

**FOR THE RECORD STATEMENT
CONCERNING ROCK ISLAND ARSENAL**

There are 5 recommendations that realign organizations from Rock Island Arsenal and 3 recommendations that realign organizations to Rock Island Arsenal.

Realignments out:

1. Consolidate Civilian Personnel Offices (CPOs) within each Military Department and the Defense Agencies.

Realign Rock Island Arsenal, IL, by relocating the Civilian Personnel Operations Center to Fort Riley, KS, and Aberdeen Proving Ground, MD, and consolidating with the Civilian Personnel Operations Center at Fort Riley, KS, and Aberdeen Proving Ground, MD.¹

2. Consolidate Defense Finance and Accounting Service.

Close the Defense Finance and Accounting Service (DFAS) sites at Rock Island IL;..... Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.²

3. Relocate Army Headquarters and Field Operating Agencies.

Realign Rock Island Arsenal, Illinois, as follows: relocate the Army Installation Management Agency Northwest Region headquarters to Fort Sam Houston, TX, and consolidate it with the Army Installation Management Agency Southwest Region headquarters to form the Army Installation Management Agency Western Region; and relocate the Army Network Enterprise Technology Command Northwest Region headquarters to Fort Sam Houston, TX, and consolidate it with the Army Network Enterprise Technology Command Southwest Region headquarters to form the Army Network Enterprise Technology Command Western Region.³

4. Industrial Joint Cross-Service Group- Maintenance

Realign Rock Island Arsenal, IL, by relocating the depot maintenance of Combat Vehicles and Other to Anniston Army Depot, AL, and the depot maintenance of Other Equipment and Tactical Vehicles to Letterkenny Army Depot, PA.⁴

5. Supply and Storage Joint Cross-Service Group- Depot Level Repairable Procurement Management Consolidation.

Realign Rock Island Arsenal, IL, as follows: relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items to Defense Supply Center Columbus, OH, and reestablish them as Defense Logistics Agency Inventory Control Point functions; relocate the procurement management and related support functions for Depot Level Repairables to Detroit Arsenal, MI, and designate them as Defense Supply Center Columbus, OH, Inventory Control Point functions; and relocate the remaining integrated materiel management, user, and related support functions to Detroit Arsenal, MI.⁵

Realignments in:

1. Industrial Joint Cross-Service Group- Munitions Production

Close Riverbank Army Ammunition Plant, CA. Relocate the artillery cartridge case metal parts functions to Rock Island Arsenal, IL.⁶

2. Industrial Joint Cross-Service Group- Munitions Production

Close Mississippi Army Ammunition Plant, MS. Relocate the 155MM ICM artillery metal parts functions to Rock Island Arsenal, IL.⁷

3. Department of the Army Base Closures

Close Fort Gillem, GA. Relocate the Headquarters, 1st US Army to Rock Island Arsenal, IL.⁸

The community supports the relocation of the 2 ammunition production functions to the Joint Manufacturing and Technology Center- RI as it compliments the existing weapons production capabilities. The community also supports the relocation of the 1st Army to Rock Island Arsenal. There will be a synergy between several of the existing organizations and the 1st Army.

Non- challenged decisions.

It appears that several of the realignments were a result of an early decision to close Rock Island Arsenal.⁹ When decisions are made that eliminate a site from consideration, it provides for decisions that are not fair nor are they necessarily the best decisions.

The Defense Finance and Accounting Service facility located at Rock Island is ranked the highest in Military Value¹⁰ of all DoD DFAS sites and has consistently had superior metrics of various Army sites. Although the existing regional sites of Denver, Indianapolis and Columbus had lower military values of #3, # 7 and #9 respectively, they were chosen as the consolidation sites.

Data reviewed from various available documents provided by DoD in the BRAC information shows that there is not additional space at Rock Island to expand.¹¹ That is not the case as there is at least 100,000 square feet of General Administrative space available on Rock Island Arsenal today.

