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Chairman Anthony Principi
BRAC Commission
2521 South Clark Street
Suite 600
Arlington, VA 22202

Dear Chairman Principi:

As a follow-up to our recent telephone conversation, I am enclosing two background memos prepared by the *Friends of Navy Lakehurst* that address two of the specific issues I raised during your visit to New Jersey on June 3, 2005. I appreciate your offering to meet before the end of this month, to discuss these matters in greater detail.

As you know, the DOD recommendation for Lakehurst Naval Air Engineering Station is to modestly realign Lakehurst and include it in a new joint base facility with Fort Dix and McGuire Air Force Base. While the community believes that this is a positive recommendation, we do believe there are minor refinements the BRAC Commission can advance through its report to enhance the value of this recommendation for the community, the DOD, the base, and the taxpayer:

1) Joint Basing. In working with *Friends of Navy Lakehurst*, it is my hope that the BRAC Commission will validate DOD's recommendation for Joint Basing and support formation of the Joint Bases defined in the May 13 report. Additionally, we urge you to consider building upon the recommendation and giving it direction as well as a greater probability of meeting its goals by establishing a Joint Basing Office in OSD. DOD hopes to achieve enormous savings by consolidating installations that share common boundaries and execute similar maintenance, contract and other base functions. This will be a new and in some cases dramatic "experiment" and we believe a Joint Basing office is very much needed to provide policy and process guidance to address the many issues that will come up in the first few years of the joint basing model. The Joint Basing office would also be key to precluding any possibility of inconsistent management of the 12 Joint Bases that could result from their distribution across individual services; (Enclosure 1)

2) Successful Implementation of Fleet Readiness Centers. Similarly, it is our hope that the BRAC Commission will endorse the Navy recommendation to establish Fleet Readiness Centers to achieve efficiencies and savings in Aviation Maintenance. Still, to achieve even greater efficiencies, we strongly recommend that a seventh FRC be named for the in-service maintenance of the Aircraft Launch & Recovery Equipment and Aviation Support Equipment (ALRE/SE) commodities. The enclosed *Friends of Navy Lakehurst* analysis of the Industrial

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JCSG commodity approach reveals that no commodity grouping was made available to capture the maintenance activities for ALRE/SE. As an example, activities currently performing maintenance on Catapult and Arresting Gear systems (the two missions unique to Navy Lakehurst) and components therein have been, we believe, misaligned to the Aircraft FRCs or simply left out of the FRC recommendation entirely. Thus through its report, we hope the BRAC Commission will clarify and improve upon the FRC approach and name a seventh Fleet Readiness Center to be located at the Joint Base McGuire/Dix/Lakehurst. (Enclosure 2).

I thank you, Mr. Chairman, for your always conscientious and personal attention to matters of critical importance to our national security, military operations and veterans. I have asked my Chief of Staff, Mary McDermott Noonan, to follow-up with your staff to determine what time is mutually convenient for this meeting.

Sincerely,

CHRISTOPHER H. SMITH
Member of Congress

enclosures

1. Recommendations for Successful Joint Basing

Background and Analysis: The Secretary of Defense has repeatedly defined the principal purpose of BRAC 2005 as Joint Transformation. With this point in mind, the process used in this BRAC included more Joint analysis than in any past round, and has resulted in recommendations that will require a more transformational implementation approach than seen previously. One of the significant Joint recommendations included in the DOD report is the formation of Joint Bases at select locations where multiple, single-service facilities exist in close proximity to each other. This recommendation is the product of the Headquarters, Support, and Administration (HSA) Joint Cross Service Group and is provided as one consolidated recommendation that includes 25 current sites that will be formed into12 future Joint Bases. The HSA section of the BRAC report summarized the challenge in getting to this point in the Military Value Analysis section:

"Because the efforts of the HSA JCSG represent seminal Joint functional analysis, there were many challenges associated with the data and subsequent analyses. Since many of these functions currently operate independently and differently across the MILDEPs and DOD entities, there is a great potential for increased efficiency and effectiveness of these operations. However, the same ***current operational characteristics offer significant challenges in terms of data collection and comparison, as each entity currently reports based on its particular method of operation****".*

The actual HSA JCSG recommendation for Joint Basing includes a Payback section that states:

"The total estimated one-time cost to the Department of Defense to implement this recommendation is $50.6M. The net of all costs and savings to the Department during the implementation period is a savings of $601.3M. Annual recurring savings to the Department after implementation are$183.8M with an immediate payback expected. The net present value of the costs and savings to the Department over 20 years is a savings of $2,342.5M".

