

BRAC Commission

JUL 14 2005

Received

July 13, 2005

Mayor:
DAN ALBERT

Councilmembers:
CHUCK DELLA SALA
LIBBY DOWNEY
JEFF HAFERMAN
CLYDE ROBERSON

City Manager:
FRED MEURER

Chairman Anthony J. Principi and Members of the Defense Base Closure and
Realignment Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Dear Chairman Principi and Members of the Commission:

On behalf of the City of Monterey, I offer several comments regarding the Commission's inquiry of July 1, 2005 to Secretary of Defense Rumsfeld regarding Professional Development Education. We believe this inquiry is worthwhile, and applaud the Commission for your interest in this matter.

We are particularly excited about the possibilities because the City previously suggested to the Department of Defense (DoD) a realignment very similar to the one contemplated by the Commission. Attached is a copy of the City's correspondence positing the creation of a *National Security Research University*.

With regard to the potential consolidation of the Naval Postgraduate School (NPS) and Presidio of Monterey (POM) *installations* under common ownership in Monterey, the community has been on record as an advocate since the 1993 BRAC round. We have long believed that the close proximity of NPS to POM, along with the fact that the City of Monterey surrounds each campus with its service organizations, creates opportunities for better coordination of services, reduces redundant overhead, and can take advantage of substantial economies of scale.

The Commission may be aware that the community has made significant progress in this area. Since 1999, the City has delivered a variety of municipal services to POM on a reimbursable basis, and an Army Audit Agency analysis confirmed that this arrangement has saved the Army 49% of its base operating dollars compared to the prior service system. This arrangement has saved the Army millions of dollars each year, and these savings can grow through further coordination of services between NPS, POM, and adjacent municipalities and utilities.

Regarding the potential realignment of the NPS and Defense Language Institute (DLI) *missions* into a single entity, we believe this idea has significant potential for education services consolidation and merits further study. Whether it be a consolidated professional development education center (as the Commission's letter to Secretary Rumsfeld suggests) or a *National Security Research University* addressing DoD and other national interests, such an organization would benefit greatly from its proximity to the other world-class higher education and research activity in the greater Monterey area.

We suggest that the organizational structure – whatever form it takes – that results from realignments you might recommend be designed to ensure that critical language and national security research missions remain as responsive to the combatant commanders and curriculum sponsors as they are today. NPS is a source of tremendous military value to the Department of the Navy and other services, and conducts education and research programs that are specifically tailored to meet service requirements. Similarly, DLI has no peer in its ability to deliver quality language training to personnel from all services. It is important to preserve and enhance the core capabilities of each of these fine institutions by any realignment, rather than dilute them.

Any new organizational structure must also continue to be responsive to the needs of the State Department in nation building and post-conflict reconstruction, as well as to the Department of Homeland Security. A new organization must also continue the vibrant, reimbursable research program that focuses faculty, students, and staff on solving today's and tomorrow's defense challenges.

With regard to the potential relocation of the Air Force Institute of Technology (AFIT) to Monterey, our community has long avoided the temptation to recruit other communities' missions. Therefore, we refrain from advocating a position on this potential action. We will, however, assure the Commission that, if a decision is ultimately made to take this action, our community will do its best to facilitate it and make AFIT a successful, productive member of the local and defense community.

It is interesting to note that the 1993 BRAC Commission made similar findings and recommendations as the current Commission is exploring regarding consolidation of our local installations. In addition, approximately ten years ago, there was a Navy initiative that also contemplated the combination of NPS and DLI/POM into a single organization.

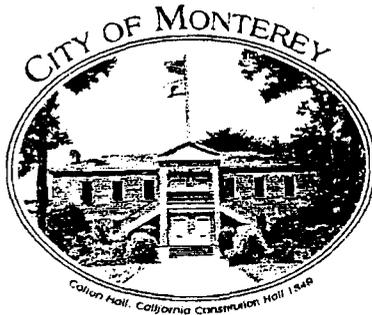
As a final aside, we have learned that the Navy's fiscal modeling pertaining to an action they contemplated during the BRAC 2005 deliberation phase for NPS severely over-estimated the cost of operations, understated the student population served, and provided misleading information about the savings to the government should the school be closed. In summary, the analysis would lead someone to believe that NPS is far more expensive to operate than it really is. We will submit additional information about this issue to the Commission under separate cover, as we believe that the historical record should be complete and accurate.

We would be pleased to provide any further information that the Commission or your staff may desire. If we can be of any assistance, please do not hesitate to contact City Manager Fred Meurer, Deputy City Manager Fred Cohn, or me at 831.646.3760. Again, thanks for your interest in exploring this matter.