It is the community position that even though the decision may not have been entirely fair that it would be very difficult to change the recommendation for the DFAS organization.

The Army's Northwest Region Installation was competitively located at Rock Island Arsenal just 3 years ago. The realignment to the Southwest Region along with the Installation Management Activity headquarter is likely not to be overcome. It does appear that it again had its genesis in the initial guidance that Rock Island Arsenal would likely close. With that, the Northwest Region would not be a receiver of other regions. This is one of 3 regional organizations that were competitively placed at Rock Island Arsenal over the past 10 years. Only a scenario of closure makes the moves of all 3 regional organizations likely to happen.

Challenged decisions.

TACOM-RI

The first challenged recommendation is the realignment of TACOM-RI to Detroit Arsenal. The Supply and Storage Joint Working Group recommendation is to move the TACOM-RI consumable item management functions and related acquisition management functions to Defense Logistics Center Columbus and move the repairable item management functions to Detroit Arsenal and the related acquisition management functions and report to DLA but locate them at Detroit Arsenal.¹²

The Depot Level Repairable Procurement Management Consolidation Recommendation said: Transfer the contracting and various inventory control functions for Consumable Items and the procurement management for Depot Level Repairable items to DLA. All

other ICP functions remain with the Services. Relocates some Army and AF ICP functions to preserve the Army Life Cycle Management Commands and provide for continuation of secure facilities.”¹³

The recommendation identifies a total of 740 government employees associated with these moves and efficiencies. There are some errors in the numbers of people involved and therefore the costs involved in the TACOM-RI realignment. The TACOM-RI organization today consists of 1129 government employees and not 740. Although one cannot tell from analyzing any of the information concerning TACOM-RI in the BRAC 2005 data that has been provided, it is our belief that when the data used to arrive at this recommendation included only data for Inventory Control Point functions and didn't account for the other significant functions in the TACOM-RI organization.

Without going into a lot of detail, it appears that the bulk of the Procurement Organization, the Legal Office, the Safety Office, the Small Business Office, a TACOM Business Center that oversees TACOM's 5 Arsenal and Depots and a group that manages the Defensive Chemical Items were included in the intent of this recommendation but were not accounted for in the personnel numbers cited. They make up the difference between 1129 and 740. It doesn't make sense to fragment the organization and so if we look at the move of TACOM-RI to Detroit Arsenal and DLA at Columbus, Ohio, the number that needs to be accounted for is 1129 and not 740. We believe that was the intent of BRAC 2005. The exception would be an installation support contracting office of 40 people that would stay at Rock Island regardless of what moved to Detroit Arsenal or Columbus, OH. Therefore, there are 1089 government employees that must be considered in this proposal (1129-40),

However, there are more people tied to this organization directly and indirectly. The technical community that supports the procurements, that provides quality assurance functions and manages the data repository for the weapons and chemical items is co-located at Rock Island. Moving the entire TACOM-RI organization without the technical community that supports it breaks the functional and mission relationship. There are also over 50 contractors that are embedded in the TACOM-RI organization directly supporting the TACOM-RI mission. This results in the need to accommodate over 1100 people at Detroit Arsenal and Columbus, Ohio, not 740.¹⁴

The consumable item transfer (CIT) to DLA is really nothing new. These recommendations have been looked at in the past. They have normally been accomplished by Program Budget Decisions (PBD's) and not by a BRAC recommendation. Most consumable items that need to be at DLA are already there. In the past, the items that were left with the Service commodity commands have been the items that DLA has had difficulty purchasing, have an unstable design, have a history of readiness issues, etc. If the past is any indication of the future, these moves to DLA will decrease system readiness rates. This is an issue that the service representatives were concerned with and finally accepted the recommended position.¹⁵ The community does not believe overturning the recommendation on CIT is a winnable issue. DLA manages items, and thousands of them. The commodity commands manage systems and the

systems are the bread and butter of the warfighter. Time will tell whether this is a move that should be made. It is also a concern that in the past, there was negotiation of what items went back and forth between the services and DLA. With the BRAC recommendations being put into law, there is concern about whether these items can come back to the services even if there is a need to move them back.

