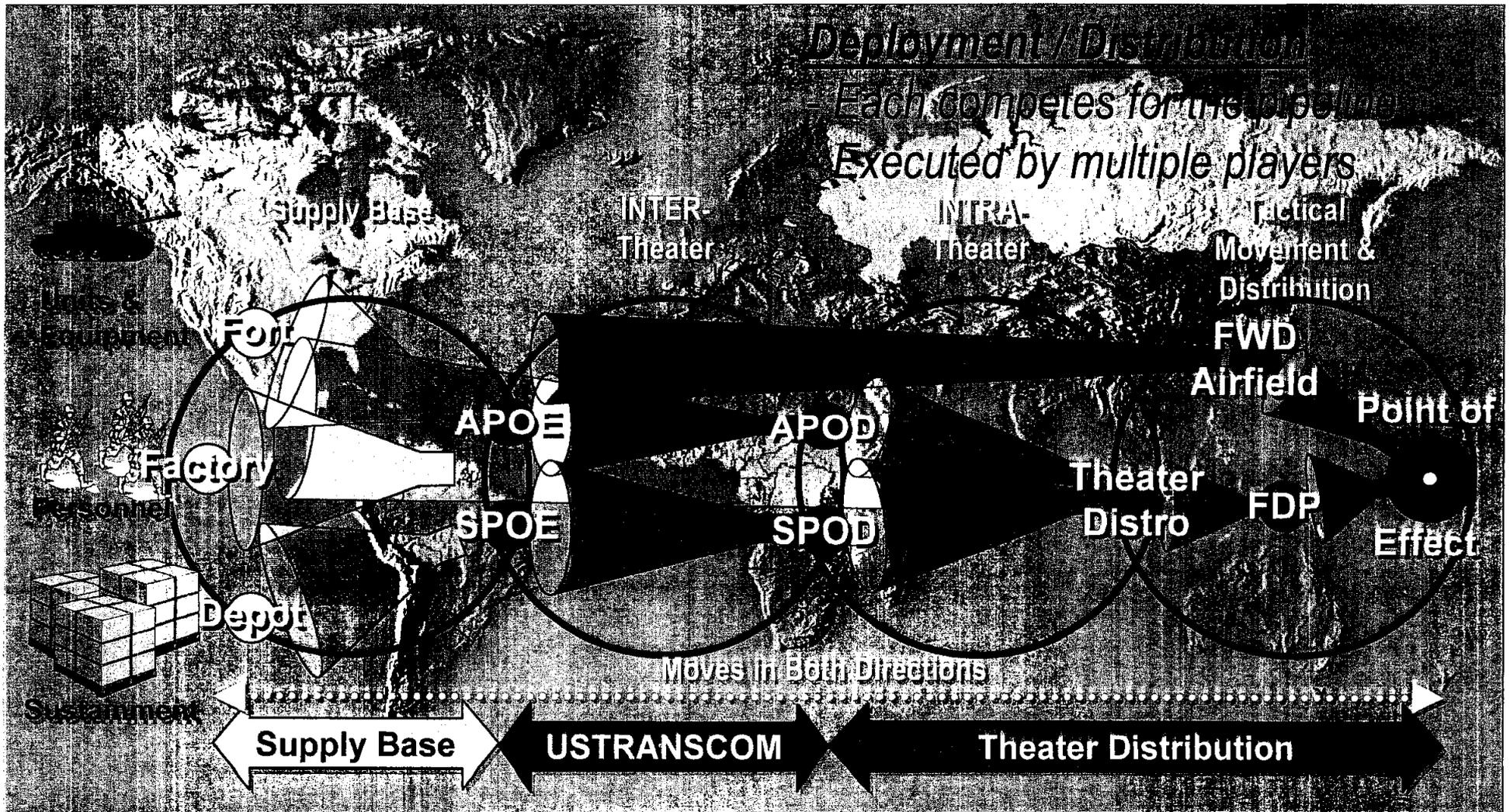


**In 1984, 69.3% of the DOD force structure was CONUS based  
In 2004, that number had increased to 77.7%**

***This increase places a greater load on out strategic lift capability***



# “Before” Distribution Process Owner Designation

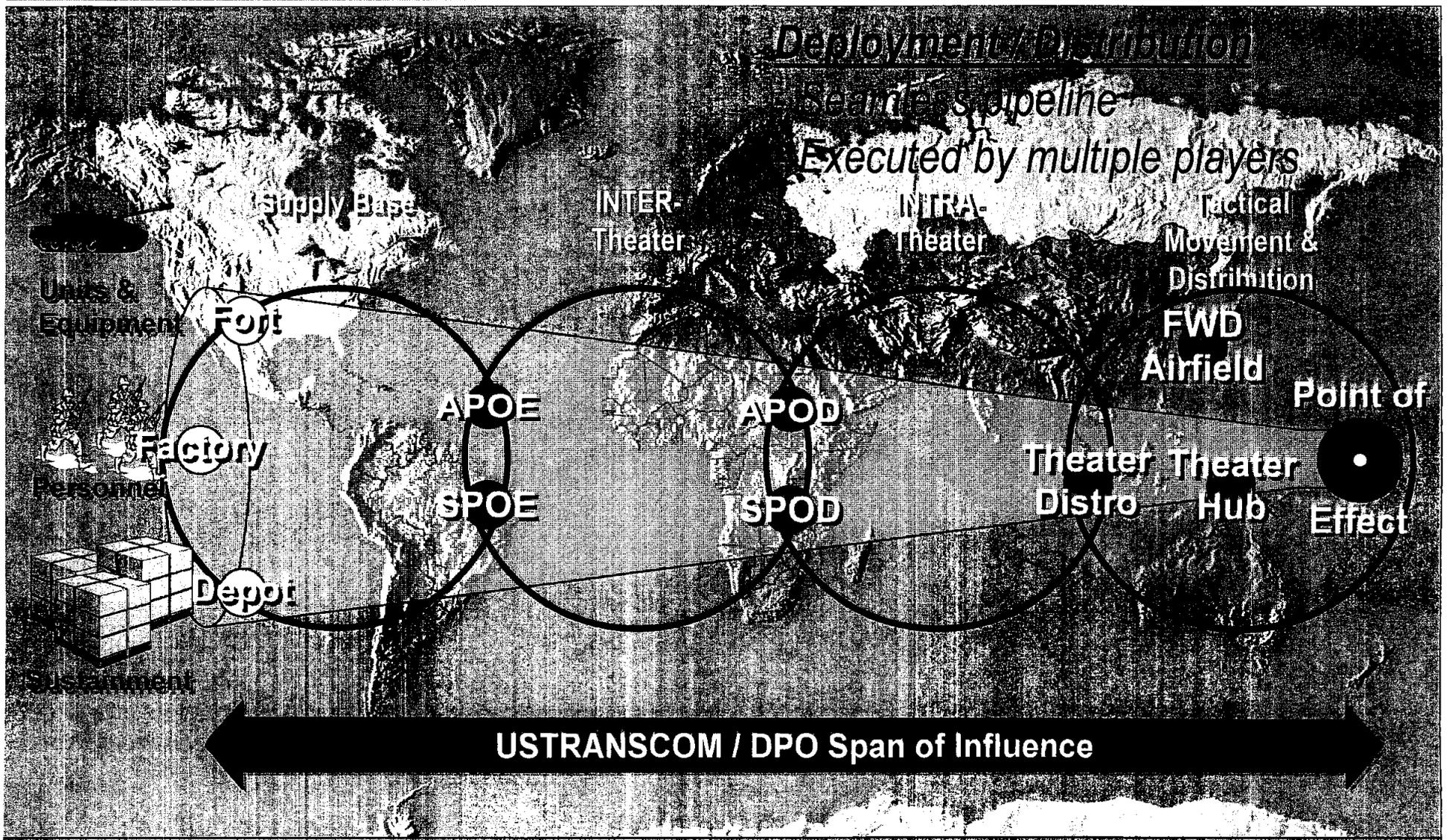


Who's setting priorities?  
Who's the receiver?

Who's directing execution?  
Who's metering the flow?



# DPO: Implementing Supply Chain Synchronization



*Keys to Success: Visibility & Authority*



## *DPO Success Stories*

---

- CDDOC/JDDOC ←  
- DLA rep
- AOR Asset Tracker
- Task Force Express (TFX)
- Research & Development, Test, Evaluation (R&DTE)  
- no service sponsor
- Container Management
- Single Ticket Initiative
- Distribution Portfolio Management
- Acquisition Authority
- Pure Pallet
- DLA Forward Stocking

**All while supporting GWOT**

***\$361.35 million cost avoidance and savings to date***



# DPO Update

Single page, bi-weekly, e-newsletter for DPO stakeholders

Provides information on the issues and initiatives, challenges and successes, impacting the management of DOD's end-to-end supply chain

Accessible from:

- DPO website
- Bi-weekly email
- To join send blank email to [join-dpoupdate@mercury.afnews.af.mil](mailto:join-dpoupdate@mercury.afnews.af.mil)



## The DPO Update

Information for DPO Stakeholders

DISSEMINATION STATEMENT

(NOT) Some links are only accessible from a ".mil" site

Issue Number 11

*"The big picture fostered by the DPO is to synchronize all supply chain processes so that as material moves through various distribution and transportation points, we don't have backlogs, we don't have delays and the material is able to flow through the 'pipeline' seamlessly."*

Vince Jirinka, chief of Transportation Policy in DLA's Logistics Operations

*"The line between disorder and order lies in logistics"*

Sun Tzu

### Task Force Express (TFX) Advanced – Mapping Theater Distribution

Task Force Express, originally an effort to map the distribution processes in the Theater in search of areas to improve, has advanced to managing distribution of the supply pipeline from the inception of a requirement to its point of consumption.

The CENTOOM Deployment & Distribution Operations Center (CDDOC) has mapped Class I distribution to Iraq, Class V distribution in the CENTOOM AOR, and Class IX from acquisition to disposal in Afghanistan. In addition, the CDDOC's Sustainment Division has begun TFX-Advanced, the development of a distribution management tool (rheostat) to meter the flow of distribution by commodity.

The process starts with a fundamental map of the process to be managed (i.e. Class I to CJTF-76), identifying process ownership responsibilities for each stakeholder in the supply chain, gathering requirements and consumption data, identifying what is flowing through each node / segment of the distribution pipeline and comparing the contents in the flow with the requirement. Factors considered include volume and timing, as well as capacities and capabilities of each node. Metrics are beginning to be established and processes refined.

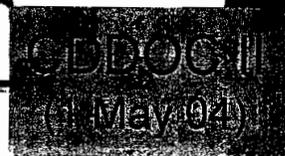
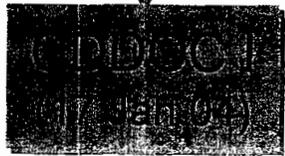
Planning is underway to formalize a standing distribution management council for the CENTOOM AOR to work collaboratively to effectively control materiel flow to the CENTOOM Combined Joint Operating Areas (CJOAs).

### DEAMS Update

The Defense Enterprise Accounting & Management System is moving toward a single integrated, reliable, accurate and timely financial system for USTRANSOCC capable of producing a single bill for transportation.



