

**BRAC 2005**  
**Supply and Storage Joint Cross Service Group (S&S JCSG)**

**Minutes of S&S JCSG Principals' Meeting, November 15, 2004**

Principal Attendees: VADM Lippert (S&S Chair; DLA), LTG Christianson (S&S Principal, Army), RDML Thompson (S&S Principal, Navy), CAPT Wright (Alternate, Navy), BGen Usher (Marines), Ms. Kinney (Alternate, Marines), Col King (S&S, represented Lt Gen Wetekam, Air Force), Col Faulkner (S&S, represented Lt Gen McNabb, Joint Staff, J4)

VADM Lippert opened this 23<sup>rd</sup> meeting of the S&S JCSG Principals. He announced that the ISG meeting for 12 Nov was cancelled, and stressed that Col Neeley and team had a series of points for the Principals' consideration in this meeting concerning which scenarios go forward and which of them should not go forward. He reminded all of the LMI hosted "Risk - Reward" event scheduled for 16 Nov, and asked all Principals to clear their calendars for the S&S Offsite at DLA Headquarters on 13 Dec, 1330 - 1730.

- (Charts 3 - 6) Col Neeley began with the "desired outcome" for the meeting; the scenarios under analysis by S&S. He said that the team will recommend the courses of action to follow during the S&S Principals' meeting on 29 Nov.
  - He said that S&S endorses the Defense Transportation Coordination Initiative (DTCI).
  - ✓ -- VADM Lippert said that Mr. Berkson (OSD (AT&L)) is fine with the S&S course taken for support of the OSD RIMM initiative.
  - Col Neeley returned to charts 4 and 5 in his recap of the key topics of this meeting and generated the following remarks.
    - ✓ The Principals authorized S&S to discontinue the "all" scenario analysis for outsourcing/privatization scenarios and document it, but the team is to continue with pursuit of commodity specific scenarios.
    - VADM Lippert told S&S to "look at how it goes" for the DLR scenarios.
    - ✓ - The Principals concurred that S&S should continue with the ICP consolidation scenarios.
  - Col Neeley reviewed the priorities for S&S; ranking them from 1 to 3. He emphasized the top priority for the group is the suspense for scenarios of 20 Dec based on the TO and military judgment. The Colonel stated that the S&S Leads have some concerns about output from Optimization runs in that some of the information reported does not pass "common sense" for some of the sites (e.g., "buildable" space is not possible at some locations like Philadelphia). He added that four each COBRA data calls had been made to the Navy and Air Force and that Mr. Meconnahey would review the status of those runs later in the meeting.
  - He identified Sensitivity Analysis as the second most important priority and mentioned that the S&S Data Integration Team and others had met on 9 Nov to determine if value could be adjusted up or down—resulting in adjusted values for "fairness" as posed by Mr. Wynne (OSD (AT&L)). Col Neeley is reviewing the draft report submitted by LtCol Nalepa on their findings. The "Enabling

Scenarios” (e.g., Sierra Army Depot, “virtual ICPs”) are third in the priority ranking.

-- Col Neeley displayed the “JCSG Way Ahead” (Chart 6) that condenses the S&S POAM chart by highlighting the tasks for completion by suspense.

- VADM Lippert reminded the attendees that 20 Dec does not mark the end of the BRAC effort for S&S. He said that it will likely go through the end of May and beyond as the JCSG supports the inquiry period of the BRAC Commission.

- (Charts 7 – 8) Mr. Meconnahey said that 26 scenarios were loaded in the OSD Scenario Tracking Tool (STT) by COB on 12 Nov. The secure portal received data calls for the Navy and Air Force. The Army and DLA received data calls on compact disk on 15 Nov. He said that nine more data calls would be submitted by COB 16 Nov.

- (Charts 9 – 21) COL Bockenstedt briefed the status of S&S Team 1 scenarios.  
-- He briefly reviewed the quad charts for the subject scenarios, stating that the “5, 4, and 3 Regional Strategic Distribution Platforms” scenarios were loaded in the OSD STT. Chart 14, “Regionalization Scenario Sets” shows the sites by scenario and by category (i.e., physical capacity, OSD-directed, MilVal).

