



DCN 4757 *DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION*
2521 SOUTH CLARK STREET, SUITE 600
ARLINGTON, VA 22202
TELEPHONE: 703-699-2950
FAX: 703-699-2735

July 12, 2005
JCS # 12

Chairman:
The Honorable Anthony J. Principi

Commissioners:
The Honorable James H. Bilbray
The Honorable Philip E. Coyne, III
Admiral Harold W. Gehman, Jr., USN (Ret.)
The Honorable James V. Hansen
General James T. Hill, USA (Ret.)
General Lloyd W. Newton, USAF (Ret.)
The Honorable Samuel K. Skinner
Brigadier General Sue Ellen Turner, USAF (Ret.)

Executive Director:
Charles Battaglia

Mr. Bob Meyer
Director
BRAC Clearinghouse
1401 Oak St.
Roslyn VA 22209

Dear Mr. Meyer:

I respectfully request a written response from the Department of Defense concerning the following request, which pertains to the impact of DoD's BRAC recommendations on the Cryptologic Systems Groups (CPSG) at Lackland Air Force Base :

On our site visit at Lackland - and in subsequent discussions with the SC-OSD BRAC - the Commission was informed of an NSA memorandum; dated 30 June 2005; Subject: NSA Consolidated SIGINT Support Activity (CSSA) at Lackland AFB. The memo is apparently a request by the NSA to the DoD urging reversal of the decision to disperse the CSSA. Please provide the Commission with a certified copy of this memo. Moreover, if other activities or concerned parties have provided opinions regarding this recommendation, please provide the Commission with copies of their opinions as well.

I would appreciate your response by July 18, 2005. Please provide a control number for this request and do not hesitate to contact me if I can provide further information concerning this request.

Yours sincerely,

Frank Cirillo
Director
Review & Analysis

JUL 13 2005

OSD BRAC Clearinghouse Tasker.C0537

(Due Date: 15 Jul 05)

Question – I respectfully request a written response from the Department of Defense (DoD) concerning the following request which pertains to the impact of DoD's BRAC recommendations on the Cryptologic Systems Group (CPSG) at Lackland Air Force Base:

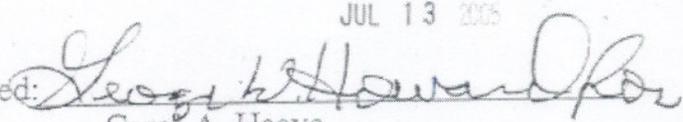
On our site visit at Lackland – and in subsequent discussions with the SC-OSD BRAC – the Commission was informed of an NSA memorandum; dated 30 June 2005; Subject: NSA Consolidated SIGNIT Support Activity (CSSA) at Lackland AFB. The memo is apparently a request by the NSA to the DoD urging reversal of the decision to disperse the CSSA. Please provide the Commission with a certified copy of the memo. Moreover, if other activities or concerned parties have provided opinions regarding this recommendation, please provide the Commission with copies of their opinions as well.

I would appreciate your response by 18 July 2005. Please provide a control number for this request and do not hesitate to contact me if I can provide further information concerning this request.

Answer: The NSA memorandum; dated 30 June 2005; Subject: NSA Consolidated SIGNIT Support Activity (CSSA) at Lackland AFB is attached.

JUL 13 2005

Approved:


Carol A. Haave

Deputy Under Secretary of Defense
(Counterintelligence and Security)
Chair, Intelligence Joint Cross-Service
Group

UNCLASSIFIED//FOR OFFICIAL USE ONLY

NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755-6000

30 June 2005

MEMORANDUM FOR CHAIRMAN, SUPPLY & STORAGE JOINT CROSS-SERVICE GROUP
CHAIRMAN, TECHNICAL JOINT CROSS-SERVICE GROUP
CHAIRMAN, INDUSTRIAL JOINT CROSS-SERVICE GROUP
CHAIRMAN, INTELLIGENCE JOINT CROSS-SERVICE GROUP

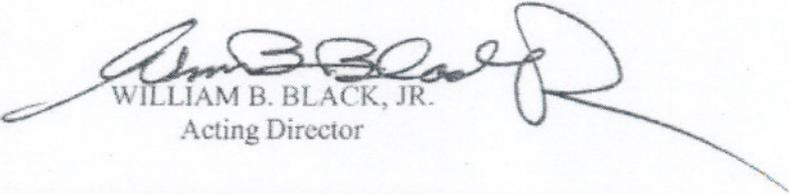
SUBJECT: NSA Consolidated SIGINT Support Activity (CSSA) at Lackland AFB