Sincerely,



Dan Albert
Mayor



December 1, 2004

Mayor:
DAN ALBERT

Councilmembers:
THERESA CANEPA
CHUCK DELLA SALA
CLYDE ROBERSON
DICK VREELAND

City Manager:
FRED MEURER

Mr. Charlie Abell
Principal Deputy Undersecretary of Defense (Personnel & Readiness)
4000 Defense Pentagon, Room 3E764
Washington, DC 20301

Dear Secretary Abell:

On behalf of the City of Monterey, I respectfully transmit to DoD's Joint Cross Service Group on Education/Training the enclosed proposal suggesting the transformation of the Naval Postgraduate School (NPS) and Defense Language Institute Foreign Language Center (DLIFLC). One of the options discussed in the proposal posits the complete integration of these two institutions into a comprehensive *National Security Research University*.

This proposal is intended to leverage the following opportunities:

1. Consolidate two neighboring installations into one to reduce duplicative overhead and take advantage of economies of scale.
2. Create, under a single umbrella, an integrated and robust national security research, education, and training enterprise that builds upon extraordinary work already being done.
3. If desired, build upon the demonstrated success that has been achieved by way of the delivery of municipal services to the Presidio of Monterey by the City of Monterey.

In addition, the consolidation of support functions being proposed would likely free up substantial facility space on the Presidio of Monterey such that classroom space for DLIFLC could be increased approximately 10% to 20%, by our initial estimates.

We believe that the options in this proposal provide extraordinary opportunities to *better* meet the nation's defense and national security requirements, and to do so in a cost-effective way. We are prepared to assist in an implementation program in any way that we can.

Thank you for your consideration of this proposal. If we can answer any questions or furnish further information, please do not hesitate to contact me, City Manager Fred Meurer (meurer@ci.monterey.ca.us), or Deputy City Manager Fred Cohn (cohn@ci.monterey.ca.us). We all can be reached at 831.646.3760.

Sincerely,

A handwritten signature in cursive script that reads "Dan Albert".

Dan Albert
Mayor

C: Dr. Craig College, Deputy Assistant Secretary of the Army for Infrastructure Analysis
Ms. Ann Davis, Deputy Assistant Secretary of the Navy (Infrastructure, Strategy and Analysis)

PROPOSAL

PURSUE TRANSFORMATION OF NAVAL POSTGRADUATE SCHOOL AND DEFENSE LANGUAGE INSTITUTE TO A NATIONAL SECURITY RESEARCH UNIVERSITY

Introduction:

The City of Monterey has worked, using legislated authority for a demonstration project, with the Navy and Army since 1995 to reduce operations and maintenance costs for the military installations that support the Naval Postgraduate School (NPS) and the Defense Language Institute (DLI). Municipal services have been provided during the project at costs substantially less than when the work was provided by a combination of federal civilian workforce and the private sector. The project's effectiveness was validated by an Army Audit Agency review/audit of operations in December 2000 that found the City was providing higher quality services 41% less costly than the previous in-house workforce, contractor and Inter-Service Support Agreement strategy used by the Army. Based on the Monterey demonstration project's success, authorization for two, similar projects at Army installations is included in the Fiscal Year 2005 National Defense Authorization Act.

Successfully providing high-quality, better-value municipal services to the Army Presidio of Monterey and Naval Postgraduate School has made the City of Monterey a recognized national leader in partnering with DoD to reduce installation operations and maintenance costs and increases mission effectiveness. The City feels confident that further cost reductions and mission enhancement can be achieved through innovative real estate and organizational changes to DoD operations in the City of Monterey.

Discussion:

In 1995, after closure of Fort Ord, the Navy proposed a transfer of real estate and mission responsibilities for the Defense Language Institute/Presidio of Monterey from the Army to the Navy. This would have made a single Service, the Navy, responsible for installation and professional military educational services on the Monterey Peninsula. Due to an inability of the Army and Navy to reconcile Executive Agent responsibilities for DLI or the costing details of the installation transfer, action on the proposal was not completed (in spite of considerable discussion, encouraging negotiation and general agreement on the value of combining individual Service installation, real estate and mission responsibilities under a single Service). Although there have been occasional subsequent discussions of the initiative, no further progress has been made. The base realignment and closure (BRAC) 2005 process offers another opportunity to consider transformational process to force organizational and real estate changes at Monterey Peninsula military installations that can further reduce operations and maintenance costs, while increasing mission effectiveness.

Three approaches to reduce operations and maintenance costs are discussed in the following. Two could also streamline provision of academic services now provided by NPS and DLI. The three options conform to the Secretary of Defense's policy guidance for BRAC 2005 as stated in his November 15, 2002, Kick Off Memorandum:

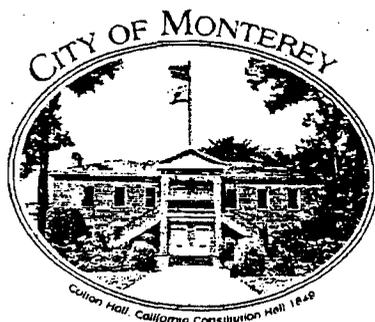
"BRAC 2005 should be the means by which we reconfigure our current infrastructure into one in which operational capacity maximizes both warfighting capability and efficiency. ... A primary objective of BRAC 2005, in addition to realigning our base structure to meet our post-Cold War force structure, is to examine and implement opportunities for greater joint activity. Prior BRAC analyses considered all functions on a service-by-service basis and, therefore, did not result in the joint examination of functions that cross services."

