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BRAC Commission

AUG 19 2005

Received



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RE: CCAD letter

URGENT _____

FOR REVIEW _____

NOTES/COMMENTS

Hard copy is in the mail.
Hope you are doing well.
Mae

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Congress of the United States
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August 18, 2005

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The Honorable Anthony Principi
Chairman
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Ste. 600
Arlington, VA 22202

Dear Chairman Principi,

As the Base Realignment and Closure Commission (Commission) is continuing its work in anticipation of upcoming votes on the Department of Defense's Base Realignment and Closure recommendations, I want to draw your attention to the negative impacts the Service and Support recommendations will have on Corpus Christi Army Depot (CCAD). Because of these impacts, the hard-fought efficiencies that have been gained in depot operations, and the important role CCAD is playing in the readiness of our troops, I ask the Commission to disapprove the recommendations of the Supply and Storage Joint Cross-Service Group.

If the recommendations of the Supply and Storage Joint Cross-Service Group are approved, the Defense Distribution Depot Corpus Christi, TX (DDCT) function will transfer to Tinker AFB, except for the minimum personnel needed to support CCAD. In addition, the Defense Logistics Agency (DLA) will displace the Directorate of Production Management within CCAD and any contractors, including public/private venture partners, in support of the day-to-day activities of the depot.

In the last several years, CCAD has instituted programs to increase efficiency and has fostered relationships with private industry in order to meet the shortened production deadlines and increased production quality that is needed to meet the demands of our fighting troops. As a DOD Center of Technical Excellence for rotorwing support, CCAD leadership and employees have built a maintenance support center that is performing excellently. By harnessing the efficiencies of Lean Manufacturing and Six Sigma and signing agreements with original manufacturers--Boeing, Sikorsky, General Electric, and Honeywell--for engineering and parts support, CCAD employees have slashed the turnaround time on T-700 engines while turning out a product that is far better than the original manufacturer's product. This story is true for many other production lines at the depot, including the Blackhawk Recapitalization Program. This year the depot will recapitalize around 28-30 aircraft under this program after the program manager said it couldn't be done. Through June of this year, CCAD's net operating result for fiscal year 2005 is a positive \$30 million. Truly, this is a success story for our military industrial sector.

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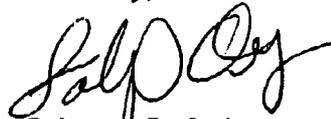
With the Center's past and current successes, why would we risk its future success by injecting a third-party entity into the proven system? Following are several reasons why the service and support functions of the depot should not be turned over to DLA:

- Transfer of service and support functions to DLA will create a lack of command authority over integral players in the depot maintenance process. The functions targeted for transfer are part of the depot maintenance mission and must be aligned accordingly in terms of priorities and operating policies.
- There is a lack of system compatibility between SDS/LMP and DSS, the DLA standard system. The depot maintenance automated systems include the costing and tracking of work in process, and repair parts from a variety of sources to the specific work order. This has nothing to do with the wholesale system, but rather the in-process depot maintenance work and cost.
- CCAD partnering arrangements with Boeing, Sikorsky, and General Electric provide repair parts plus engineering and technical support. The agreements are with the Army, and it is unknown how these agreements will transition to DLA. This has not been addressed in the direction to transfer resources.
- Depot Production Controllers schedule production as well as facilitate provisioning and movement of workload in the depots. This is integral to the core depot maintenance mission and must be under the control of the Depot Commander if he/she is to be held accountable for production.
- Depot maintenance customers, through the Army Working Capital Fund, fund depot service and support positions. To separately fund these functions through an agreement with DLA would be cumbersome and add unnecessary financial transactions.
- Numerous process improvement initiatives such as Lean Manufacturing and Six Sigma are ongoing in the depots and are intensive in the areas targeted for transfer to DLA. DLA has not implemented either of these initiatives and there is no provision for continuing these enhancements.
- Work in Process at depots is currently stored/staged in the Depot Automated Storage and Retrieval System. There has been no consideration of the financial impact of turning this system over to DLA.

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Mr. Chairman, thank you for the work you, the other Commissioners, and the BRAC Commission staff are performing on behalf of our nation. I am sure thorough consideration of this issue will highlight the fallacies of this plan. We must not interfere in the workings of a complex system, such as CCAD, that is performing admirably in support of our warfighters. As always, please do not hesitate to contact me if I can be of assistance.

Sincerely,



Solomon P. Ortiz
Member of Congress