# USTC Goal: Improve Theater Logistics



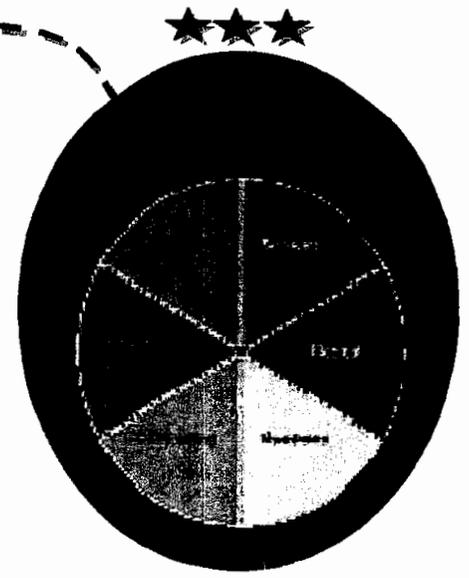
Refinement



"Scaleable to the Region/Mission"

### Imperatives:

- Joint logistics doctrine
- Joint tasks / functions
- Joint processes - skill sets
- Joint responsiveness
- Joint architecture / comms
- Joint organizational construct
- Joint theatre logistics



### Self-Evident Truths:

- Functions at the COCOM
- Directive authority
- Capitalizes reachback
- Synchronizes joint efforts
- Executes inherently joint tasks
- Employs joint architecture
- Integrates SME / "end to end" skill base

Winter 03

Spring 04

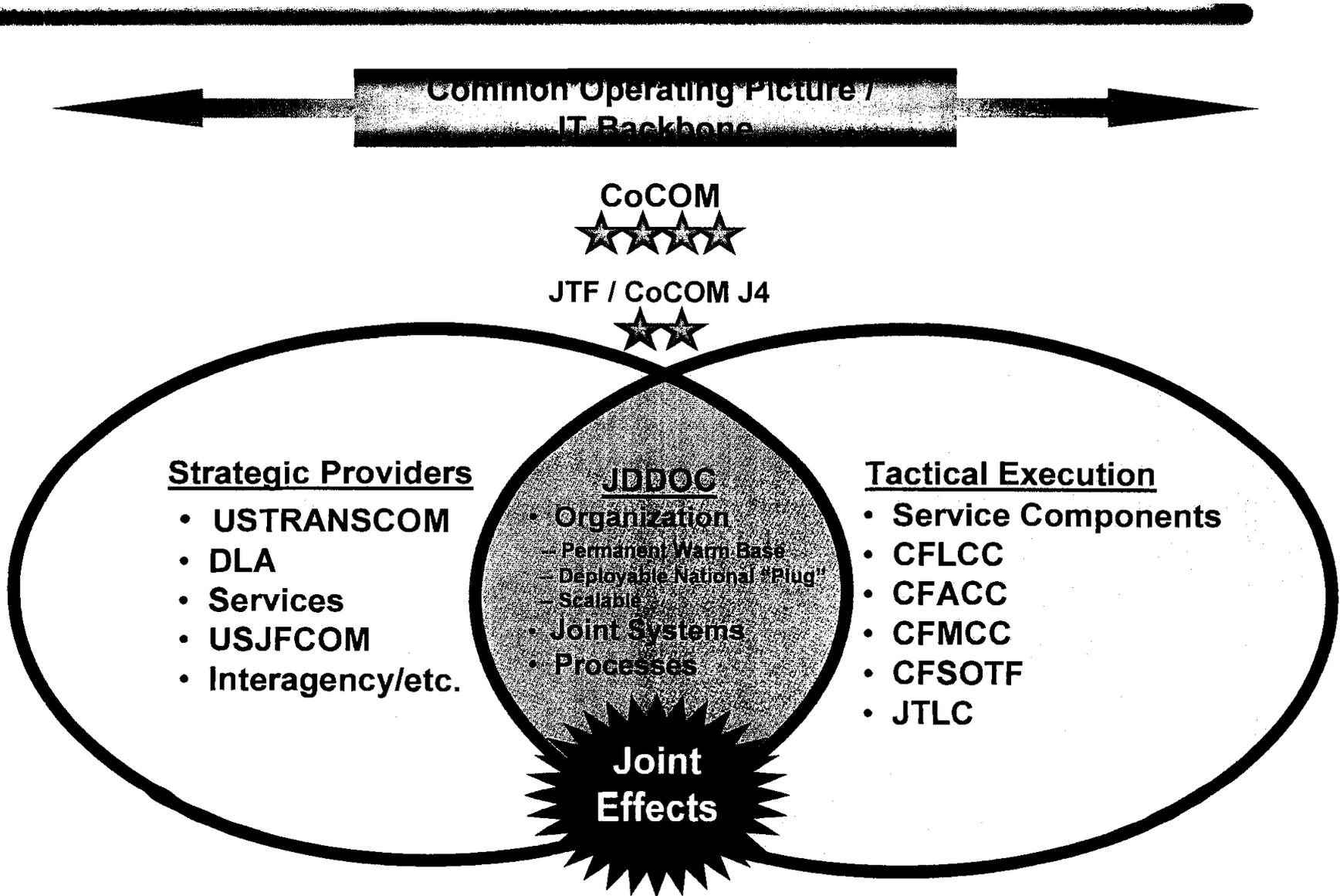
Fall 04/Spring 05

Summer 05





# JDDOC Construct

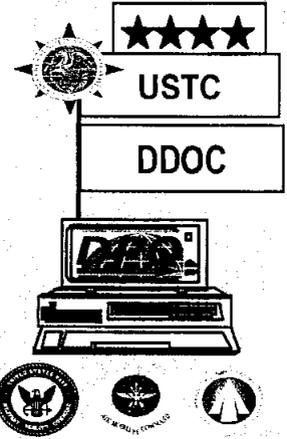
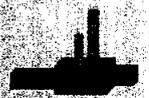




# Joint Deployment and Distribution Enterprise



## Materiel



SPOE

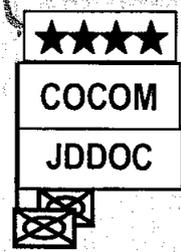
## Forces



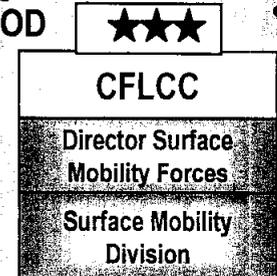
APOE

# ONE ARCHITECTURE

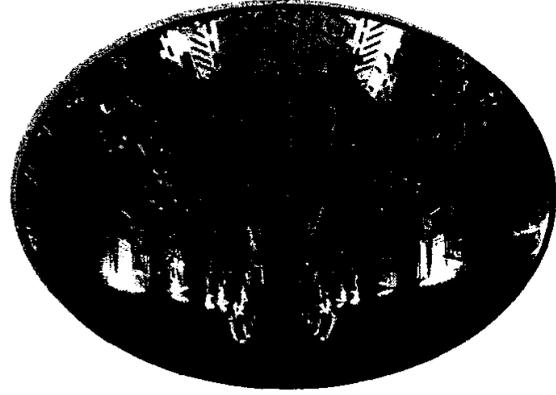
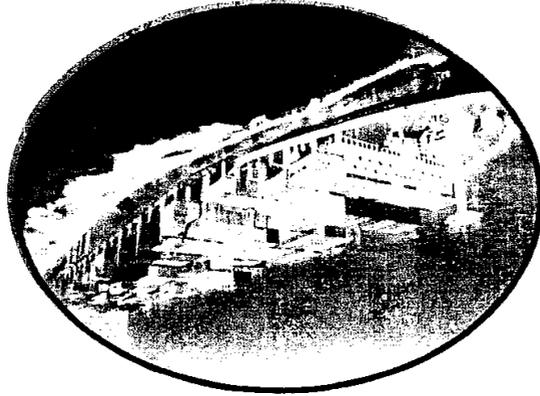
Sea Port



DLA Fwd / TDC



*The Bottom Line - Support the Warfighter!*



*Get the warfighter  
to the fight*



*Sustain the warfighter  
during the fight*



*Bring the Warfighter  
home*

*We move America's military might... and we are stepping out smartly!*



**What Can Purple Do For You?**



**CLOSE HOLD**

**BRAC Consolidation Scenario Briefing  
(HSA-0114)**

**for**

**Mr. James Durso**

**Senior Analyst, BRAC Commission**

**CLOSE HOLD**

**Material contained herein is sensitive as it pertains to the USTRANSCOM Base Realignment and Closure (BRAC) consolidation scenario. All individuals handling this information should take steps to protect the material herein from disclosure.**



# Today's Environment Requires

- Rapid, effective, and efficient projections of power both at home and abroad
- Ability to anticipate and adjust to changing distribution and transportation requirements



# Consolidation Recommendation

Absolutely the right thing to do for the DoD:

- Establishes a centralized command and control structure for the national assets of the Defense Transportation System (DTS)
- Integrates disparate operations, eliminates duplication and redundancy, and saves resources



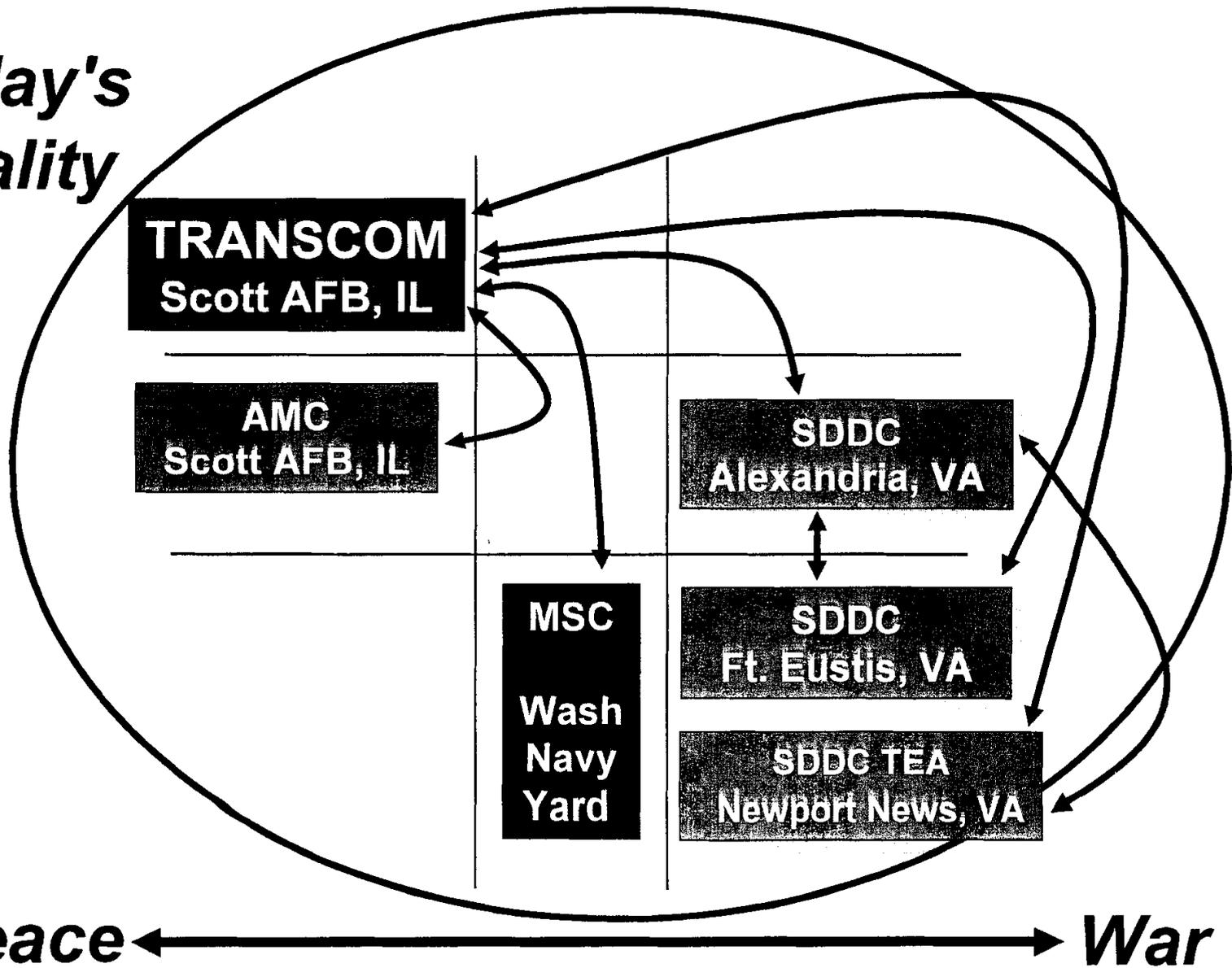
## Why?

