

DCN: 2180

01 April 2005

Industrial JCSG 2nd Briefing Notes

Date: Tuesday, March 29, 2005

Time: 1600-1700

Place: 3D1019

JCSG Chairman: Acting USD (AT&L) Mr. Michael Wynne

JCSG Executive Secretary: Mr. Jay Berry

JCSG Attendees:

- RADM Bill Klemm, Naval Sea Systems Command, Logistics, Maintenance and Industrial Operations Directorate
- Mr. Allen Beckett, Associate Director for Maintenance, USAF
- Mr. Dave Pauling, Assistant Deputy Under Secretary of Defense (Maintenance Policy programs and Resources)

Red Team Attendees:

- Honorable H.T. Johnson
- General Leon Salomon
- Mr. John Turnquist

Subject: *Second* Candidate Recommendation Briefing by Industrial JCSG to BRAC Red Team

Presenter: Honorable Michael Wynne

Items of import:

-

Questions that arose:

- What do the colors signify (“Munitions Sites” Slide) some are red and some are orange? *Orange represents closure of the function at the site and red signifies closure of installation because the Industrial function is the only function there.* (Salomon)
- Why does one say “Metal Parts” and the other says “Armaments”? Are you comparing 2 different functions? *We broke the paradigm by putting munitions at an arsenal.* (Salomon)
- Is this a total closure (IND-0122)? *Yes, this is a total closure because the Industrial function is the sole function at the installation.* (Johnson)
- Where do savings come from (IND-0115)? *Maintenance of automated line is expensive and this reduces overhead significantly. Is it going to be disestablished or moth-balled? Disestablished.* (Johnson)
- Why is there zero job loss (IND-0114)? *Because the site is being off-loaded to community and they plan to absorb those people/jobs.* (Johnson)
- In the COBRA report, \$60M of the \$63.8M one time cost is “other”, what is in this (IND-0114)? *This accounts for the movement of such things as bomb racks and Tomahawk Missile containers and footprint reduction including Benét Lab centralization. Do we know what hourly rate Watervliet will charge? Yes, we can add an asterisk in the COBRA.* (Salomon)
- Wasn’t this a hold-over from a previous round of BRAC (IND-0116)? *Yes, it was actually separated from Kelly AFB and moved to Lackland, AFB.* (Johnson)

- Do gun mounts remain (IND-00083A)? *Yes, if we did anything else, we would have to move them which would result in a high one-time cost.* (Salomon)
- Who is the receiver (IND-0083B)? Is Seal Beach still there? *Yes, we are just disestablishing the depot maintenance.* (Salomon)
- Are your Ground Maintenance Capacity charts really based on uncertified data? *Solid line is represents the first data call. Then there was an increase, shown by dotted box. The Army has certified the aggregate numbers, but not the breakouts. But will be certified before you are finished?* *Yes.* (Salomon)
- FRC map is useful chart as it has a lot of information on it, but what is closing? *Closures on 4th line of next chart. IND-0103.* (Johnson)
- How will budgetary issues affect this? *Not sure.* I would find out because having to so say to a Commissioner “I’ll get back to you.” Will not be beneficial. (Salomon)
- What’s missing from the legend for the FRC Savings Profile? *It is not a legend to the pie chart. We will make it bullet points instead of colored boxes.* (Salomon)
- Is there anything else at New London (IND-0037)? *There is some training that goes on there. Education and Training JCSG look at that function and the Navy is considering a closure.* (Johnson)
- Are you planning to present this chart (Pearl Harbor/Portsmouth comparisons) to the Commission? *Not sure.* Let’s look at the story. Why do you need Pearl Harbor? And then, what do you really need there? Is it really necessary to have full ship maintenance yard there? *Yes, we need Pearl Harbor and we need full ship maintenance in the short run until Force Structure Plan changes, then will be able to downsize to intermediate maintenance yard.* If you want to downsize, need to start now because you cannot do “BRAC-like” things absent BRAC. Do you have insights now to do the types of things to get fence line closures now? *No, reductions fall outside BRAC window.* Might be missing a window of opportunity and should try to reduce footprint and realign from shipyard to ship repair facility. (Salomon/Johnson)

Informal observations provided at briefing:

- May want to change the wording of the legend on “Munitions Sites” Slide to “Closure Enablers Briefed to ISG” or “Candidates”.
- Military judgment statement is not necessary especially since you are not overriding any military value rankings (IND-0112). At least re-word to simply state “Rock Island is most cost effective...”
- May want to remove military judgment sentence (IND-0122). At least re-word to make the statement positive as opposed to negative (e.g. – “...ongoing production output vice *layaway* capacity.”
- May want to consider linking this recommendation to Red River so as to avoid anyone thinking OSD is trying to be underhanded.
- Should strengthen your argument with some numbers on the overhead reductions (IND-0115).
- Fifteen-year payback is a long time (IND-0114) and from the discussion it sounds as if you are using MILCON to move contractors, and then lease back the buildings to the community. Should look hard at this recommendation to make sure you are doing what is best for DoD.
- For consistency, in the military value part of quad charts, either use rankings or quantitative numbers.

- Re-word IND-0083B & IND-127A to say “Closed” instead of “eliminates” so that the candidate recommendations follow the proper BRAC format.
- First sub-bullet on “Cost and Savings Overview” Slide is unclear. It is probably missing an “at” before “Letterkenny”.
- Need to strengthen your military judgment statements in the quad charts of candidate recommendations IND-0127A and IND-0127B by explaining why the judgment used is necessary or consequential.
- Should re-word FRC candidate recommendations so that they are in BRAC terms. Be careful in your use of the words consolidation and integration. (CRs 103, 104, 123, 124, 125, and 126.)
- Be consistent in your wording of the Military value tab on quad charts.
- Re-word IND-0056 and choose different word for “shipyards”.

Additional observations to consider:

- Almost all candidate recommendations are not in the correct format for submission. Ensure that all candidate recommendations are in the following format:

BRAC Action	where	by what	to where	and retaining what
<ul style="list-style-type: none"> • Close • Realign • Inactivate 	<ul style="list-style-type: none"> • losing installation 	<ul style="list-style-type: none"> • moving • relocating • consolidating • privatizing 	<ul style="list-style-type: none"> • gaining installation 	<ul style="list-style-type: none"> • enclaves • functions • activities

- Justification phrases should be removed from candidate recommendation statements.
- Actions that are independent of each other should not be lumped together into the same candidate recommendation.
- During the integration process, need to add retained actions (if any) at each losing installation.
- Since transformation is not one of the final selection criteria, transformational justifications have no legal basis and should be removed. These candidate recommendations should be justified in terms of military value or the force structure plan.
- Candidate recommendations should be organized in presentation in the following order:
 - Tier I: Traditional BRAC – Military value applied, net savings, capacity reduction.
 - Tier II: Strategy Driven – Military judgment applied, net savings, capacity reduction.
 - Tier III: Operationally Driven – Military judgment overrides, net savings.
 - Tier IV: Transformationally Driven – No military value justification, military judgment sole rationale, not cost effective, long paybacks.