

Response to:

Memorandum for Frank Cirillo, Director Review and Analysis

Authored by Jay Berry,
Executive Secretary, July 22, 2005

BRAC Commission Question: What methodology was used to determine the existence of excess space in the production facilities at the Joint Systems Manufacturing Center? Please provide details. The recommendation does not provide a figure corresponding to the excess space in the production facilities. Why wasn't a figure included in the recommendation? What was the computed figure?

OSD BRAC Clearinghouse Answer: Military Value question asked for the square footage of Armaments manufacturing production facilities. Certified data reported 1179 KSF. The COBRA run for this recommendation identified the excess space and the source of the data.

Task Force Lima Response and Clarification:

The floor space study applied in the COBRA assessment mischaracterizes the nature of effective space utilization required for a manufacturing operation.

All manufacturing operations, whether private or government owned, require floor area for manufacturing support operations such as maintenance, material storage and staging, electrical substations, etc... Such areas are vital to a manufacturing operation, but, are not recognized as manufacturing areas per Army Real Property Account requirements. Assuming that these areas are targets for space reduction is incorrect.

BRAC Commission Question: What effect do changes in sustained programs, the introduction of new programs, and the significant change in the projected man-hours resulting from these changes have on the excess space identified by the IJCSG? In view of this updated information, has this recommendation been invalidated by the subsequent events beyond the data call and data certification dates? If excess space still exists, what areas of the production facilities should be realigned? What should be done with that space?

OSD BRAC Clearinghouse Answer: The briefing infers that the Lima Army Tank Plant realignment recommendation was based on the certified data provided by the site. That is not true. The certified data gathered for capacity and military value data showed very little workload out past FY 2005, subsequently the

original recommendation for Lima Army Tank Plant was complete closure. Beyond FY 2005, there were no requirements for the Army's Future Combat System (FCS) or the Marine Corps Expeditionary Force Vehicle (EFV). During the deliberative process, the Department of the Army prepared a memo signed by the Assistant Secretary of the Army and the Marine Corps prepared memo signed by the assistant Deputy Commandant for Installations and Logistics stating that the closure of Lima will have a critical impact on the war-fighter and to recreate a vehicle chassis manufacturing facility would cost at least \$30M. Memorandum from both military departments ensured the IJCSG that their future acquisition strategies include using Lima Army Tank Plant to produce the EFV and FCS (For EFV, low rate initial production (LRIP) is scheduled as early as FY 2006 with production as late as FY 2009 and last delivery in FY 2018. For FCS, at this time, no production, or LRIP is scheduled through FY 2009). The IJCSG agreed that if the Marines and the Army actually plan to use Lima it made no sense to close and rebuild. In the future, if the Program Managers ops not to use Lima, we will be back to the picture painted by the certified data and we will have retained excess capacity. At the time that the IJCSG made its recommendation, all the IJCSG had were the memorandums from the Army and the Marine Corps and possible workload. The capacity retained in the recommendation includes the manufacturing of the FCS and the EFV and the M1Tank recap program and the updated information contained in the briefing support the IJCSG's decision.

Much of the workload that is left at Lima ends in the FY 2004, 2006, 2010 timeframe and overlaps with the future workload. Building 147 is the major production facility and cannot be closed, but many of the other numerous buildings like 266, 281, 186 317, etc. can be closed and building 147 made into a more efficient building that can house manufacturing for the M1 Recap, EFV, and FCS. Synergy and efficiency can be created through the inclusion of production (for DoD and FMS customers), recap, reset, welding school (allowing on the job experience), common areas that can service more than one commodity, shipping and receiving, test and acceptance, and office space in the same facility. This will more fully utilize bldg 147 and allow the complete closure of peripheral buildings that are underutilized.

Task Force Lima Response and Clarification:

Since submission of the 2004 Datacall the manufacturing backlog at JSMC has increased by 114% for the FY2005 through FY2009 timeframe, thereby undermining the validity of the original study and forthcoming recommendations for space reduction.

The certified data in the 2004 submission identified an increase in JSMC workload of 7.5% for the FY2005 through FY2009 timeframe. Since the original submission, the increases in manufacturing orders for Abrams and Stryker programs have contributed to a total workload increase for JSMC of 114%.

In addition to the increase in Abrams/Stryker backlog, JSMC also has commitments to the EFV and FCS Programs. The certified data for JSMC also shows a workload for FCS and EFV beyond FY 2005. A Memorandum of Understanding between the DA and USMC dated 13 August 2001 was signed, which requires the utilization of the Lima facility for manufacturing the EFV vehicles. This work is scheduled to commence in FY 2006 and the existing plan schedules EFV production at JSMC through FY 2020. For the army's FCS Program, JSMC is performing work for various manufacturing development contracts issued to GDLS through Boeing. No firm LRIP and full production schedules have been established due to the infancy of the program. Therefore the statement that there were no requirements for FCS or EFV beyond FY 2005 is erroneous.

Other work has also been realized since the 2004 submission. In 4th quarter of FY 2005 LAV turret production will start at JSMC for the U.S. Marine Corp.

The most recent data call to JSMC calculated production floor space utilization at 95%.