The community does challenge the TACOM-RI move to Detroit Arsenal. This has been looked at in the past. BRAC 1991 said to move this same weapons management and procurement organization to Huntsville, AL. BRAC 1993 said to stay in place and report to the Tank and Automotive Command. They did so because they said “The Army believes the armament/chemical materiel management functions can be fully executed from Rock Island Arsenal without relocating. There is precedence for geographic dispersion of NICP functions.”¹⁶

When this new organization stood up in 1994 it was essentially a stand-alone organization. There was duplication between TACOM Detroit and TACOM-RI. In the last 10 years the redundancies between the two sites have all but vanished. Efficiencies gained have allowed TACOM-RI to eliminate over 300 positions, even while accepting additional mission. This is a virtual organization today across four sites with an organization that does not have duplicate staffs. Certain functions within the organization are split between the sites and functions performed at a single location may support the mission at all sites. There is adequate video conference capability allowing the employees within the organization to meet at any time without traveling to the other site. There will not be any great efficiencies or better operation if there is a move.

The COBRA model estimates that 30% of the workforce will not move. As a result support to the field will be degraded because of the large number of personnel that need to be hired in this move. It takes time for new employees to reach full operating level. Normally, college graduate interns in the logistics field go through training that takes 3 years in order to become proficient enough to perform at an entry-level. Most are still not fully functioning at the journeyman level even after 3 years. It takes time and experience to be a good Army Logistician and we want nothing less for our soldiers.

The BRAC report said that it “achieves economies and efficiencies that enhance the effectiveness of logistics support to forces as they transition to more joint and expeditionary operation by the migration of the remaining Service Consumable Items and acquisition management of Depot Level Repairables to a single DoD agency/activity.”¹⁷ That can be accomplished by having these functions remain in place and report to DLA. The BRAC report says nothing about moving Repairable Item Management. We believe that this recommendation was made at a time when Rock Island Arsenal was to be closed.

Relocating TACOM-RI does nothing to “preserve Army Life Cycle Management”.¹³ If the intent is to co-locate the logistics and acquisition personnel with the technical and program management personnel, then moving to Detroit Arsenal does not accomplish that. The technical personnel are co-located today and report to either Picatinny Arsenal or Edgewood Arsenal, not Detroit Arsenal. Only about 20% of the logistics and

acquisition personnel are linked to Program Offices and Program Executive Offices that are located at Detroit Arsenal. So realignment to Detroit Arsenal does nothing to preserve Army Life Cycle Management.

The recommendation also doesn't move all DLR business within TACOM to Detroit Arsenal. There are two other locations within TACOM performing ICP business that are not moved to Detroit Arsenal. There is nothing in this recommendation that increases operational capability or increases value to the warfighter. Rather it is likely to result in lower readiness because of the loss of expertise due to the large number of personnel that will not move with the mission.

The economics of this move are also questioned. There is no office space to accommodate any additional people at Detroit Arsenal. The BRAC Environmental Report also said that it was questionable whether there was space enough to build a facility for another 1000 people and there were encroachment issues at Detroit Arsenal.¹⁸ We believe that a multi-story building can probably be built and the parking would also have to be a multi-story garage and there would be little buildable space left at Detroit Arsenal. The BRAC report has different numbers for the cost of this building in different places, but the COBRA data shows a building cost of \$21.1 million for the building and \$3.5 million for the parking structure.¹⁹ This is grossly underestimated.

The community hired an Architect Engineering firm to tell us what costs should be in the Detroit area. They state that the average cost of building in the Detroit area overseen by the Corps of Engineers would be \$230 per square foot. Using the standard of 162 square feet per person plus storage area, the Architect Engineering firm recommends a total of 200 square feet of space per person.²⁰ Using 646 spaces in the COBRA Model yields a \$29.7 million cost for the building. Building for the more realistic mission requirement number of over 1100 people would cost \$50.6 million.