It has come to our attention that the DOD BRAC recommendation to close the NSA Consolidated SIGINT Support Activity (CSSA) at Lackland Air Force Base in San Antonio, TX will have a major impact on the national intelligence community's worldwide support effort. This consolidated activity, which includes a technical repair center, warehouse, materiel and program management, was established in 1996 as a result of a comprehensive economic and efficiency study conducted by NSA and the military services, which recommended depot, integrated materiel management, and inventory control point consolidation for SIGINT systems. A competition was held among all the services, and a contract was awarded to the Air Force to provide worldwide depot support for SIGINT equipment from a single location. This activity provides a Sensitive Compartmented Information Facility with on-line connectivity to NSA's secure network for worldwide tracking of all parts within our field operations including partner countries. The 98 CSSA personnel are required to have a Top Secret SI clearance with a lifestyle polygraph and full background check. The 1993 Director's Point Paper summarizing the study and a 1996 briefing describing the Depot Consolidation are attached.

The military SIGINT consolidation effort resulted in a \$32M annual savings to NSA and has improved return/repair rates by over 20% over the last 8 years. The CSSA has developed a unique interactive web portal providing real-time status of all repairs. Based on the high level of customer satisfaction within the SIGINT community, the National Reconnaissance Office (NRO) decided to use the CSSA for their SIGINT repairs as well.

The DOD BRAC recommendation breaks up the one-stop depot into four parts graphically dispersed in the U.S. The maintenance portion would go to Tobyhanna in Pennsylvania, and 36 billets would be moved there. Fifty-six billets would be moved to Robins AFB in Georgia for item management services; four additional billets would be moved to Robins for procurement support, but to the Defense Logistics Agency vice the Air Force. The last 2 billets would go to Columbus, Ohio, for consumables. The warehouse appears to be staying in San Antonio.

NSA requests that the decision to disperse the Consolidated SIGINT Support Activity be reversed.



WILLIAM B. BLACK, JR.
Acting Director

UNCLASSIFIED//FOR OFFICIAL USE ONLY

UNCLASSIFIED//FOR OFFICIAL USE ONLY

Encls:
a/s

Copy Furnished:
Director National Intelligence

POINT PAPER
DEPOT CONSOLIDATION

23 March 1993

BACKGROUND:

- SIGINT DEPOT MAINTENANCE IS DONE BY ALL THREE SERVICES AND NSA
- TRI-SERVICE VERIFIED DATA:

| | <u>TRANSACTIONS</u> | <u>FUNDING</u> | <u>SPARES</u> | <u>MANPOWER</u> |
|------------|---------------------|----------------|---------------|----------------------|
| AIR FORCE: | 2,108 | 14.4M | \$241.9M | 290 (138 ARE COMSEC) |
| ARMY: | 1,917 | 13.8M | \$111.9M | 208 |
| NAVY: | 2,435 | 6.2M | \$ 30.1M | 34 |
| NSA: | 29,031 | 14.4M | \$ 5.7M | 88 |

- NSA PROPOSED CONSOLIDATION AT NSA WITH A POTENTIAL SAVINGS OF \$30M/YEAR; SERVICES AGREED WITH CONSOLIDATION, BUT NOT AT NSA.
- SERVICES BRIEFED POTENTIAL \$20M/YEAR SAVINGS THROUGH CONSOLIDATION OF MILITARY DEPOTS.
- THE FY95 APPROPRIATIONS BILL CONTAINED A REQUIREMENT FOR "COMPETITION" IF MORE THAN \$3M IS MOVED FROM A DEPOT. WORK NOT MOVED DOES NOT HAVE TO BE COMPETED.
- NSA (JACK DEVINE) AGREED TO PROCEED WITH A COMPETITION DURING A MEETING WITH THE SERVICES ON 3 NOV AND TOOK UNDER ADVISEMENT WHAT TO COMPETE.
- AT THE 3 NOV MEETING, GEN. CURTIS STATED THAT HE FELT THAT THE COMPETITION COULD BE COMPLETED BY JULY 95; CURRENT OPTIMISTIC ESTIMATES PROJECT APRIL 96 WITH TRANSITION UP TO TWO YEARS BEYOND.