- VADM Lippert advised the group to look at the options given the discussion of “buildable” acres possibly maximized under conflicting scenarios for Norfolk. VADM Lippert requested that CAPT Myhre (Navy BRAC Office) inquire of his office’s viewpoint on the scenarios using Norfolk submitted by the Navy.

- RDML Thompson asked how the team addressed Customer Wait Time (CWT). COL Bockenstedt that the team used industry standards for determining travel time for CWT. Col Neeley commented that S&S needs a baseline of how well we document support received today.

- VADM Lippert asked the next step in the process for the scenario team. COL Bockenstedt said that recommendations would be presented to the Principals on 29 Nov from the COBRA data calls. VADM Lippert emphasized that “real data” is needed for the Principals’ assessment.

- LTG Christianson asked that with Optimization being run against the standard CONOPS, what is work-loading the Optimization Model. Dr. Kelly (S&S Optimization Lead) said that the team is using standards developed by S&S for the model. LTG Christianson replied that using the current day-to-day workload might not be good enough, so “surge” data may help.

- The Principals directed Team 1 to reword the first bullet on “Discussion and Recommendation” (Chart 18), to better reflect the JCSG’s role in support of the RIMM initiative through S&S recommendations concerning locations for them to study next. COL Bockenstedt affirmed that his team believed that S&S can provide meaningful contributions to the OSD RIMM team since both teams’ efforts are in synchronization. It was discussed that S&S needs to look at 10 and 20 percent surge activity, and then beyond that level. The S&S team will suspend its analysis before the RIMM team completes its study, but S&S provides relevant input to them.

- The Principals also want the word, “shipping” to be included in the series in the third bullet on Chart 18.

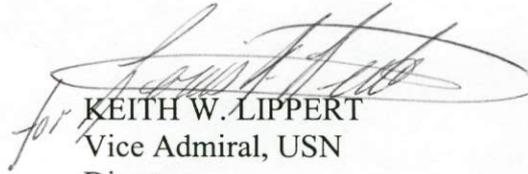
-- For the two scenarios, “Outsource Wholesale Storage and Distribution”

- (Chart 19) and “Outsource Wholesale Distribution” (Chart 20), the Principals agreed with S&S to drop them, but to fully document the process. Mr. Meyer (OSD representative to S&S JCSG) said that both outsource scenarios can be deleted from the OSD STT and he will assist S&S in those procedures to do so.
- (Charts 22 – 24) Col King reviewed the status of scenarios from Team 2 based on Optimization runs conducted. On Chart 23, “22.1.2, Transfer Service ICPs to DLA (include DLRs) was stated by Col King to be, at best, a transfer of work. VADM Lippert remarked that he had problems with the initial logic for this scenario, but would wait to see what analysis provides. The Admiral was emphatic about wanting to “deal with the answers” for this topic originally posed by the SecDef.
    - The Principals asked Col King what was the next step. He said that S&S must send out data call questions followed by COBRA data call (e.g., personnel) questions. VADM Lippert asked when all of those actions will be completed. Col King responded that S&S is working towards completing them by 29 Nov—if the team gets a 48-hour turn-around time on the data calls.
    - VADM Lippert remarked that the scenario, “57.1.2, Consolidate NAVICP in a single location (NAVICP Philadelphia)”, does not make sense because space is grossly limited at that location. Col King said that the team will satisfy the analysis fairly in studying the scenario by looking at consolidating in Philadelphia and in consolidating at Mechanicsburg.
    - Col Neeley added that the LMI-hosted meeting on risk vs. reward for transferring Service ICPs to DLA (including DLRs) may have an impact on the 20 Dec suspense. VADM Lippert said that the Principals will help work the issues in sessions on 29 Nov and 13 Dec.
  - (Charts 25 – 28, “Criteria 6 – 8 Analysis”) CAPT Coderre and team presented the analysis for the Principals. The Captain stated that guidance from OSD had not been received yet; however, the target date (“an aggregate of the analysis”) should be ready for the 13 Dec Principals’ offsite. He assured the attendees that the entire process will be documented.
    - Lt Col Nalepa briefly reviewed Criterion 6 analysis by stating that data was received from the ISG and shows economic data for gaining and losing locations. LTG Christianson said that value will be placed on it. Mr. Meyer added that it was used as a tie-breaker during BRAC 95. More information is expected from OSD.
    - Maj Arenson presented a summary of Criterion 7 assessment. The Major announced that data is on hand, so the JCSGs will receive it next week.
    - CDR Hoyt summarized Criterion 8 analysis for the environmental impact of BRAC; a “go or no go” decision. Essentially, S&S submits the questions and “pulls” the responses.
  - Col Neeley presented the “Way Ahead” (charts 29 – 31). He will pre-brief VADM Lippert for the ISG on 19 Nov; Mr. Meyer will provide the read ahead charts. The Colonel brought the attention of the Principals to the several closely scheduled Principals’ sessions (i.e., 9 and 16 Dec Principals’ meetings; 13 Dec Principals’ offsite); however, VADM Lippert advised the attendees to retain those meetings for now because of the volume of work to accomplish.