The parking garage cost is based on a local municipal parking garage with 455 parking spaces. It cost \$6 million to build. Assuming an additional 25 % cost factor for a Corps of Engineers project in the Detroit area the cost would be about \$16,484 per parking space. A total of 581 parking spaces would be provided for the BRAC recommended 646 positions (90% of the workforce should have a parking space) and would cost \$9.6 million. The real cost should be to provide 990 spaces (90% of 1100) for a total of \$16.3 million. Total building costs to be considered in this recommendation should be \$66.9 million not \$24.6 million.

But these costs don't cover facilities that are specialized and some that can not be duplicated at Detroit Arsenal. There is an arms room and a live fire range at Rock Island that is used extensively. It would not be possible to replicate the live fire range on Detroit Arsenal due to safety and encroachment issues and the lack of space. The Maintenance Operations and Procedures (MOP) shop makes modifications to weapons and other equipment and develops operational procedures for Army units. It also has a fully functioning machine shop that serves to prototype equipment modifications. There are currently 53 vehicles located at RI. Thus, there is a significant storage and work area

requirement. We believe that the current facilities at Detroit Arsenal are not capable of handling the additional equipment and there is no machine shop. The current building is not able to handle the combined automotive and armaments mission. These are just a few examples of facilities that are required for TACOM-RI mission accomplishment that will not be available at Detroit Arsenal should the move be made.

There is also a lack of recognition in the BRAC study and COBRA model for the investment cost and ineffectiveness of an organization when 30% are going to be new employees. We previously addressed the three year training period to bring a new employee to an entry level skill. Training costs are typically \$20,000 per year for 3 years.

Embedded contractors currently performing TACOM-RI mission are provided working space in conjunction with their contract. When they move, they are likely not to be provided space as space is at a premium at Detroit Arsenal. It is estimated that these 50+ contractors would have to find space in commercial buildings located near Detroit Arsenal at a cost of about \$225,000 per year. This annual recurring cost will be added to future Army contracts.

The COBRA model cost analysis estimates the move of 646 personnel to Detroit Arsenal, will have one time costs over \$40 million and recurring costs (our estimates) of over \$72 million per year. Using the more realistic number of approximately 1100 people moving the one time costs are over \$100 million with recurring costs of over \$73 million per year. There is no initial investment cost to remain at Rock Island; the recurring cost is only \$69 million per year.²¹ There are net costs to implement this recommendation of \$100 million plus recurring COSTS (not savings) of several million dollars a year.

When looking strictly at the overall cost differential in the COBRA data for FY06-FY11 for Detroit Arsenal the Net Cost is \$57.1 million and the Beyond Cost per year is \$5.8 million.²² The Net Cost for TACOM-RI is \$7.7 million and a Beyond per year savings of \$4.9 million.²³ That means that just using the grossly underestimated costs in the COBRA model, the cost to overcome in the first 6 years is nearly \$65 million and there is a loss of nearly \$1 million per year every year beyond year 6. There are no savings associated with this move only increased investment and operating costs forever.

But the investment cost, additional recurring cost, and impact to readiness doesn't even tell the whole story. Detroit Arsenal is ranked #74 on the military value list.²⁴ It has encroachment issues and therefore limited space to build. On the other hand Rock Island Arsenal is ranked #53 on the military value list, has space available to grow and is located on an island in the Mississippi River that provides significant Force Protection. The Army said that military value was the number one criteria in making decisions.²⁵ Moving the TACOM-RI organization to Detroit Arsenal only makes sense if Rock Island Arsenal were to be completely closed.

The Community believes the decision to move the TACOM-RI organization to Detroit Arsenal is contrary to overall guidance that military value of facilities is the overriding factor in BRAC 2005.

It deviates from BRAC Criteria #2 “The availability and condition of land, facilities.....at the receiving location.”

It deviates from BRAC Criteria #3““The ability to accommodate contingency, mobilization and future total force requirements.....”