Will enhance our ability to conduct our global mission by simplifying our internal processes and structure thereby improving our ability to respond quickly and effectively to the warfighter



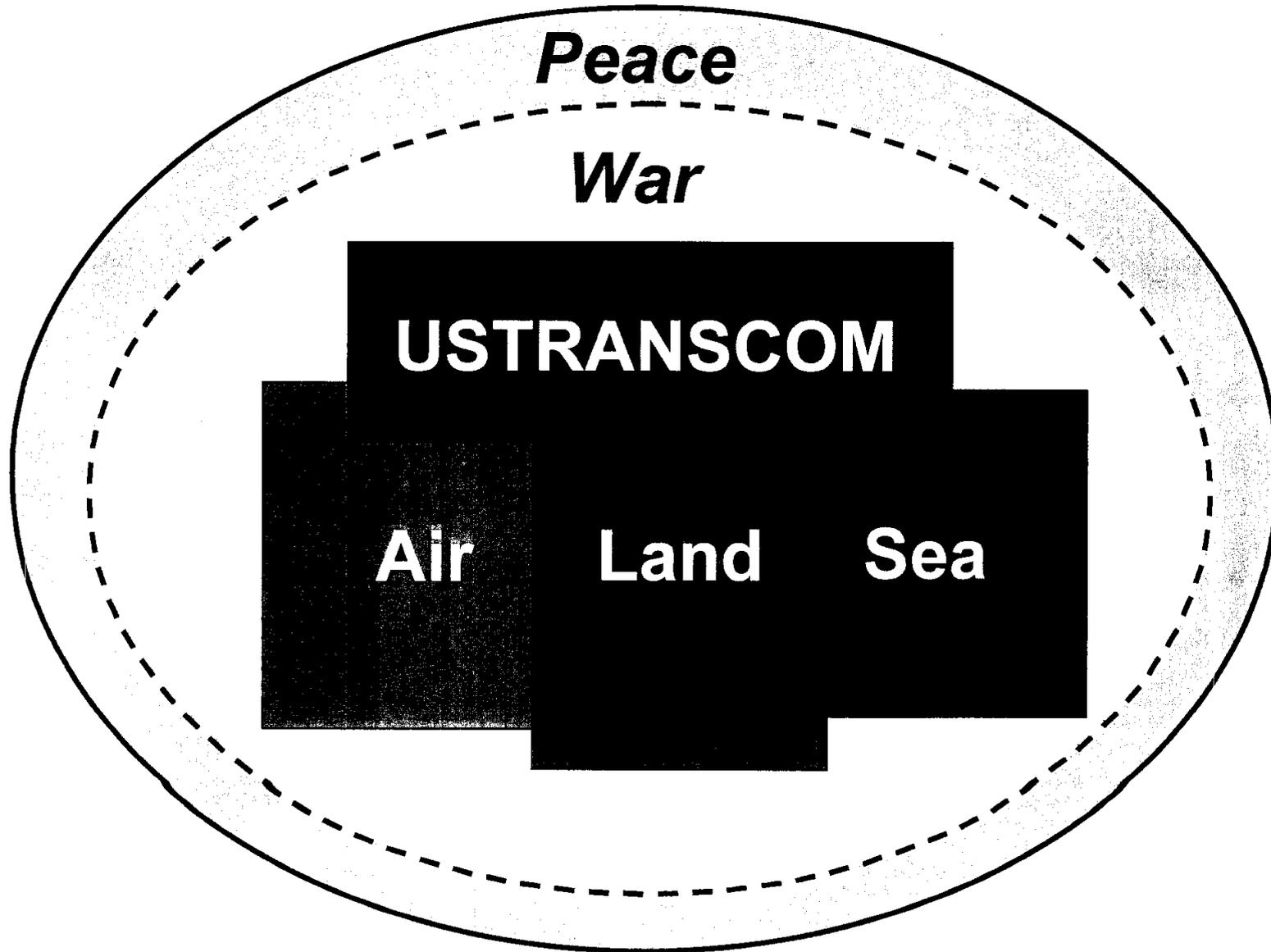
# DTS Transformation

*Today's Reality*





# DTS Transformation





## If Not

- USTRANSCOM will remain a prisoner of post Cold War organization
- USTRANSCOM and our component staffs must continue to overcome organizational and geographical barriers to perform the mission
- USTRANSCOM and our components will continue to burden the tax payer with inefficient operations to include 4 ops centers, redundant staffs, same functions at multiple locations, costing an extra \$1.2 B over the next 20 years



## This is Not

- This is not just about SDDC moving from VA to Scott AFB

Instead this is about:

- Transforming USTRANSCOM and our component commands into a consolidated COCOM to serve as the DoD focal point for managing and executing the deployment and distribution processes to support our COCOM customers



# USTRANSCOM Vision

**Consolidate and Integrate  
Non-Title 10 DTS Functions**



Scott AFB, IL

**Service  
Components**



**AMC**

Scott AFB, IL



**SDDC**

Alexandria &  
Ft. Eustis, VA



**MSC**

Washington Navy Yard, DC



Newport News, VA

**CONOPs: To consolidate the Defense Transportation System mission and resources of USTRANSCOM, Air Mobility Command, and the Military Surface Deployment and Distribution Command into one COCOM at Scott AFB, excluding the Title 10 (organize, train, and equip) responsibilities.**

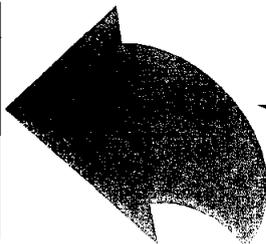
**Goal: Establish USTRANSCOM as the single DoD focal point for deployment and distribution enterprise to best oversee and manage execution.**



# DTS Transformation

- Execution DTS Functions are Consolidated into COCOM HQs
- Title 10 Functions Remain with Services

**Title 10 Functions**  
Organize, Train,  
& Equip  
Stay with Services



**Consolidated COCOM HQs**



**Consolidated:**

- Joint Ops Ctr
- DTS Operations
- Contracting/Acq
- Intelligence/FP
- Financial Mgt
- Legal
- Support Staff



Scott AFB, IL

- Ops Ctr-TACC
- Cmd Support
- Contract Airlift / Procurement *Charter*
- Pax/Traffic Mgt
- Intelligence
- TWCF Billing/ Accounting
- Weather

Key DTS Functions To Be Realigned to the COCOM



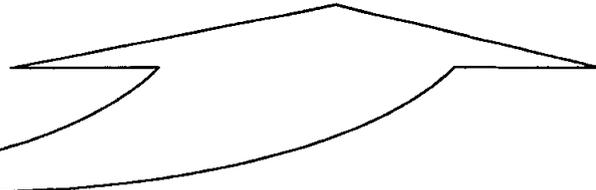
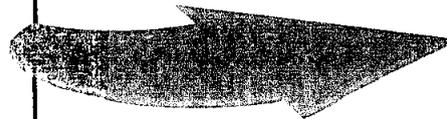
Alexandria, Ft. Eustis, & Newport News

- Operations Ctr
- Cmd Support
- Passenger PP
- Acquisition
- Intelligence
- Logistics
- Legal
- Financial Mgt



Washington Navy Yard

- Reach Back Capability





# Key Reasons for Transformation

- **Current organizational structure not as effective and efficient as needed to support COCOM customers**
- **Entirely too much redundancy:**
  - Multiple Ops Centers, Support Staffs, Contracting Activities, IT Support Staffs, and Automated Systems
- **Extra process steps in execution & inefficient hand-offs**
- **Fragmented processes make it difficult to effectively synchronize deployment and distribution enterprise**
- **Excessive time and resources expended working Title 10 issues vice razor-sharp execution**
- **Too costly – current structure has excessive overhead tied to our current geography**



# **Benefits of DTS Transformation**

- **Provides single face to the customer**
- **Yields, rapid, more effective agile support**
- **Focuses on unity of effort for better customer support**
- **Provides responsive joint effects and solutions**
- **Lowers support cost by consolidating support staffs, producing leaner processes, and saving manpower**
- **Eliminates need for 2 leased facilities, improves force protection by realigning mission to one fenced site**
- **Generates a net present value savings of over \$1B.**



# Efficiencies and Operational Benefits

## Achieving Key Savings

- Combined Ops/Joint Ops Centers
  - Single, consolidated Joint ops center
  - Less duplication, no hand-offs/seams
  - Collaborative, focused execution
- Financial Management
  - Centralize, consolidate, automate
  - Reengineer processes
- Acquisition / Procurement / Contracting
  - Consolidate/Eliminate redundancies
  - Synergy from transportation focused acquisitions (vs modal procurement)
- Information Technology Systems
  - System consolidation/streamlining
  - From 5 sites down to 2 sites
- Staff Support
  - Consolidate/flatten organization
- Logistics/Facilities Support
  - Consolidate/streamline/less workload

## Benefits to Warfighter

- Single Face to Customer
- Focused, Unity of Effort
- Synchronized intermodal solutions
- Agile, ready to deploy DDOC teams
- Ability to keep pace with rapid operations
- Increased In-Transit Visibility
- Improved tooth-to-tail ratio
- Single item billing
- Accurate, timely, reliable financial information



# Background on Scenario Development

- Scenario developed based on leader expertise
  - Examined consolidating and integrating staffs and functions
  - Identified key operational and streamlining benefits
  - Using total manpower numbers, estimated the savings
- Command has certified the BRAC numbers
  - Command believes the savings are achievable
  - Now bringing in more experts to better define initiative
- Establishing Integrated Process Teams (IPTs) to determine
  - Organizational structure
  - Most effective and efficient way to operate
    - Flatten organization / consolidate
    - Integrate / streamline / reengineer processes
    - Leverage information technology
  - Result: Single, effective and efficient DoD focal point for deployment and distribution enterprise, requiring 20% less resources



# Transition Phasing Considerations

- **Phasing of Functional Moves and Billet Savings:**

- **FY07**

- Ft Eustis functions and billets (minus savings) move to Scott AFB
- All identified AMC functions (minus A8 Financial Mgt functions which move in FY08) integrated into USTRANSCOM to achieve savings

- USTRANSCOM J3/FP, J6, J2/JIC savings turned in —————→ **First IPT**

- **FY08**

- Alexandria functions and billets (minus savings) move to Scott AFB
- AMC Financial Mgt moves to USTRANSCOM to achieve savings
- USTRANSCOM CMDSEC, and J8 savings turned in

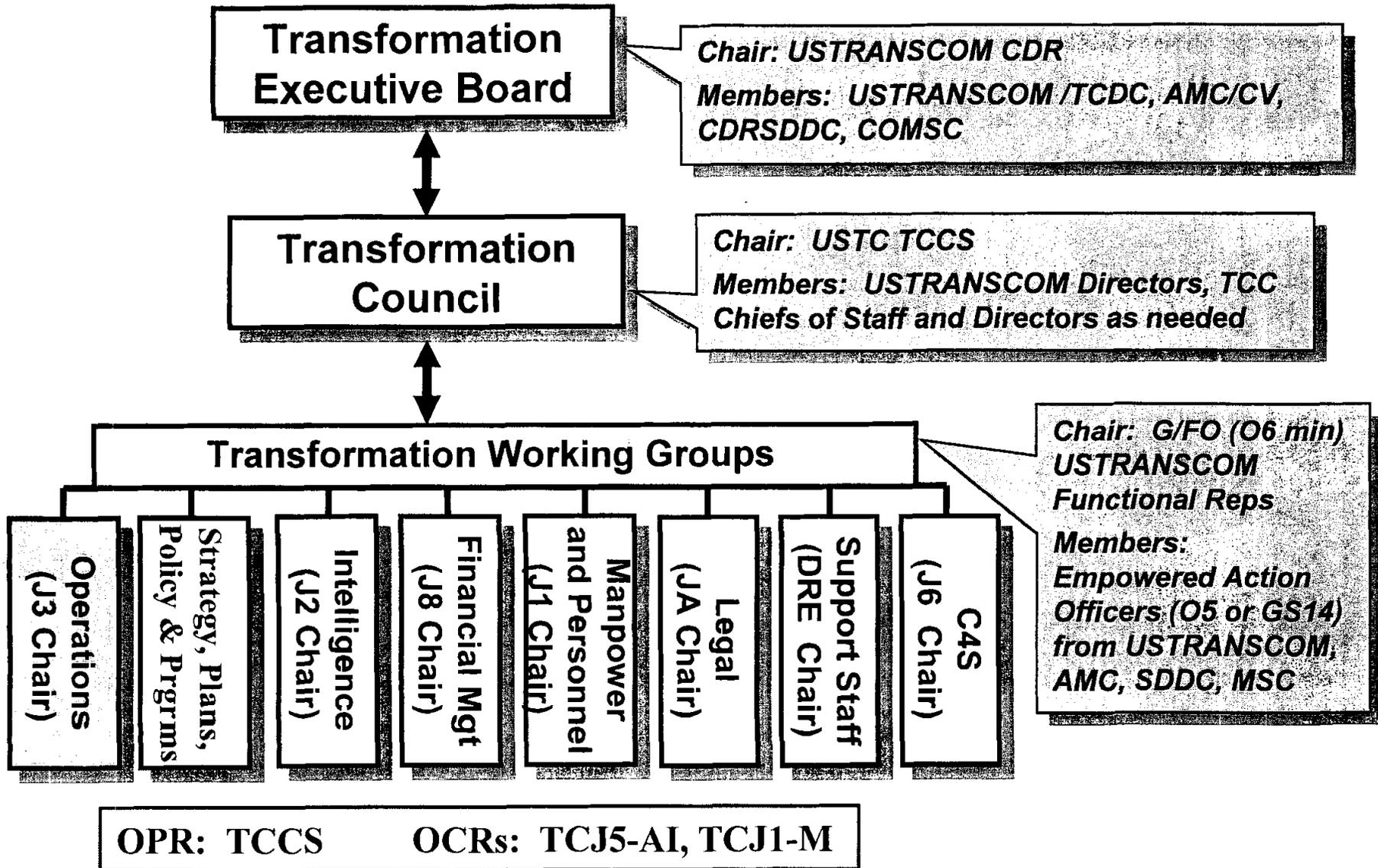
- **FY09**

- TEA functions move to Scott AFB and savings turned in
- USTRANSCOM J5 and J1 savings turned in

- Phasing considers facility needs and existing plans
- Phase IPTs - starting with consolidating C2 ops centers



# DTS Transformation IPT Structure





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# **BRAC Commission Staffer Briefing**

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**HSA 0114R  
Co-locate  
TRANSCOM & Components  
at Scott AFB**



Headquarters & Support Activities  
Joint Cross-Service Group  
1401 Wilson Blvd, Suite 400  
Arlington, VA 22209  
(703) 696-9448