Further review of the HSA JCSG recommendation indicates that management of the Joint Bases to be established will be distributed across the services. There is no apparent attempt to provide overarching policy, process, or oversight and it is judged that this recommendation does not sufficiently support the Department's stated goal of Joint Transformation, nor does it go far enough to overcome the challenges of operating independently and differently across the services, as stated by the HSA JCSG. Most importantly, this report cites this recommendation as a $2B+ idea that will have no single organization accountable for achieving the projected savings or efficiencies.

Recommendation: To achieve the Joint Transformation so critical to our National Security and the significant cost savings and efficiencies cited in the BRAC report, it is imperative that a Joint Basing Office be established at OSD. This Joint Basing Office shall be responsible for consistent Installation Management policy and process across the Joint Bases, achieving the projected cost savings from establishment of the twelve recommended Joint Bases, and further developing Joint Basing as model for the future of Installation Management across DoD.

2. Successful Implementation of Fleet Readiness Centers

Background and Analysis: The Navy approach to Fleet Readiness Centers (FRCs) is Transformational and has excellent potential to achieve the projected efficiencies and savings. The six FRCs proposed will reduce the total number of sites performing aviation maintenance, integrate Intermediate and Depot levels of Maintenance into a single process, and establish single performance accountability across geographically dispersed sites.

While the six proposed FRCs appear to be purely regional consolidations it is clear that the Industrial JCSG has approved an operating model that consolidates along product lines, as well. The Industrial JCSG Maintenance sub-group section of the BRAC report states that:

> *"The maintenance sub-group determined the best approach was to assess military value for both depot and intermediate maintenance and combat field support/intermediate maintenance functions at the commodity group level."*

Further, it states:

> *"It was felt the commodity group approach would maximize jointness and enhance efficiencies and effectiveness."*

Analysis of the Industrial JCSG commodity approach reveals that no commodity grouping was made available to capture the maintenance activities for ALRE/SE. For example, activities currently performing maintenance on Catapult and Arresting Gear systems and components have been misaligned to the Aircraft FRCs or left out of the FRC recommendation entirely.

It is fully understandable how this may have occurred considering the volume of information being handled, the short turn around times required, and the multiple dimensions being considered in this BRAC process. This issue should not detract from the transformational nature of the Navy's FRC approach. It is pointed out as an opportunity to adjust the final configuration.

A similar association could have been made for ALRE/SE Research, Development, Acquisition, Test, and Evaluation (RDATE) capabilities considered under purview of the Technical JCSG. It is noteworthy that the unique nature of this commodity group was affirmed by Technical JCSG and documented in the BRAC report on page 37. For the recommendation to Establish Centers for Fixed Wing Air Platform RDATE it states:

> *"Lakehurst will be retained as a dedicated RDATE facility for Aircraft Launch & Recovery Equipment and Aviation Support Equipment."*

Recommendation: In order to achieve all the stated objectives of the Navy's transformation to Fleet Readiness Centers, it is imperative that in-service maintenance for the unique Naval commodity ALRE/SE follow suit and be included into the FRC operating model. This seventh Fleet Readiness Center will be responsible for all locations performing Intermediate and Depot maintenance of this commodity, accountable for achieving ALRE/SE Readiness objectives, and have the Command collocated with ALRE/SE RDATE at Lakehurst, the acknowledged Center of Excellence for ALRE/SE.

The ALRE/SE FRC should be composed of the following as a minimum:

- ALRE Manufacturing and Depot Repair @ Lakehurst
- Voyage Repair Teams @ Mayport/Norfolk/North Island
- ALRE/SE In-service Engineering and Logistics @ Lakehurst /Jax /Cherry Point/North Island
- Fleet Technical Reps @ Multiple Fleet Sites (CAFSU/ASIR/EASU)
- SE AIMDs at multiple sites
- SE Rework Facility @ Solomon's Island