IMPORTANT FACTORS:

- 65% OF THE DEPOT WORK DONE AT NSA IS FOR NSAW
- NSA HAS REDUCED SPARES BASED ON QUICK TURNAROUND
- MANY OF THE ITEMS REPAIRED AT NSA ARE UNIQUE WITH LITTLE OR NO REPAIR DOCUMENTATION VS. WORK DONE BY THE SERVICES WHICH IS WELL DEFINED WITH COMPLETE REPAIR DOCUMENTATION AND SPARES IN PLACE.
- TRANSPORTATION WILL INCREASE TURNAROUND TIME AND HANDLING COST AT NSA IF A SERVICE WINS THE COMPETITION.
- SECURITY IS A MAJOR CONCERN FOR REPAIR AND HANDLING OF COVERT ITEMS.
- COMPETITION WAS TO BE STREAMLINED, BUT SERVICE "REQUIREMENTS" SUCH AS THE USE OF THE COST COMPATIBILITY HANDBOOK ARE DIFFICULT TO IMPLEMENT BECAUSE OF NSA'S ACCOUNTING SYSTEM.
- UNDER THE CURRENT CONSOLIDATION PROPOSAL, FUTURE COST OF DOING BUSINESS IS UNCERTAIN BECAUSE THE TOTAL COST OF REPAIR WILL BE NEGOTIATED AFTER AWARD. EACH YEAR, COST WILL BE RENEGOTIATED.

CONCLUSION:

- BECAUSE OF THE ABOVE, IT IS UNWISE AND PROBABLY NOT POSSIBLE FOR NSA OR THE NSA WORK LOAD TO BE INCLUDED IN THE COMPETITION.

COURSE OF ACTION:

- SERVICES WILL COMPETE FOR THE CONSOLIDATION OF MILITARY DEPOTS USING A MERIT BASED EVALUATION AND SELECTION PROCESS.
- NSA DEPOT WORK WILL NOT BE COMPETED.
- NSA WILL NOT COMPETE.

DEPOT CONSOLIDATION

COMBINED SIGINT SUPPORT ACTIVITY

DEPOT CONSOLIDATION - WHAT IS IT?

- * A DEPOT IS THE INVENTORY CONTROL ACTIVITY (PICA) THAT PROVIDES PIPELINE SPARES AND REPAIR AND RETURN SERVICE FOR FIELDDED SYSTEMS**

- * PICA'S HAVE TRADITIONALLY BEEN DETERMINED AT MEILSERS AND SHARED BETWEEN FOUR PARTIES**

- * WITH CONSOLIDATION, ALL FIELD SITES (OVERSEAS AND RSOC'S) WILL BE SUPPORTED BY ONE PROVIDER**

WHY CONSOLIDATE?

- * CONSOLIDATION HAS BEEN PROPOSED FOR OVER 25 YEARS.
- * TODAY'S FISCAL IMPERATIVES, COMBINED WITH TECHNOLOGY DRIVERS AND THE NEED FOR NEW BUSINESS PRACTICES, HAVE FORCED IT.

THE FISCAL IMPERATIVES

- * FY93 DIRECT FUNDING IN SUPPORT OF FOUR DEPOTS: \$ 48.8M

- * SPARES INVESTMENT: \$389.6M

- * PROJECTED ANNUAL SAVINGS THRU CONSOLIDATION: \$20 - 30M

THE TECHNOLOGY DRIVERS

- * THE COTS REVOLUTION
- * HEAVILY SOFTWARE DRIVEN SOLUTIONS
- * HIGHER SYSTEM RELIABILITY
- * RAPID TURNOVER INHERENT IN MODERN TECHNOLOGY
- * MORE ABILITY FOR FIRST ECHELON MAINTENANCE
- * DECLINING REPAIR TRANSACTION VOLUMES
- * DECLINING BUDGETS

NEW BUSINESS PRACTICES

- * **LOWER INVESTMENT - "JUST-IN-TIME" INVENTORY**
- * **MORE OEM AND CONTRACTOR MAINTENANCE**
- * **MORE FIRST ECHELON MAINTENANCE (FRONT END INVESTMENT)**
- * **SIGNIFICANT CHANGES IN THE "BER" DECISION PROCESS**
- * **EXPRESS TURN-AROUND REPAIR AND SHIPPING SERVICES**

HOW ARE WE CONSOLIDATING?