It deviates from BRAC Criteria #4 “The cost of operations and manpower implication.”

It deviates from the BRAC Criteria #5 “The extent and timing of potential cost and savings.....”

The question that must be asked is why would the Army spend over \$100 million of one time costs to move an organization to a location that is ranked significantly lower in military value and the operating costs are going to be higher every year? The return on investment is a negative number and there is no operational basis for the move. The only reason to do this would be if you were closing a facility. The BRAC recommendation concerning the realignment of TACOM-RI must be overturned.

REGIONAL CIVILIAN PERSONNEL OFFICE

The BRAC recommendation for the regional Civilian Personnel Office (CPO) is to realign Rock Island Arsenal, IL by relocating the Civilian Personnel Operations Center to Ft. Riley, KS and Aberdeen Proving Ground, MD and consolidating with the Civilian Personnel Operations Center at Ft. Riley, KS and Aberdeen Proving Ground, MD.²⁶

The Headquarters and Support Activities, Joint Cross Services Group stated that Military Value forms the foundation of analysis as a primary consideration for development of recommendations.²⁷

It is evident from review of documentation from the H&SA, JCSG minutes that early scenarios listed Rock Island Arsenal as a likely closure. The scenarios suggested that realigning Rock Island CPO would be enabling potential to close Rock Island Arsenal.²⁸ Other than references to the likely closure of Rock Island Arsenal, there is no other evidence in the documentation that provides a rationale for how this realigning activity was chosen, or how the gaining facilities were chosen.

The Rock Island Arsenal Civilian Personnel Center (North Central Region) rated #1 in Military Value for all Department of Defense Civilian Personnel Centers.²⁹ With the statement that Military Value formed the foundation for development of

recommendations, one would think that the Rock Island Civilian Personnel Center would be a receiving site. But there is no indication from the start of various scenarios that Rock Island was recommended for anything but realignment. When the Chair of the H&SA, JCSG questioned why the top two Military Value Civilian Personnel Centers were not receivers, the answer was the team relied heavily on the Optimization Model results and the goal of vacating leased space. Neither of the two top centers are leased facilities. There is nothing in the documentation that provides what the model is. It appears that the working group was predisposed to realign the Rock Island Arsenal Civilian Personnel Center.

The Rock Island Civilian Personnel Center handles several high priority missions for the Army. They are a primary service provider for Army organizations in Southwest Asia. These include the Army Corps of Engineers organizations, the Army Military Technician Program and a substantial number of Logistics Assistance Representatives. In the recent past, they have been assigned as the HR service provider for several new Army organizations located in Southwest Asia. In addition, they have a number of unique customers and missions. They provide direct service to major Army medical centers. Recruitment for medical professional positions and all Army inter positions has been centralized at the Rock Island site. These missions have been assigned over a period of time due to the consistently outstanding work performed by the Rock Island Civilian Personnel Center and their proven track record. A contributing factor that allows this to happen is their extremely low turnover rate.

In the report, the recommendation is to move equal amounts of workload and personnel to Ft. Riley and Aberdeen Proving Ground with an efficiency of 45 spaces.³⁰ The efficiency was obtained by arbitrarily applying a factor to each of the services realignments.³¹ A factor of 17.7% was unilaterally applied to the Army Personnel Centers. This resulted in the 45 space reduction at Rock Island. This means that both the receiving sites would gain workload at a servicing ratio of 1:175, even though the Army standard and the ratio for Rock Island is 1:144. (18,000 clients/ 103 spaces= 175 clients per space). It is highly unlikely that this ratio could be achieved due to earlier streamlining and consolidation initiatives in the Army's regional HR environment. This coupled with the high priority missions and unique customers in the North Central Region, it is also unlikely that this level of service will continued to be provided with a realignment of this scope and significant reductions in personnel.

The predisposition to place the Rock Island Civilian Personnel Center on the realign list and disregard of the Military Value criteria are deviations from the BRAC criteria and general guidance concerning the BRAC process. The BRAC recommendation concerning the Rock Island Civilian Personnel Center must be overturned.