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- b. COCOM Scenarios Considered (Taxonomy)
- c. COCOM Issues (Background Paper)

## **Tab 2: Mid-Course Briefing on COCOM Evaluations**

- a. Combatant Command Supporting Activities (Briefing)

## **Tab 3: TRANSCOM Scenario: Initial Direction and Assumptions**

- a. Letter from Gen Handy, Commander, USTRANSCOM
- b. Letter from MG Hunzeker, Vice Director, JS/J-8
- c. Letter from Gen Handy, Commander, USTRANSCOM
- d. TRANSCOM Point Paper on Realignment
- e. Pro-Forma TRANSCOM Scenario Assumptions (Briefing)

## **Tab 4: Scenario Drivers, Overview, and Key Functions**

- a. Results Overview Chart, Scenario HSA-0114R (Briefing)
- b. Final Authorization, Scenario Data Call Inputs (e-mail)
- c. Scenario Synopsis for Mr. Tison (Background Paper)
- d. Fact Sheet on Leased Space Issues in Northern Virginia
- e. Calculation of TRANSCOM Leased Costs for COBRA (worksheet)

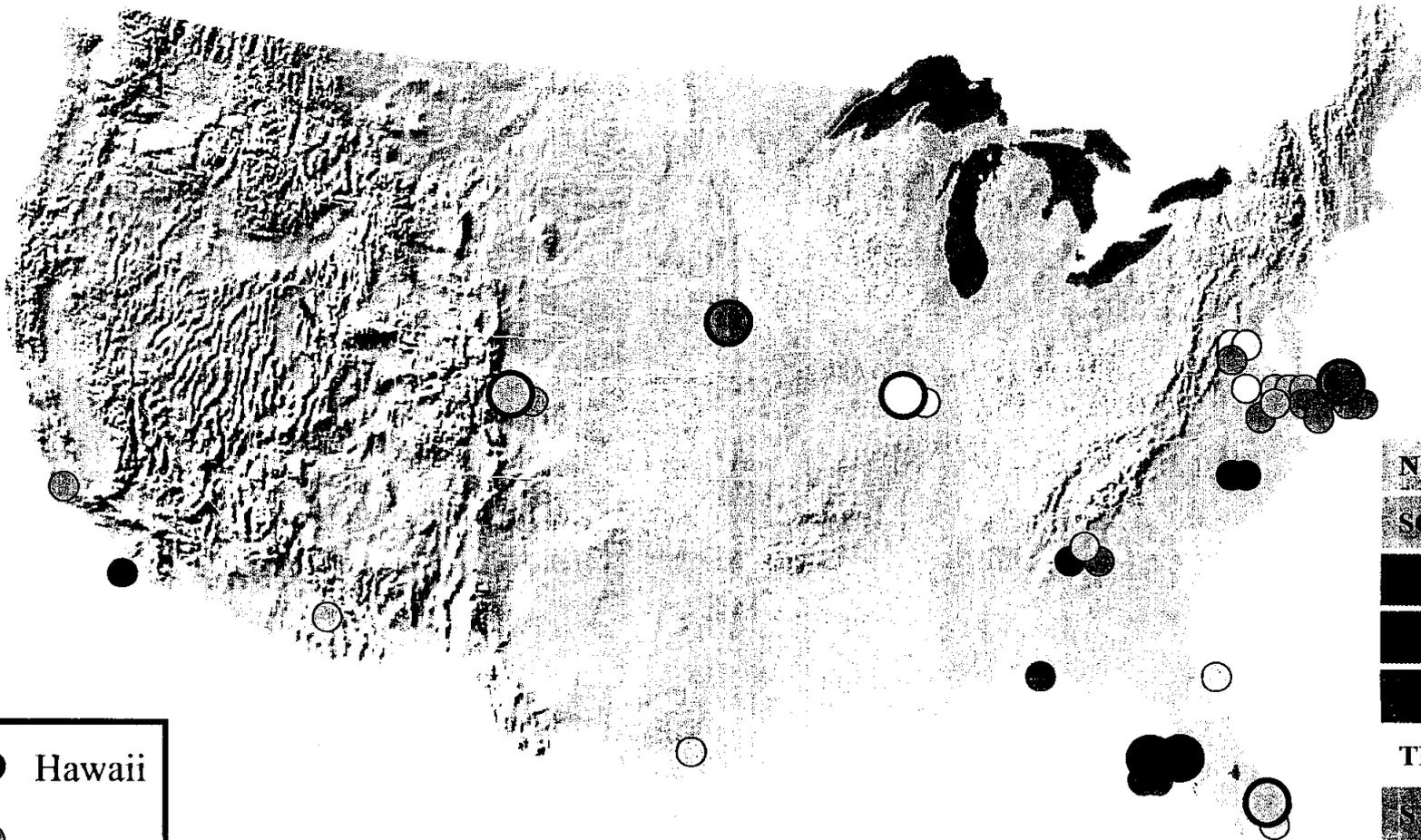
## **Tab 5: Scenario HSA-0136, TRANSCOM to McGuire AFB**

- a. Results Overview Chart, Scenario HSA-0136 (Briefing)
- b. Comparison Between McGuire AFB and Scott AFB Scenarios (Briefing)



# Combatant Commands HQs and Service Components

○ HQs  
○ Components



 Hawaii

NORTHCOM  
SOUTHCOM  
TRANSCOM



# Combatant Commands

## TRANSCOM

~~Co-locate TRANSCOM Components  
@ Ft. Eustis  
HSA-0063  
MAH-MAH-0013~~

✓ Co-locate TRANSCOM Components  
@ Scott AFB  
HSA-0114 [DECON]  
MAH-MAH-0048

~~Relocate SDDE  
@ Ft. Eustis  
HSA-00003 ALT  
MAH-MAH-00XX~~

~~Co-locate TRANSCOM Components  
@ McGuire AFB  
HSA-0136  
MAH-MAH-00XX~~

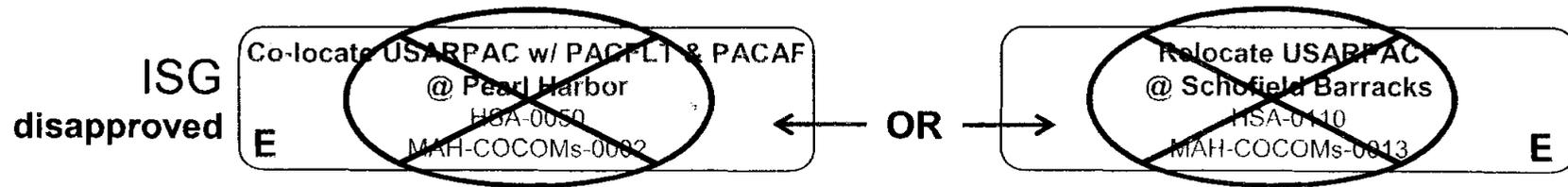




# Combatant Commands

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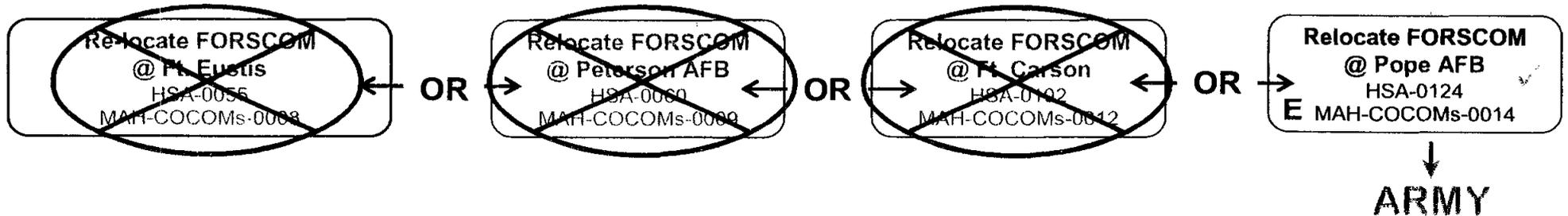
## USARPAC





# Combatant Commands

## FORSCOM

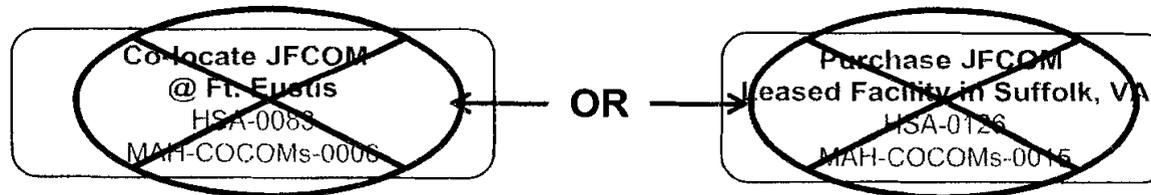




# Combatant Commands

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**JFCOM**





# Combatant Commands

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**TRADOC**

**Co-locate TRADOC  
@ Ft. Eustis  
HSA-0057  
MAH-COCOMs-0003**

**E**



**ARMY**



# Combatant Commands

## SOUTHCOM HQ

ISG  
disapproved

~~Relocate SOUTHCOM HQ  
@ Florida state-owned facility  
HSA-0058  
MAH-COCOMs-0007~~

~~Relocate SOUTHCOM HQ  
@ Homestead Joint Air Reserve  
HSA-0059  
MAH-COCOMs-0004~~

~~Purchase SOUTHCOM HQ  
Leased facility & Land in Miami, FL  
HSA-0104  
MAH-COCOMs-0014~~

~~Relocate SOUTHCOM HQ  
@ Patrick AFB  
HSA-0137  
MAH-COCOMs-00XX~~

~~Relocate SOUTHCOM HQ  
@ Lackland AFB  
HSA-0138  
MAH-COCOMs-00XX~~



**COCOM-Related Issues for the BRAC Commission**  
**30 May 2005**

- 1. What were the principal targets or realignment benefits considered by the COCOM team in H&SA?**
  - The COCOM team looked for ways to (1) co-locate and better integrate COCOM & component headquarters, (2) move these activities out of leased space and into secure military locations, and (3) achieve cost savings concurrent with greater efficiency and military effectiveness. COCOMS and components studied included: JFCOM, SOUTHCOM, TRANSCOM, USARPAC, TRADOC, and FORSCOM.
  
- 2. Why weren't more COCOM recommendations approved for the Commission?**
  - Two very involved studies evaluated JFCOM and SOUTHCOM for alternatives to leased space. The team evaluated relocation to nearby military installations, better lease conditions, and buy-in-place options. Entry costs were prohibitive and payback was insufficient and many years downstream. OSD later ruled buy-in-place to be outside the defined scope of BRAC.

TRADOC and FORSCOM scenarios were developed and then given to the Army for inclusion in their portfolio. Pearl Harbor and Schofield Barracks were considered for USARPAC, but high costs and minimal payback terminated this scenario. TRANSCOM is still under consideration, with nearly \$1.3B in savings and perhaps a model for future transformation efforts.
  
- 3. Present information to justify the inverted MIL Value decisions in your H&SA subgroup:**
  - **Demonstrate why the MIL Value methodology doesn't address the key issues regarding realignment**
    - Military Value analysis is a general set of background issues to check: (1) the suitability of any military installation to accept greater capacity (2) the desirability of the surroundings to entice relocation of civilian personnel, and (3) the locale's ability to provide supporting infrastructure. These are important considerations in their own right, but don't present the total picture, which must include value assessed and awarded for the scenario's intended purpose.

- **Why should military judgment supersede MIL Value?**
  - The Military Value analysis framework is limited in scope and applications; it doesn't consider issues specific to this scenario. Nothing in the MIL Value analysis addresses the need or benefit of realignment, or the long-range payoff in military effectiveness.
- **Does the use of inverted MIL Value compromise the effectiveness or rationale of the MIL Value analysis?**
  - No, it can add value to the projected decision by factoring in key military and organizational issues for a broader scope of evaluation. That helps frame the COBRA inputs and results for better interpretation of costs and payback.





UNITED STATES TRANSPORTATION COMMAND  
508 SCOTT DRIVE  
SCOTT AIR FORCE BASE, ILLINOIS 62225-5357

JAN 24 2006

MEMORANDUM FOR VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

FROM: TCCC

SUBJECT: Base Realignment and Closure Scenarios and Logistics Transformation

1. We appreciate the opportunity SECDEF has provided the Combatant Commanders to review Base Realignment and Closure (BRAC) scenarios for potential mission impacts. Among the most recent set of scenarios received is an Air Staff proposal (USAF-0057) to close Scott AFB, IL, and relocate the United States Transportation Command (USTRANSCOM) and the Air Mobility Command (AMC) to Offutt AFB, NE. While closure of Scott AFB may be desirable, the proposed relocation of USTRANSCOM and AMC to Offutt AFB does not support the long-term USTRANSCOM vision for the future geographic alignment of the combatant command with its components.
2. USTRANSCOM therefore proposes that we now relocate our component headquarters, specifically AMC, the Military Sealift Command (MSC), and the Surface Deployment and Distribution Command (SDDC), with USTRANSCOM at Scott AFB. It has long been our view that those component headquarters and their respective operational centers should be co-located with USTRANSCOM to improve coordination, operational synergy, and combatant command oversight. In conjunction with such a move, we would also recommend co-location of SDDC's Transportation Engineering Agency (currently in leased facilities in Newport News, VA) with USTRANSCOM and SDDC. To effect these changes, it is not necessary that Scott AFB itself remain operational.
3. With the impetus for change that BRAC provides, now is the time to set the conditions for the future success of the strategic logistics enterprise. It is imperative that we capitalize on this significant opportunity.
4. Thank you for your continued support of our transformation initiatives.