Following are three potential options to help realize the Secretary's desire for increased cross-servicing of military installations and are listed in an ascending hierarchy of financial and operational significance.

1. Consolidate Real Property Operations under one Service on the Monterey Peninsula. This option is similar to the earlier Navy proposal to have one Service in charge of real property operations on the Monterey Peninsula. The advantage of this option would be the elimination of one Service's installation overhead operations and associated costs.
2. Create a *National Security Research University* and Designate an "Executive Agent" or create a DoD field activity. This option would include option #1 actions, but then go further to reorganize NPS and DLI academic operations into a *National Security Research University* under a DoD Executive Agent or as a DoD field activity. In addition to eliminating one Service's overhead operations, the creation of a *National Security Research University* would allow consolidation of duplicative general-support and academic-support operations, such as student records maintenance, information services, reproduction operations, etc. Both NPS and DLI currently have civilian and military instructor personnel and maintain academic instruction and support operations in separate facilities. This scenario would also enhance current State Department and Department of Homeland Defense initiatives at NPS. This scenario would be fully responsive to the combatant commander's needs for integrated applied research and professional military education necessary to pursue the War on Terrorism and other National Security and Intelligence initiatives.
3. Create a *National Security Research University*, Close the NPS and POM, and "Lease Back" Academic, Operational and Support Facilities. This option would create a *National Security Research University* DoD field activity as in #2, but would close the NPS and POM via the BRAC 2005 process and then "lease back" required academic, operational and support facilities. Using this strategy, the City of Monterey would acquire the NPS and POM real estate and negotiate a lease back agreement with the *National Security Research University* Executive Agent for required facilities at the NPS and POM. Negotiations between the City and the Executive Agent could include a development entity that might potentially consolidate NPS and DLI operations into a smaller, more modern facility footprint than currently exists in exchange for the right to redevelop excess real estate for missions that support and complement DoD such as Homeland Security and State Departments' needs for applied research and professional education. Under this scenario, the City would continue to provide municipal services to the consolidated campuses. This scenario would maximize mission value while minimizing base operations costs.

Conclusions:

With the assistance of the City of Monterey, further, significant reductions of DoD operations and maintenance costs and enhancements to joint operations at military installations on the Monterey Peninsula are achievable. The City is prepared to partner with DoD to transform its installations on the Monterey Peninsula at whatever level DoD chooses to implement.



Mayor:
DAN ALBERT

Councilmembers:
THERESA CANEPA
CHUCK DELLA SALA
CLYDE ROBERSON
DICK VREELAND

December 1, 2004

City Manager:
FRED MEURER

Ms. Ann Davis
Deputy Assistant Secretary of the Navy (Infrastructure Strategy and Analysis)
2221 South Clark Street, Suite 900
Arlington, VA 22202

Dear Ms. Davis:

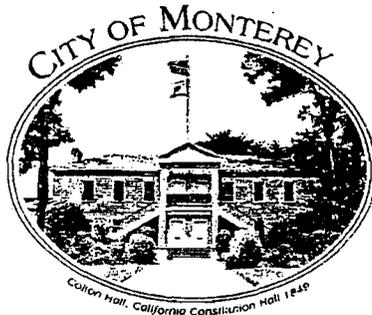
Enclosed for your information is a copy of a letter that was sent to Principal Deputy Undersecretary of Defense Charlie Abell and DoD's Joint Cross Service Group on Education/Training suggesting the transformation of the Naval Postgraduate School (NPS) and Defense Language Institute Foreign Language Center (DLIFLC).

We believe that the options discussed in this proposal have considerable merit and bear careful analysis. As we said to Secretary Abell, we would be happy to provide any additional information that you desire.

If we can answer any questions or furnish further information, please do not hesitate to contact me, City Manager Fred Meurer (meurer@ci.monterey.ca.us), or Deputy City Manager Fred Cohn (cohn@ci.monterey.ca.us). We all can be reached at 831.646.3760.

Sincerely,

Dan Albert
Mayor



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DICK VREELAND

December 1, 2004

City Manager:
FRED MEURER

Dr. Craig College
Deputy Assistant Secretary of the Army for Infrastructure Analysis
1400 Wilson Boulevard, Suite 2000
Arlington, VA 22209

Dear Dr. College:

Enclosed for your information is a copy of a letter that was sent to Principal Deputy Undersecretary of Defense Charlie Abell and DoD's Joint Cross Service Group on Education/Training suggesting the transformation of the Naval Postgraduate School (NPS) and Defense Language Institute Foreign Language Center (DLIFLC).

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