DEPOT MAINTENANCE

The BRAC recommendation for the Joint Manufacturing & Technology Center- RI (JMTC-RI) is to relocate the depot maintenance of Combat Vehicles and Other to Anniston Army Depot, AL, and the depot maintenance of Other Equipment and Tactical Vehicles to Letterkenny Army Depot, PA.³²

There recommendation is to put depot workload only in depots and provided for centers of excellence. The workload moved is 181spaces; 119 spaces to Anniston Depot; 27 spaces to Letterkenny Depot and efficiencies of 35 spaces. There may be an issue of what category that JMTC-RI applied these hours against. The data called for work against Depot Maintenance workload. It appears that the bulk of this work is not Depot Maintenance workload and may have been misreported.

Recently the Ground Systems Industrial Enterprise (GSIE) was formed to provide oversight and direction to the 5 TACOM Arsenal and Depots. Its purpose was to operate as a business unit, tear down barriers between arsenals and depots and obtain financial and legal changes that would allow these changes to be made. Rather than operate as competitors, the intent was to operate as partners in an enterprise. Work was to be subcontracted from other partners when appropriate and duplication of facilities was to be avoided in most cases. 10 USC 4544 was enacted in order to clarify previous legislation concerning depots and arsenals. The intent was to make them operate within limits like commercial entities. This BRAC recommendation will defeat the intent of recent legislation and put up the walls between depots and arsenals again.

Within the COBRA data the community has not been able to track any workload data to the 181 equivalent man-years of effort. The closest that appears to be similar data is current FTE for various types of workload that were answers to data questions. The answers are to questions 2121³³, 2122³⁴, 2146³⁵. They show that for FY04 about 101 man years of effort is in the Combat Vehicle category, about 22 man years of effort is in the Tactical Vehicle category and about 12 man years of effort is in the Other Equipment category.

The Combat Vehicle workload is made up of predominately HMMWV Armor Kits (about 80%). These are kits manufactured at JMTC-RI. The workload distribution was determined by GSIE with both commercial and government facilities. This production schedule was the most important factor. JMTC-RI obtained a portion of the work because they had the capability and ability to make these critical parts for the effort in Iraq. Although the workload may have been reported in the wrong category, this is not Depot Maintenance work.

The bulk of the remaining Combat Vehicle workload is for Gun Mount and Recoil Mechanism rebuild. This work is performed at Rock Island because they are the original manufacturer and have the specialized equipment for the work. JMTC-RI recently received a new production order for Howitzers and the same equipment used for the rebuild work is used for new production. If this equipment is moved to a depot, then

there will have to be a capital investment for purchase of duplicate equipment. This would not be economical to set up duplicate facilities.

The bulk of the Tactical Vehicle workload was work performed on Flat Racks. These are ammo racks on flat beds that fit on the PLS truck. JMTC-RI has been the manufacturer of the Forward Repair System (FRS). It is on a frame that fits on the PLS. Because the Flat Racks are similar to the FRS frame, the Program Manager asked JMTC-RI to provide some work on the Flat Racks. The Program Manager felt that there were economies to be realized because of the similar work that was done on FRS frames.

Other Equipment is primarily demilitarization of Ton Containers. These Ton Containers have had chemical agent stored in them and have been demilitarized at one of the chemical demilitarization facilities. They have been rendered a XXX status but in order to make them completely safe, they are melted in the foundry and made into ingots. This takes them a XXXXX status and the metal can be sold on the market. There is not a foundry capability at any of the depots.

This workload has been viewed as surge workload and as such has been accomplished by primarily temporary and term employees. These employees are not permanent employees and as such will be released when the workload is reduced. Reduction of permanent spaces from JMTC-RI would be double elimination of manpower.

It is recommended that the recommendation that Depot Maintenance work be realigned from JMTC-RI be reversed. It is counter to legislative intent, it is not typical depot maintenance workload and the equipment if moved would require capital investment of duplicate equipment.