Sincerely

  
JOHN W. HANDY  
General, USAF  
Commander



UNITED STATES TRANSPORTATION COMMAND  
100 SCOTT DRIVE  
SCOTT AIR FORCE BASE, ILLINOIS 62225-6157

16 February 2005

MEMORANDUM FOR VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

FROM: TCCC

SUBJECT: Base Realignment and Closure Scenarios and Logistics Transformation

1. The Headquarters and Support Activity Joint Cross Service Group (HSA JCSG) is assessing the fiscal implications of three substantially different Base Realignment and Closure (BRAC) scenarios affecting USTRANSCOM components. One of the scenarios under review supports our desire, as outlined in our 24 January 2005 memorandum, to co-locate our component headquarters at Scott AFB, specifically the Air Mobility Command (AMC), the Military Sealift Command (MSC), the Surface Deployment and Distribution Command (SDDC), and SDDC's Transportation Engineering Agency (TEA). This scenario, as presently modeled, is fiscally prohibitive based largely on the 1,511 personnel the HSA JCSG projects would be impacted by this realignment (a figure which does not include the 113 personnel assigned to SDDC TEA). We also understand the Navy has expressed some concern with the proposed relocation of MSC to Scott AFB.
2. With respect to MSC, we are primarily interested in those MSC functions that directly support USTRANSCOM, approximately one-fourth of MSC's total mission. The balance of MSC functions could remain in place without consequence to our long-range vision. This change alone reduces the number of MSC personnel impacted from 651 to 251, or a total of 1224 when SDDC TEA's staff is included. This modification enables DoD to reduce its footprint in the National Capital Region, keeps MSC's service-specific functions aligned to the Navy, and supports our desired end state. This modification should also make our proposed scenario fiscally viable.
3. Consolidation of all USTRANSCOM components at one location will enable us to provide more focused and responsive support to the warfighter. We will also achieve significantly greater efficiencies by eliminating duplicative operations centers, support staffs, contracted activities, and automated systems currently required to support the global distribution mission. If implemented, we conservatively estimate a 25 percent personnel reduction for USTRANSCOM and our component headquarters (an estimated savings of over 1,400 personnel). Phased implementation would allow us to significantly reduce the number of personnel who would ultimately relocate to Scott AFB. The same efficiencies cannot be attained via split-base operations.
4. We solicit your support for our preferred course of action. Thank you for your continued support of our transformation initiatives.

Sincerely

  
JOHN W. HANDY  
General, USAF  
Commander



**SUBJECT:** Combatant Command Headquarters Consolidation Initiative (Scenario HAS-0114)

**ISSUE:** This Scenario integrates the mission execution functions of USTRANSCOM and its three Service components, Air Mobility Command (AMC), Military Sealift Command (MSC), and Surface Deployment and Distribution Command (SDDC) at Scott AFB to establish a single, consolidated DoD focal point for the entire deployment and distribution enterprise, thereby saving an estimated 685 billets.

The consolidation scenario is absolutely the right thing to do for the DoD as it establishes a centralized command and control structure for the national assets of the Defense Transportation System by integrating disparate operations, eliminating duplication and redundancy, thereby saving 685 billets

## **Discussion**

- Winning America's wars requires rapid, effective, and efficient projection of national power, sustained by the outputs of a national supply chain, synchronized and controlled by a central authority best offered by a centralized command structure as suggested in this scenario
  - The nucleus is an integrated Joint Deployment and Distribution Ops Center (JDDOC) able to direct, track, manage and report movement of forces and materiel to best serve the warfighter.
  - Best achieved by a single, consolidated JDDOC designed to ensure most efficient and effective deployment of troops and sustainment – an organization focused on razor sharp execution
  - End results a single COCOM synergistically focused on execution without the need for hand-offs
- Compelling Reasons for the Consolidation Scenario
  - Current organizational structure is not as effective and efficient as needed to support COCOMs
  - Redundant operations and overhead staffs and inefficient hand-offs to our components
    - Consider four ops centers, four support staffs, four contracting activities, and four IT staffs
  - Fragmented processes make it difficult to synchronize deployment and distribution efforts
  - Excessive time and resources consumed working Title 10 issues vice razor-sharp execution
  - Too costly – current structure has excessive overhead tied to our current geography
- Benefits of the Consolidation Scenario
  - Consolidation significantly transforms a functional – one of a kind – COCOM responsible for the integrated deployment and distribution process.
  - Yields rapid, effective, lower cost unity of effort the equates to improved customer support
  - Consolidates support staffs, eliminates redundancy, and creates leaner processes
    - Saves an estimated 685 government billets and 295 Contractor Manyear Equivalents
  - Freedom from Title 10 duties allows Command to focus all effort on mission execution
  - Eliminates a need for 2 leased facilities, improves force protection with one fenced location
  - Consolidates Defense Transportation System (DTS) responsibilities into one headquarters, leaving behind Service unique Title 10 activities resulting in laser, sharp focus on execution
  - Bottom line savings: This scenario generates a Net Present Value savings of \$1B.
- Contribution and Impact to the USTRANSCOM Component Commands
  - AMC and SDDC are key contributing a total of about 1,458 billets after the savings
  - MSC is least affected, realigning 30 TWCF funded billets out of 78 TWCF billets originally identified as support PM5 (Sealift) at the Washington Navy Yard
- In summary, this initiative is about transforming a functional combatant command that is singularly responsible and accountable for executing the DoD Transportation and Distribution System



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# *SCOPE REFINEMENT*

## *COMBATANT COMMAND SUPPORTING ACTIVITIES*

This is an UNCLASSIFIED  
Briefing



# Supporting Activities

NORTHCOM SJFHQ-Homeland Security
NORTHCOM JTF Civil Support
NORTHCOM JFHQ-NCR
NORTHCOM JIATF-North
NORAD IIQ
NORAD CONUS NORAD Region
NORAD Alaska NORAD Region
NORAD Cheyenne Mountain Ops Center
SOUTHCOM JIATF-South
SOUTHCOM Inter-American Defense College (IADC)
SOUTHCOM Center for Hemispheric Defense Studies (CHDS)
SOUTHCOM Naval Small Craft Instruction/Technical Ing.
SOUTHCOM Inter-American Air Force Academy
SOUTHCOM Western Hemisphere Institute for Security Coop.
PACOM JIATF-West
PACOM Asia Pacific Center Security Studies
PACOM Joint POW/MIA Accounting Command (JPAC)
PACOM SJFHQ-PACOM

PACOM Center of Excellence for Disaster Management and Humanitarian Assistance
FRANSCOM Trans Engineering Agency (TEA)
STRATCOM TF144
STRATCOM TF164
STRATCOM TF134
STRATCOM TF124
STRATCOM TF214
STRATCOM IF204
STRATCOM JIOC
STRATCOM JTF-CNO
STRATCOM Strategic Commo. Wing One
JFCOM Joint Warfighting Center
JFCOM Joint Futures Lab
JFCOM C4ISR Battle Center
Joint Combat Identification Evaluation Team (JCIEET)
Joint Warfare Analysis Center
Joint Deployment Training Center
Joint Personnel Recovery Agency
Joint Communications Support Element
Joint Targeting School



# Supporting Activities

---

## Recommended for elimination:

**NORAD Cheyenne Mountain Ops Center  
NORAD Alaska Region – Elmendorf AFB**

**SOUTHCOM Inter-American Defense College – Florida International University  
SOUTHCOM Center For Hemispheric Defense Studies – Ft. McNair  
SOUTHCOM Naval Small Craft Instruction/Technical Training – Stennis, MS  
SOUTHCOM Inter-American Air Force Academy – Davis-Monthan AFB  
SOUTHCOM Western Hemispheric Institute for Security Cooperation – Ft. Benning**

**STRATCOM TF 144 – COMSUBLANT, Norfolk, VA  
STRATCOM TF 164 – SUB GROUP 8, Norfolk, VA  
STRATCOM TF 134 – COMSUBPAC, Pearl Harbor, HI  
STRATCOM TF 124 – STRATCOM WING 1  
STRATCOM TF 214 – 20<sup>th</sup> AF, FE Warren AFB, UT  
STRATCOM TF 204 – 8<sup>th</sup> AF, Barksdale AFB, LA  
STRATCOM Strategic Communications Wing One, Tinker AFB, OK**



## *Scope of Analysis*

### **Administrative and C2 Headquarters outside DC area** (*Headquarters and Support Activities JCSG Capacity Analysis Report, 16 October 2003*)

Footprint analysis of combatant commands, service component commands and supporting activities . . . for possible co-location or relocation.

### **Suggested Transformational Options** (*Transformational Options for BRAC 2005, June 2003*)

Identify alternative concepts for realigning missions and functions among unified commands, and service component commands.

## *Assumptions*

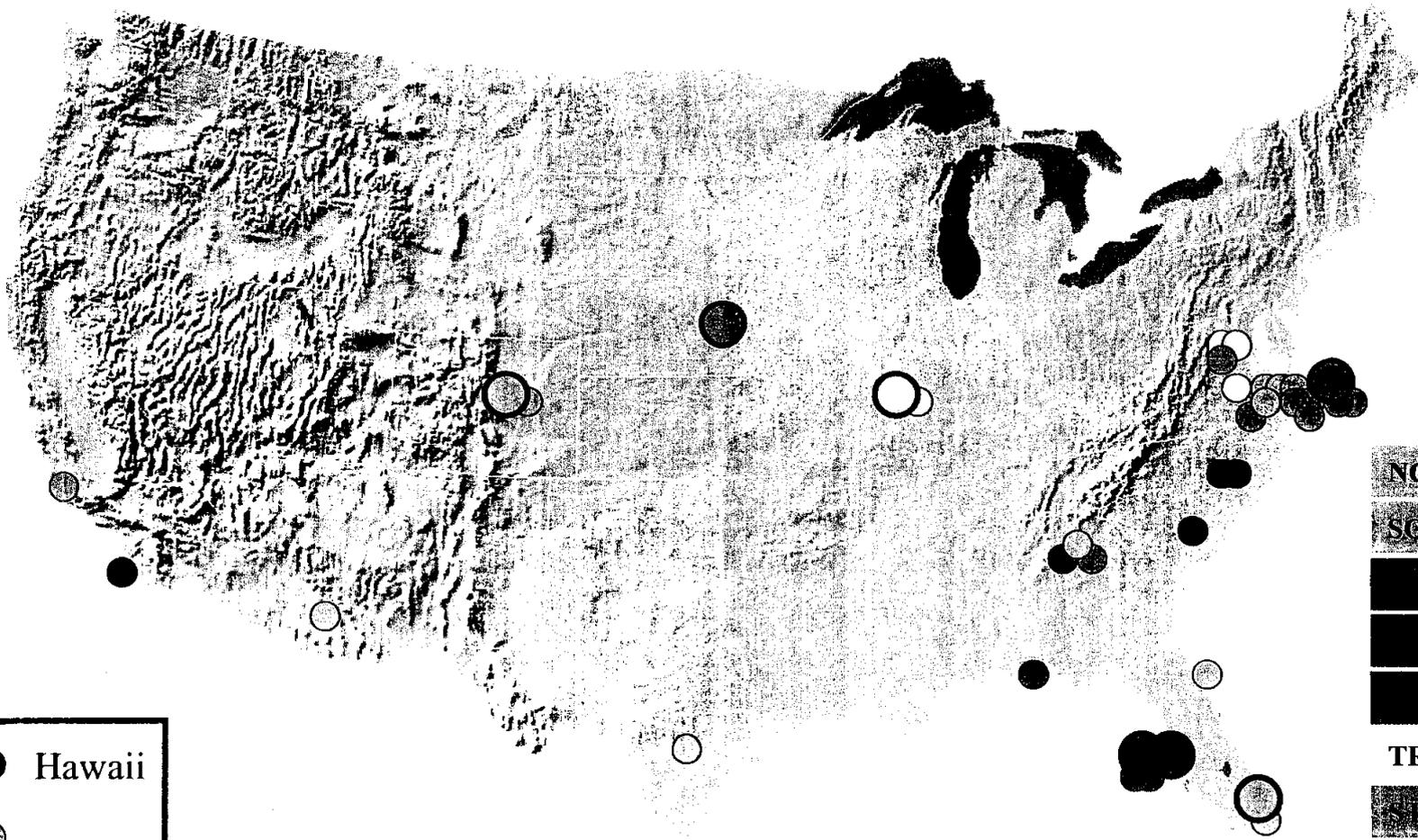


- **Span of Control and Unity of Command critical**
- **Each region may be unique**
- **Components fill essential roles**
- **Meet AT/FP requirements**
- **Move out of leased space**
- **Recommendations may depart from current law**