- * SEP 94 JIB BRIEFED ON TWO OPTIONS:
CONSOLIDATE AT SIGINT SERVICE CENTER - SAVE \$30M/YEAR
CONSOLIDATE AT SERVICE DEPOT - SAVE \$20M/YEAR
- * DIRNSA ASKED FOR THIRD OPTION - SIGINT SERVICE CENTER
WITH INCREASED MILITARY PRESENCE
- * FY95 APPROPRIATIONS BILL DICTATED FORMAL COMPETITION TO
MOVE WORK
- * DIRNSA WAS ADVISED AND THE FORMAL COMPETITION PROCESS
COMMENCED
- * NSA/J4 (NOW J5) LED EFFORT TO DEVELOP THE SOW
- * ARMY/IMMC LED EFFORT TO DEFINE THE "MERIT BASED
COMPETITION PROCESS"

KEY PARAMETERS OF THE COMPETITION

- * **WORKLOAD INCLUDED AND IS LIMITED TO OVERT FIELD SITES (OVERSEAS AND RSOC'S) AND 2ND. AND 3RD. PARTY PARTNERS**
- * **DIRNSA WAS THE SOURCE SELECTION AUTHORITY - WITH ADVICE FROM A TRI/SERVICE SOURCE SELECTION ADVISORY COUNCIL**
- * **THE THREE SERVICES SUBMITTED PROPOSALS - NSA DID NOT**
- * **ARMY COMMUNICATIONS ELECTRONICS COMMAND, AT FT. MONMOUTH, ADMINISTERED THE COMPETITION ON OUR BEHALF**
- * **SOURCE SELECTION EVALUATION BOARD WAS COMPRISED OF PERSONNEL FROM THE THREE SERVICES AND NSA**

PROPOSAL EVALUATION SUMMARY

- * ALL SERVICES PROPOSED ACCEPTABLE CONCEPTS OF OPERATIONS, MANAGEMENT PROCESSES AND ORGANIZATIONAL STRUCTURES**

- * ALL SERVICES PROPOSED ACCEPTABLE TECHNICAL APPROACHES AND EQUIPMENT/FACILITY RESOURCES**

- * COST WAS THE DISCRIMINATING FACTOR**

CONCEPT OF OPERATIONS

- * **THE DEPOT WILL WORK DIRECTLY WITH THE OPERATIONAL CUSTOMERS TO PROVIDE SUPPORT**

- * **DEPOT WILL PROVIDE MONTHLY, QUARTERLY AND ANNUAL REPORTS ON WORK COMPLETED, TRANSACTION COST AND COST TO DATE, AND PROBLEMS SURFACED/SOLVED**

- * **NSA/J5 WILL MONITOR, EVALUATE AND FUND THE DEPOT AND MAINTAIN LATERAL INTERFACE WITH THE OPERATIONAL CUSTOMERS**

SCHEDULE

- * **24 JAN 96** **SOURCE DECISION**
- * **12 - 13 FEB 96** **POST-AWARD CONFERENCE**
- * **MAR - APR 96** **SITE SURVEYS - ARMY**
- * **MAY 96** **SITE SURVEYS - NAVY**
- * **AUG 96** **SITE SURVEYS -NSA**
- * **MAY - SEP 96** **MOVE ARMY AND NAVY EQUIP**
- * **SEP - NOV 96** **MOVE NSA EQUIPMENT**
- * **1 JANUARY 97** **TRANSITION COMPLETE**
HOW WILL THE FIELD SITES BE EFFECTED??

- * ONE PROVIDER FOR REPAIR AND RETURN AND PARTS SUPPORT

- * NEW BUSINESS PRACTICES (JUST-IN-TIME INVENTORY AND PRIORITY DRIVEN REPAIR ACTIONS) WILL REDUCE DOWN-TIME AND HAZ-CONS

- * THE J5 DEPOT CONSOLIDATION AND FIELD SUPPORT PROGRAM OFFICE WILL BE YOUR BROKER AND ADVOCATE

SUMMARY

- * AFTER MORE THAN 25 YEARS OF TALKING, DEPOT CONSOLIDATION IS HAPPENING

- * IT WILL BE ACCOMPLISHED NOT LATER THAN 2QFY97

- * YOU ARE THE CUSTOMER AND A CRITICAL PARTICIPANT IN THE PROCESS