# CoCOM Locations



○ HQs  
○ Components



 Hawaii

NORTHCOM  
SOUTHCOM  
TRANSCOM

# CoCOM Comparative Analyses



## Capacity Analyses

*Existing Admin space (owned/leased)*  
*Excess capacity (space standards)*  
*Vacant Admin Space/*  
*Installation buildable acres-parcels/*  
*Nearby installation space/acres*



## Key CoCOM Factors

*Leased/Temp/Owned Space*  
*Distance to Airport*  
*Survivability (AI/EP)*  
*Total USF/Leased Space*  
*Single/Multiple Locations*

## Scenarios

### Guidance/Imperatives

*Move ? from Leased space (e.g., SOUTHCOM)*  
*Consolidate/relocate ? CoCOMs*  
*Consolidate/relocate ? Service Components*  
*Other ?*



# BRAC 2005 Principle and Imperative Development



National Military Strategy

Military Value Selection Criteria

Threat

**Principles**

- Strategic in concept
- Foster Transformation and embrace change

- Mutually supporting
- Interchangeable amongst MilDepts

SecDef Priorities

**Imperatives**

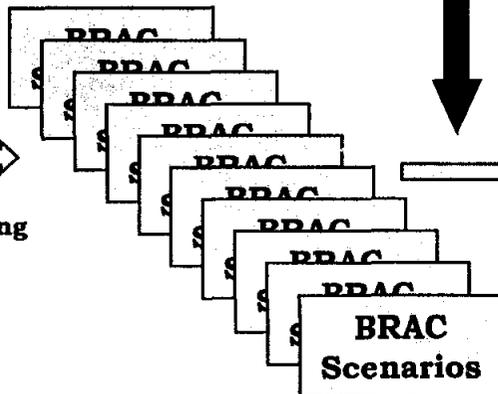
- Control rods and safety valves for outcomes
- Preserve key capabilities toward desired outcomes

- Tied to Principles
- Prevent recommendation from violating Principles

Service Core Functions

**Transformational Options**

Options for stationing and supporting forces and functions that will rationalize infrastructure consistent with defense strategy and contribute to increased efficiency and effectiveness



**Scenario Analysis**

**Transformational Opportunities**



June 2004

November 2004





## *Combatant Command View of Components*

- War planning and execution
- Responsiveness to needs – unique to theater
- Regional expertise
- Theater security cooperation – coalition building/meeting allies at the right level
- Support of combat units
- Support infrastructure
- Combatant Command budgetary process input



## *Potential Endstates*

- **Eliminate Service Component Commands – add JTFs by function**
- **Slim down Service Component Commands – Combatant Commands pick up war planning task**
- **One Service acts as Executive Agent – JTF picks up tasks**
- **One Service Component for all Combatant Commands**
- **Status Quo while reducing redundancy of functions**
- **One Combatant Command staffed by theater/AOR expert staffs**
- **Co-locate Combatant Commands with Service Component Commands and Support Activities**
- **Merge Service Component Commands**
- **JTFHQs for theater unique requirements**
- **Decrease/reduce/eliminate support functions of Combatant Commands that are available on host base or nearby agency. Goal to gain efficiency.**



**JFCOM**



**USJFCOM**

*United States Joint Forces Command*  
Norfolk, VA



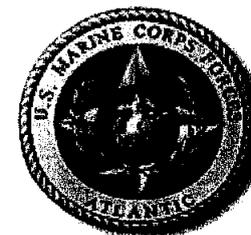
**Forces Command**  
Ft. McPherson, GA  
6 Div, 3 Sep Reg



**U.S. Atlantic Fleet**  
Norfolk, VA  
6 Battle Groups  
5 Amphib Groups



**Air Combat Command**  
Langley AFB, VA  
20 Fighter/Bomber/Composite Wings



**Marine Forces Atlantic**  
Norfolk, VA  
1 Div, 1 Wing, 1 FSSG

## **Supporting Activities:**

**Joint Warfighting Center – Suffolk, VA**  
**Joint Forces Intelligence Command – Norfolk, VA**  
**Joint Communications Support Element – MacDill AFB, FL**  
**Joint Experimentation-Joint Futures Lab – Suffolk, VA**  
**Joint Combat Identification Evaluation Team – Eglin AFB, FL**  
**Special Operations Command – Joint Forces Command – Norfolk, VA**  
**TRADOC – Ft Monroe, VA**

**Joint Battle Center – Suffolk, VA**  
**Joint Warfare Analysis Center – Dahlgren, VA**  
**Joint Personnel Recovery Agency – Ft. Belvoir, VA**  
**Joint Deployment Training Center – Ft. Eustis, VA**  
**Joint Targeting School, Dam Neck, VA**

# STRATCOM



Offutt AFB  
Omaha, NE



Space and Missile Defense  
Command  
Colorado Springs, CO



NAVNETWARCOM  
(assets)  
Norfolk, VA  
LANTFLT & PACFLT  
(Assigned forces)



AFSPACE 14<sup>th</sup> AF  
Vandenberg AFB, CA  
ACC\*\*



COMMARFORLANT  
Norfolk, VA

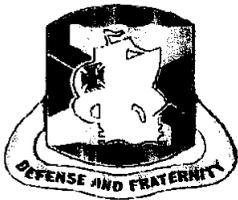
## Supporting Activities:

Joint Task Force-Computer Network Operations – Arlington, VA  
Joint Information Operations Center – Lackland AFB, TX  
Strategic Communications Wing One – Tinker AFB, OK

# ***SOUTHCOM***



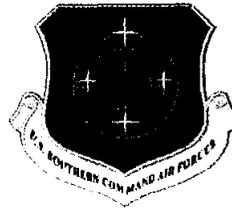
Miami, FL



**USARSO**  
Ft Sam Houston, TX



**USNAVSOUTH**  
Mayport, FL



**12<sup>th</sup> AF**  
Davis-Monthan AFB, AZ



**US Marine Forces South**  
(COMMARFORLANT)  
Norfolk, VA



**SOCSOUTH**  
Homestead AFB, FL

## **Supporting Activities:**

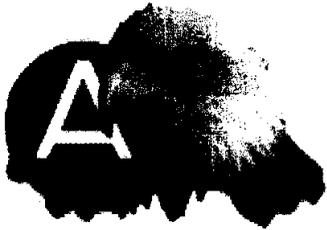
- Joint Interagency Task Force-South – NAF Key West, FL**
- Ctr for Hemispheric Defense Studies (NDU)**
- Western Hemisphere Institute for Security Cooperation – Ft Benning, GA**
- Naval Small Craft Instruction and Technical Training School**
- JIATF South – Key West, FL**
- Inter-American Air Force Academy – Lackland AFB, TX**



# ***CENTCOM***



**MacDill AFB  
Tampa, FL**



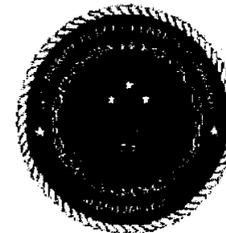
**ARCENT  
3<sup>rd</sup> ARMY  
Fr McPherson, GA**



**NAVCENT  
Manama, Bahrain**



**CENTAF  
9<sup>th</sup> AF  
Shaw AFB, SC**



**COMUSMARCENT  
(MARFORPAC)  
Camp Smith, HI**



**SOCCENT  
MacDill AFB, FL**

**Supporting Activities:**



# ***NORTHCOM Organization***



**Peterson AFB  
Colorado Springs,  
CO**



**FORSCOM  
Ft. McPherson, GA**



**USNAVNORTH  
(USLANTFLT)  
Norfolk, VA**



**NORTHAF- ACC  
Langley AFB, VA**



**COMMARFORNORTH  
(COMMARFORLANT)  
Norfolk, VA**

## **Supporting Activities:**

**Joint Force Headquarters-Homeland Security – Norfolk, VA  
JTF Alaska – Elmendorf AFB, AK  
Joint Task Force-Civil Support – Ft Monroe, Hampton, VA  
Joint Task Force-6 – Biggs AAF, Ft Bliss, TX  
NORAD – Peterson AFB, CO**

**NORAD Cheyenne Mtn Ops Center  
NORAD CONUS Region – Tyndall AFB, FL  
SJFHQ Homeland Security – Norfolk, VA**

# *TRANSCOM*



Scott AFB, Ill.



Military Traffic Management Command  
Alexandria, VA



Military Sealift Command  
Wash Navy Yard, DC



Air Mobility Command  
Scott AFB, Il.

## **Supporting Activities:**

Tanker Airlift Control Center – Scott AFB, Ill.  
MTMC Operations Center – Ft. Eustis, VA  
Trans Engineering Agency (TEA) – Newport News, VA

Air Mobility Warfare Center – McGuire AFB, N.J.  
Transportation Engineering Agency, Newport News, VA  
Surface Deployment & Dist Command – Ft Eustis, VA

**SOCOM**



**United States  
Special Operations Command**

MacDill, AFB  
Tampa, FL



**USASOC**  
Ft. Bragg, NC



**NAVSPECWARCOM**  
Norfolk, VA



**USAFSOC**  
Hurlburt Field, FL

**Supporting Activities:**

**Joint SOC – Ft Bragg, NC**



## *Moving SOUTHCOM from Leased Space*

- **High MV**
- **Relocate to Nearby installation ? Other location ?**
- **Imperative ? to implement NORTHCOM-SOUTHCOM**

(Consider Jun 04 Steering Committee Recommendations-TBD)

- **SOUTHCOM consolidate to NORTHCOM facilities?**  
Factors: Available NORTHCOM/Peterson AFB Admin space ? buildable land ?
- **Specific organizations remain at both (either) locations?**  
Factors: Unique HQs requirements
- **N & S consolidate to some other CONUS location?**  
Factors: Nearby locations/ Available/Vacant Admin Space/Buildable land
- **Should the other location be an existing Combatant Command ?**  
Factors: Available space/land for MacDill AFB? Scott AFB? Norfolk VA ? Other base ?
- **Should N/S Service Components be relocated and/or consolidated ?**  
Factors: MV/capacity Model results to relocate ? Manpower/Costs to consolidate ?



## *Military Value Strategy*

- **Improve Jointness and Total Force capability**
- **Eliminate redundancy, duplication, excess**
- **Enhance force protection**
- **Exploit best business practices**
- **Increase effectiveness, efficiency, interoperability—  
reduce costs**



# Key Scoring Factors/Modeling

## Modeling

### **MORE LIKELY TO REMAIN IN PLACE**

1. Installation A (Outside DC)
2. Installation B (Outside DC)
3. Installation C (Outside DC)
4. Installation D (Outside DC)
5. Installation E (Inside DC )



110. Activity 1 (on DC Installation)
111. Activity 2 (lease)
112. Activity 3 (lease + owned)
113. Activity 4 (lease)

n. Activity XX

### **MORE LIKELY TO MOVE**

### Key CoCOM Factors

- Leased, Temp, Owned Space 13%
- Distance to Airport 11%
- Survivability (AT/FP) 9%
- Total USF Leased Space 8%
- Single/Multiple Locations 6%

## *Identify Core Functions*



- Streamline Headquarters activity
- Eliminate layers
- Create a more joint framework



## *Issues for Consideration*

- **Cost Savings/Manpower**
- **Coordination of basic support**
- **Synergy of effort from joint planning effort**
- **Responsiveness to Combatant Command desires**
- **Transition to a joint warfight**
- **Unity of command**
- **Ability to meet Service training requirements**
- **Ability to meet Allies' requirement**
- **Loss of Service specific expertise**
- **Service priorities**
- **MILCON priorities**
- **Complicates budget priorities**
- **Span of Control**
- **Ability of crisis planning**
- **Match between resource and requirement**

**THE JOINT STAFF**  
**WASHINGTON, DC**



Reply ZIP Code:  
20318-8000

31 January 2005

MEMORANDUM FOR THE ASSISTANT DEPUTY CHIEF OF STAFF, G8

Subject: Combatant Commander Input Into the BRAC Process

1. In late October, Secretary Rumsfeld tasked the Joint Staff to develop a method to ensure Combatant Commanders were both informed about and involved in the BRAC process. On 25 October, General Pace approved a plan which included, among other things, a suspense to the CoComs for initial review and comment on available BRAC scenarios under consideration. The enclosed comments from COMSTRANSCOM, in part or in whole, involves your Joint Cross Service Group.
2. Prior to providing comments, Combatant Commanders were informed that their input would become part of the larger BRAC process. As the senior warfighters in the Department of Defense, they clearly have an important part to play in the application of military judgment to BRAC scenarios. Please consider appropriate portions of the attached Combatant Commander comments as you execute your responsibilities under BRAC. My POC is Colonel Dan Woodward, Chief, Forces Division at 697-6003.

A handwritten signature in black ink, appearing to read "KENNETH W. HUNZEKER", written over a horizontal line.

KENNETH W. HUNZEKER  
Major General, USA  
Vice Director for Force Structure,  
Resources, and Assessment

Enclosure



## **HSA-0114: Scenario Pro-Forma Assumptions**

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- **Initial guidance from US TRANSCOM HQ letter (Gen Handy, 16 Feb 2005)**
- **TRANSCOM HQ and All Service Component HQs reduce headcount 25%**
- **MSC sends 251 people to Scott AFB (those performing TRANSCOM duties); no further impact on MSC mission**
- **SDDC (Alexandria, VA and Ft. Eustis) relocate to Scott AFB**
- **SDDC TEA (leased location in Newport News, VA) relocates to Scott AFB**
- **No MILCON or rehab of administrative space: personnel reductions at TRANSCOM and AMC exceed number of people relocating to Scott AFB**
- **BOS reductions (3% savings) levied in all locations except SDDC leased facilities**
- **Scenario assumes realignment occurs in FY 2007**
- **Termination of all leased facilities; savings of almost \$6M/year for SDDC**



# **HSA-0114: Scenario Road Ahead to Completion**

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- **Pro-forma COBRA run from current TRANSCOM and MILDEP component capacity data (portions of the data are not yet certified)**
  
- **Remaining steps before COBRA data is “finalized”:**
  - **SDC to TRANSCOM, AMC, SDDC, SDDC/TEA, and MSC**
  - **Realignment plan framework and details from TRANSCOM HQ (J-5)**
  - **Special requirements from TRANSCOM or component activities (pro-forma scenario assumes 200 GSF/person – HSA JCSG standard)**
  - **One-time costs accruing from special or non-standard requirements**
  - **Re-run COBRA for final results**
  - **Criterion 6, 7, 8 results**
  
- **Prepare scenario packages, pending approval by JCSG**
  - **Prepare scenario book**
  - **OSD legal review and approval**
  - **Initial review and approval by Commander, US TRANSCOM**
  - **Submit to ISG**





# HSA-0114RV4: Co-Locate TRANSCOM and Service Component HQs

**Candidate Recommendation (Summary):** Realign Fort Eustis, VA, Hoffman 2, and TEA leased space in Newport News, VA, by relocating the Army Surface Deployment and Distribution Command to Scott Air Force Base, IL, and consolidating it with AF Air Mobility Command and TRANSCOM.

<u>Justification</u>	<u>Military Value</u>
<ul style="list-style-type: none"> <li>✓ Meets T.O. to consolidate or co-locate Service Component HQs w/COCOM HQs</li> <li>✓ Reduces NCR footprint and eliminates 146,832 USF of leased space within DC Area</li> <li>✓ Headquarters-level personnel reduction estimated at more than 19% (834 job positions)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Quantitative Military Value:                             <ul style="list-style-type: none"> <li>✓ Ft. Eustis: 0.8758</li> <li>✓ TEA-Newport News: 0.305</li> <li>✓ SDDC-Alexandria: 0.1620</li> <li>✓ Scott AFB: 0.8467</li> </ul> </li> <li>✓ Military Judgment: Small Quantitative difference and less disruption to TRANSCOM favored Scott</li> </ul>
<u>Payback</u>	<u>Impacts</u>
<ul style="list-style-type: none"> <li>✓ One Time Cost: \$ 101.8M</li> <li>✓ Net Implementation Savings: \$ 339.3M</li> <li>✓ Annual Recurring Savings: \$ 99.3M</li> <li>✓ Payback Period: Immediate</li> <li>✓ NPV Savings: \$ 1.278.2M</li> </ul>	<ul style="list-style-type: none"> <li>✓ Criterion 6:                             <ul style="list-style-type: none"> <li>✓ DC area: -1472 jobs (857 direct, 615 indirect); &lt;0.1%</li> <li>✓ Norfolk area: -1133 jobs (484 direct, 649 indirect); 0.12%</li> </ul> </li> <li>✓ Criterion 7: No Issues</li> <li>✓ Criterion 8: No Impediments</li> </ul>

- ✓ Strategy
- ✓ COBRA

- ✓ Capacity Analysis / Data Verification
- ✓ Military Value Analysis / Data Verification

- ✓ JCSG/MilDep Recommended
- ✓ Criteria 6-8 Analysis

- ✓ De-conflicted w/JCSGs
- ✓ De-conflicted w/MilDepts

**From:** Switts Shannon Lt Col USTC [Shannon.Switts@hq.transcom.mil]  
**Sent:** Wednesday, March 30, 2005 2:56 PM  
**To:** Musser, David, CTR, WSO-HSAJCSG; Schwartz, Mark, CTR, WSO-HSAJCSG  
**Cc:** Lathroum, John, CDR, WSO-HSAJCSG; Spurlin Ruth GS13 USTC; Leclaire Margaret SES USTC; Pair Butch MG USTC; Parker Thomas GS14 USTC  
**Subject:** Close Hold: Revised Scenario HSA-0114

**Importance:** High

Mark and David.

We have updated USTRANSCOM Scenario Responses Data spreadsheet to reflect the overall adjusted baseline, the proposed number of billets to move, and the projected manpower savings. In addition, we are providing an updated BRAC scenario spreadsheet depicting the time phasing of the realignments and reductions. Lastly, we have attached the original briefing along with two slides designed to highlight the key functions to be realigned and consolidated under this scenario along with the areas we expect to gain the most significant savings and benefit the warfighter/customer. The key changes to the baseline and savings are highlighted below.

- The consolidation scenario adjusted the SDDC and TEA numbers to reflect the Army FY03 baseline along with the Army's projected moves and savings. We updated the SDDC numbers to reflect the USTC/SDDC/Army agreed upon position. Used Army's mil and civ numbers (for baseline, projected moves, and projected savings); used our contractor numbers (baseline, projected moves, projected savings).
- Corrected the AMC contractor savings number to reflect 119 vs 34 to consistently reflect 20% contractor savings across organizations.

For the consolidation Joint Operations Center (JOC) we are estimating a need for approximately **60,000 square feet for a total cost of \$18 million**. One option under consideration is to house this Joint Operations Center in the Joint building already planned for construction and as such the MILCON costs are not a part of this BRAC scenario. The other option being considered is to refurbish the existing AMC Ops Center to accommodate the additional personnel which may help to reduce the overall cost.

VR

*Shannon W Switts*

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**CLOSE HOLD**

Material contained herein is sensitive. Release of data or analysis pertaining to evaluation of military bases for closure or realignment is restricted until the Secretary of Defense forwards recommendations to the Defense Base Closure and Realignment Commission in May 2005. All individuals handling this information should take steps to protect the material herein from disclosure.

**HSA-0114R: Consolidate TRANSCOM & Service Components at Scott AFB**  
**ISSUES & TALKING POINTS 30 May 2005**

**Scenario Assumption(s) and rationale**

- Similar to all other COCOM-related scenarios – does not close any military installations; closes two leased-space activities in two separate locations (over 180,000 GSF)
- Gen Handy's concept: consolidate duplicative activities (4 x Ops centers, 4 x IT/financial management staffs, 4 x contracting staffs, etc.); cut military/civilian personnel 25%; cut contractor personnel 15%
- Addresses only TRANSCOM personnel billets (not Service/Title 10 billets)

**Late start for TRANSCOM-to-Scott scenario**

- Earlier scenario for SDDC consolidation at Ft. Eustis scrapped (no airfield)
- Gen Handy's letter for consolidation at Scott AFB (16 Feb 05)

**Notional Concept Driving Gen Handy's Staff Consolidation/Reduction**

<b>Activity/Function</b>	<b>Type of Consolidation</b>	<b>Personnel Drawdown</b>
Operations Centers	Single Center; collaborative/focused execution (no hand-offs/seams)	1164 down to 895
Financial Management	Centralized, automated, re-engineer process	183 down to 149
Acquisition/Contracting	Eliminate redundancies; synergy from transportation focus vs. modal procurement	99 down to 79
IT Systems	Streamline operations; close 3 of 5 sites	364 down to 280
Staff Support	Flatten organization	106 down to 87
Logistics/Facilities Support	Streamline operations; reduce workload	48 down to 32

- JCSG-TRANSCOM VTC on Friday, 25 February
  - Maj Gen Pair and Mr. Tison agree to ground rules
  - USAF indicates interest in McGuire AFB and Wright-Patterson AFB (close Scott AFB)
- TRANSCOM J-5 drafts a staff-reduction plan for COCOM and components, with sequence and timing of job relocations at Scott AFB
  - No previous plan or functional model on hand for this purpose -- H&SA team phone briefs J-5 team on data issues & COBRA
  - J-5 team works through weekend to draft plan; ~ 20% cuts for all groups – unable to verify functional goodness of proposal & timetable
- TRANSCOM/HSA teams race to meet March-April JCSG and ISG meetings; overcome bad or missing capacity data, generate new MILVALUE data, etc.

### Personnel Reduction/Relocation Proposed for TRANSCOM & Components

Activity/Location, Employee Type	Personnel (start)	Personnel Reductions	Personnel Relocated	Contractors Start/ Remaining
TRANSCOM (Scott AFB)				500 / 400
- Military Officers	278	40	N/A	
- Military Enlisted	227	74	N/A	
- Civilians	363	47	N/A	
Air Mobility Command (Scott AFB)				594/475
- Military Officers	271	44	N/A	
- Military Enlisted	369	70	N/A	
- Civilians	365	64	N/A	
SDDC (Alexandria, VA)				325/262
- Military Officers	16	6	10	
- Military Enlisted	8	1	7	
- Civilians	508	124	384	
SDDC (Ft. Eustis, VA)				45/36
- Military Officers	15	3	12	
- Military Enlisted	5	0	5	
- Civilians	296	48	248	
SDDC-TEA (Newport News, VA)				9/7
- Military Officers	1	1	0	
- Military Enlisted	0	0	0	
- Civilians	104	19	85	
<b>TOTALS</b>	<b>2826</b>	<b>541</b>	<b>751</b>	<b>1473/1180</b>

- Recommendation cuts 541 military and civilian positions, 293 contractor positions (total reduction of 834)
- 558 positions eliminated at Scott AFB; influx to Scott AFB is 1056
- 165,000 GSF new MILCON required for 498 additional positions at Scott AFB and Joint Operations Center -- \$40.1M new MILCON required
- Jobs lost in DC area: 1472 (857 direct + 615 indirect); < 0.1%
- Jobs lost in Norfolk area: 1133 (484 direct + 649 indirect); 0.12%

#### Alternative scenario directed for McGuire AFB (USAF request)

- McGuire scenario (-0136) deleted at 15 March JCSG
  - McGuire MILCON almost 6 times comparable figure for Scott
  - Payback in 7 years (vice immediate); \$\$ savings roughly 1/3 of Scott

#### US Navy decision not to participate in scenario -0114 or any consolidation

- Initial Navy capacity related to scenario: 82 MSC employees
- Initial proposal: move 67 PM-5 billets from Washington Navy Yard to Scott (15 positions to be eliminated)
- Modified proposal: move 30 PM-5 billets to Scott; cover PM-5 tasks and MSC portion of Joint Operations Center

- Navy provided SDC data on 30 billets, but rejected scenario (XX date, ISG meeting); Mr. Wynne directed consolidation without MSC involvement
- All Navy/MSC inputs removed from scenario and COBRA

### **Correlation Between H&SA Overarching Strategy and TRANSCOM scenario**

- H&SA overarching strategy as the top-level driver
  - Improve jointness
  - Eliminate redundancy, duplication and excess physical capacity
  - Enhance force protection
  - Exploit best business practices
  - Increase effectiveness, efficiency and interoperability
  - Reduce costs
- COCOM subgroup further developed the strategy as:
  - Rationalize headquarters presence within 100 miles of the Pentagon
  - Eliminate leased space
  - Consolidate headquarters

### **Inverted Military Value in the move from Ft. Eustis to Scott AFB**

- Scott AFB rated slightly lower than Ft. Eustis
- SDDC relocation with TRANSCOM & AMC offers qualitative benefits not measured in JCSG's MILVALUE calculations
- Relocation facilitates roughly 20% personnel reductions and vastly improved operating efficiency
- Immediate payback/~ \$1.3B savings and improved efficiency worth the consolidation effort

### **Key Take-away Information (Bottom Line)**

- 1. Scenario captures Gen Handy's vision to restructure TRANSCOM and Service components for military effectiveness and efficiency**
- 2. Consolidation at Scott AFB realizes nearly \$1.3B in savings, reduces headcount by 834, and closes leased-space facilities**
- 3. TRANSCOM re-focused on integrated transportation management (vs. separate modal approaches)**

**Calculation of TRANSCOM Leased Costs for COBRA**  
(HSA-0114, TRANSCOM to Scott AFB) Update, 28 April 2005

**Explanation of fee/cost derivations**

Source: Memorandum from WHS Director to ISG Chairman, "Leased Space Measurement and Cost Assumptions", 27 December 2004

Metrics Provided:

1. USF x 1.25 = GSF
2. RSF x 1.10 = GSF

Fees listed (as they apply to in-NCR or outside-NCR leased properties):

1. Administrative fee (8%); applies to all leases
2. Security Fee (\$0.34/USF); applies only to outside-NCR leases
3. Operations & Maintenance fee (6.8%); applies to all leases
4. Leased Space Restoration fee (\$0.75/USF); applies to all leases
5. Pentagon Force Protection Anti-Terrorist fee (15% of lease cost corrected to GSF); applies only to NCR leases

Conversions from USF fees to GSF fees:

1. Security fee for outside NCR = \$0.34/USF; convert to GSF = 0.34 divided by 1.25 = \$0.27/GSF
2. Lease restoration cost (all areas) = \$0.75/USF; convert to GSF = 0.75 divided by 1.25 = \$0.60/GSF

Other OSD or HSA source documents used or cited herein:

- Memorandum from HSA JCSG Chairman to ISG Chairman, "Request for Use of Commercial Data Sources", 2 November 2004
- Memorandum from HSA JCSG Chairman to ISG, "Request for Approval to Use Lease Market Data", 2 November 2004
- Memorandum from HSA JCSG Chairman to ISG, "Request for Approval of Use of Anti-Terrorism/Force (AT/FP) Protection Premium", 22 December 2004
- Memo from Helen Poorman to HSA-JCSG Staff, "New Leased Space Guidance for COBRA", 14 December 2004
- Memo from HSA JCSG Chairman to ISG Chairman, "Update to Previous Request for Use of Commercial Data Sources", 4 May 2005

**SDDC Relocating Out of Leased Facility in Alexandria, VA**

Source #1: Table 462 Non-ODIN data (10-19-04)

Source #2: CoStar Source data file: "CoStar National Office Market, 3<sup>rd</sup> Quarter 2004", page 11. (Filename: "The CoStar Office Report – National Office Market 3<sup>rd</sup> Quarter 2004.pdf")

Calculations:

- Assumption: lease terminates in year scenario moves SDDC employees to Scott AFB (2008) – source #1
- Annual lease avoidance savings: \$5.353M – source #1: 143,540 GSF x \$37.29/sq. ft. (agg. Lease cost rate in NCR) = \$5,352,607 per year
  - CoStar data for Washington DC (pg. 11, far right column) – Source #2

Weighted Average Class A rate for Washington (RSF)	\$31.47
Conversion to GSF (divide RSF by 1.10)	28.61
Add GSA Fee (multiply by 1.08)	30.90
Add WHS Fee (multiply by 1.068)	33.00
Add PFPA Security Fee (add 15% of \$28.61)	37.29
<u>Projected commercial lease rate/GSF</u>	<u>\$37.29</u>

- One-time savings: \$4.059M (AT/FP cost avoidance) – source #1: 143,540 GSF x \$28.28/sq. ft. = \$4,059,311
- Lease Restoration cost: \$86K – source #1: 143,540 GSF x 0.6 = \$86,124

SDDC-TEA Relocating Out of Leased Facility in Newport News, VA

TEA data gathered separately from SDDC/Alexandria information:

- Source #3. MAH\_SDDC-21 Mar 05 (update).xls (with Army cover certification memo dated 22 March 2005)
- Source #4. Q311 – TEA.xls (with Army cover certification memo dated 28 February 2005)
- Source #5. SIOR Market Lease Rates for Hampton Roads Office (Filename: "Hampton Roads Office Survey fm SIOR.pdf")

Assumption for TEA: lease expires in same year scenario starts.

Weighted Average Class A rate for Hampton Roads (RSF)	\$16.96
Conversion to GSF (divide RSF by 1.10)	15.42
Add GSA Fee (multiply by 1.08)	16.65
Add GSA Security Fee (add 0.27 per GSF)	16.92
<u>Projected commercial lease rate/GSF</u>	<u>\$16.92</u>

<b>Annual Lease Avoidance</b>	<b>USF / GSF</b>	<b>Annual</b>
<b>Location</b>	<b>(GSF = USF x 1.25)</b>	<b>Lease Cost</b>
Thimble Shoals Business Center 720 Thimble Shoals Blvd. Newport News, VA 23606	32,010 USF  40,013 GSF	  \$677,020

- Capacity data from source #4

**AT/FP (One-Time) Savings**

Assume 100% of \$28.28/square foot x 40,013 = \$1,131,568

- Commercial space; building does not meet any of the AT/FP criteria (0% compliance)
- Source #4 for capacity data

**Lease Restoration (One-Time) Cost**

GSF x \$0.6/square foot; 40,013 x 0.6 = \$24,008

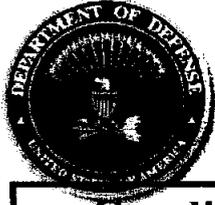
- Calculation = standard formula; source #4 for capacity data

Fact Sheet: Joint Cross Service Group Recommendations  
Impacting Leased Space in Northern Virginia (NoVA)

- What are the actions?
  - Multiple BRAC 2005 recommendations move organizations from leased office space in NoVA to DoD-owned space in NoVA, the National Capital Region (NCR) and elsewhere in the United States. The vast majority of this office space is located within the Beltway (Arlington County and the Cities of Alexandria and Falls Church).
  - The recommendations eliminate 7.2M rentable square feet of leased office space in NoVA. This equates to about 4.4% of the commercial office space market in NoVA.
  
- Why are we taking these actions?
  - To consolidate Headquarters (HQs) and collocate organizations performing similar functions resulting in efficiencies and savings for the DoD. Elimination of leased space is a secondary effect. Examples:
    - o Consolidation of the Defense Finance and Accounting Service (Net Present Value (NPV)\* of \$1.3B; annual recurring savings (ARS) of \$120.5M)
    - o Consolidation of the Defense Information Systems Agency (from 8 locations to 1; NPV of \$491M; ARS of \$60M)
    - o Collocation of Missile and Space Defense Agencies (NPV of \$359M; ARS of \$36M)
  - To fully utilize excess administrative space owned by the DoD. Capacity analysis indicates 21% excess administrative space within the DoD. Example:
    - o Consolidate Army Test and Evaluation Command HQs (NPV of \$125.7M; ARS of \$8.7M)
  - To cut costs. Leased space has higher overall costs than DoD-owned space. In all instances, elimination of leased space creates enduring savings for the DoD even when military construction is required. Example:
    - o Realign Army Leased Locations (NPV of \$322M; ARS of \$27.7M)
    - o Realign Navy Leased Locations (NPV of \$164M; ARS of \$18M)
  - To improve DoD's force protection posture. The leased space being vacated typically does not comply with the Department's Antiterrorism Force Protection Standards.

\* NPV – estimated savings above the recommendation's implementation costs over the next 20 years.





# HSA-0136:

## Realign TRANSCOM HQ and Service Component HQs

**Candidate Recommendation (Summary):** Realign TRANSCOM HQ and Service Component Headquarters by (1) Relocating TRANSCOM HQ and Air Mobility Command (AMC) HQ to McGuire AFB, (2) Relocating TRANSCOM-related elements at MSC (Washington Navy Yard) to McGuire AFB, (3) Relocating SDDC from Alexandria, VA and Ft. Eustis to McGuire AFB, (4) Relocating SDDC TEA from leased space in Newport News, VA to McGuire AFB, and (5) reducing staff of the consolidated organization at McGuire AFB, NJ.

<p style="text-align: center;"><b><u>Justification</u></b></p> <ul style="list-style-type: none"> <li>✓ Greater consolidation of COCOM and Service Component headquarters at McGuire AFB</li> <li>✓ Reduction of NCR footprint;</li> <li>✓ Eliminates 162,000 USF of leased space within DC Area.</li> <li>✓ Overall personnel reduction estimated 25% (1568 job positions)</li> </ul>	<p style="text-align: center;"><b><u>Military Value</u></b></p> <ul style="list-style-type: none"> <li>✓ Quantitative Military Value:                     <ul style="list-style-type: none"> <li>Ft. Eustis: .8758</li> <li>WNY: .8634</li> <li>McGuire AFB: .8500</li> </ul> </li> <li>✓ Scenario meets Transformational Option to consolidate HQs and co-locate Service Component HQs with COCOM HQs</li> <li>✓ Eliminates Leased Space (SDDC &amp; SDDC/TEA)</li> </ul>
<p style="text-align: center;"><b><u>Payback</u></b></p> <ul style="list-style-type: none"> <li>✓ One Time Cost: \$ 355M</li> <li>✓ Net Implementation Savings: \$ 368M</li> <li>✓ Annual Recurring Savings: \$ 169M</li> <li>✓ Payback Period: 2009</li> <li>✓ NPV : \$ 1.9B</li> </ul>	<p style="text-align: center;"><b><u>Impacts</u></b></p> <ul style="list-style-type: none"> <li>✓ Criterion 6: TBD</li> <li>✓ Criterion 7: TBD</li> <li>✓ Criterion 8: TBD</li> </ul>

- ✓ Strategy
- ✓ COBRA

- ✓ Capacity Analysis / Data Verification
- ✓ Military Value Analysis / Data Verification

- JCSG/MilDep Recommended
- ✓ Criteria 6-8 Analysis

- ✓ De-conflicted w/JCSGs
- ✓ De-conflicted w/MilDepts

	Realign TRANSCOM at Scott AFB	Realign TRANSCOM at McGuire AFB			COBRA Report
<b>One-Time Costs</b>	<b>\$ 53.1M</b>	<b>\$ 406.9M</b>			<b>Summary Report</b>
<i>MILCON</i>	\$ 11.1M	\$238.6M			<b>Summary Report</b>
<i>Civilian(&amp;Mil) Moving</i>	\$30.1M	\$ 94.9M			Detailed Report (page 3)
<i>Civilian RIF/early ret.</i>	\$7.5M	\$16.6M			
<i>Program Mgt Costs</i>	\$1.5M	\$10.9M			One-Time Cost Report (page 1)
<i>One-Time Unique Costs</i>	\$0.1M	\$39.3M			
					One-Time Cost Report (page 1)
<b>Net Implementation</b>	<b>\$ - 330.6M (savings)</b>	<b>\$ 210.6M (cost)</b>			
<b>Annual Recurring Savings</b>	<b>\$ - 87.4M (savings)</b>	<b>\$ - 63.5M (savings)</b>			<b>Summary Report</b>
<b>Payback Yrs / Breakeven</b>	<b>Immediate</b>	<b>7 yrs</b>			<b>Summary Report</b>
<b>NPV Savings</b>	<b>\$ - 1,116.2 M (savings)</b>	<b>\$ - 393.4 M (savings)</b>			<b>Summary Report</b>
<b>Mil / Civ Reductions</b>	<b>296 / 343</b>	<b>508 / 433</b>			<b>Summary Report</b>
<b>Mil / Civ Relocated</b>	<b>37 / 778</b>	<b>2642 / 2368</b>			<b>Summary Report</b>
<b>Annual Recurring (Net)</b>	<b>\$ - 87.4M</b>	<b>\$ - 63.5M</b>			<b>Summary Report (Beyond 2001)</b>
<i>Personnel</i>	\$ - 81.5M	\$ - 65.6M			Summary Report (Beyond 2001)
<i>Military Salaries</i>	-30.0	-30.1			Detail Report (page 3)
<i>Civilian Salaries</i>	-23.7	-17.7			Detail Report (page 3)
<i>Contractor Salaries (input)</i>	-25.4	-25.4			Summary Report (Mission-Beyond)
<i>Housing Allowance</i>	-2.4	7.7			
<i>BOS</i>	0.2	5.1			
<i>TRICARE</i>	\$ <0.1M	\$ 9.7M			Summary Report (Beyond 2001)(Other)
<i>Lease Savings</i>	\$ - 6.0M	\$ - 6.0M			Summary Report (Beyond 2001)
<i>Sustainment &amp; Recap</i>	\$ -1.7M	\$ - 6.7M			Detail Report (page 3)
					Detail Report (page 3)
					Detail Report (page 3)
<b>NOTE: Data current as of 14 May 2005; shown to illustrate why the McGuire scenario was dropped; the Scott AFB numbers changed slightly due to scenario modifications directed by OSD and the integration process.</b>					