- Col Neeley also projected the loss of some of S&S as the process changes to the post-20 Dec phase of BRAC. VADM Lippert said that the Principals will talk more about that topic later.

- VADM Lippert closed the meeting with his gratitude for the hard work being done by the JCSG and restated the need for the Principals to “clear their calendars” for the offsite on 13 Dec (1330 – 1730) at DLA Headquarters.

Approved: 16 Nov 04

*for*   
KEITH W. LIPPERT  
Vice Admiral, USN  
Director,  
Defense Logistics Agency  
Chairman, Supply and Storage,  
Joint Cross Service Group

Attachments:

1. Roster of Attendees
2. Briefing Slides
3. Taskings

ACTIVITY: S&S JCSG  
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DATE RECEIVED 20 Nov 04  
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**Roster of Attendees for S&S JCSG Principals' Meeting on 15 Nov 04, 1300**

VADM Lippert (Chair, S&S JCSG; Principal, DLA)  
LTG Christianson (S&S JCSG, Principal, Army)  
RDML Thompson, (S&S JCSG, Principal, Navy)  
CAPT Wright (S&S JCSG, Alternate, Navy)  
BGen Usher (S&S JCSG, Principal, Marine Corps)  
Ms. Kinney (S&S JCSG, Alternate, Marine Corps)  
Col King (Representing Lt Gen Wetekam, S&S JCSG, Principal, Air Force)  
Col Faulkner (Representing Lt Gen McNabb, S&S JCSG Principal, J4, JS)  
Col Neeley (S&S JCSG, USAF, DLA, Executive Secretary)  
COL Bockenstedt (S&S JCSG, Army Lead)  
CAPT Coderre (S&S JCSG, Navy Lead)  
LtCol Truba (S&S JCSG, Marine Corps Lead)  
Mr. Meconnahey (S&S JCSG, COBRA Team Lead)  
Maj Champagne (S&S JCSG, Data Team Lead)  
Dr. Kelly (S&S JCSG, Optimization Team Lead)  
LTC Dasch (S&S JCSG, USA, DLA, XO)

MGySgt Adams (S&S JCSG, USMC, Security Manager)  
Maj Arenson (S&S JCSG, USMC, Navy Team)  
Mr. Burlison (S&S JCSG, Air Force Team)  
Maj Condon (S&S JCSG, USAF, Optimization Team)  
Mr. Deming (S&S JCSG, Army Team)  
Mr. Galloway (DOD IG)  
CDR Goodwine (S&S JCSG, Optimization Team)  
CDR Hoyt (S&S JCSG, Navy Team)  
Mr. Krammer (S&S JCSG, Air Force Team)  
SMSGT Kruse (S&S JCSG, Air Force Team)  
Ms. Lacy (S&S JCSG, Army Team)  
CDR Larcher (S&S JCSG, Navy Team)  
Mr. Larson (S&S JCSG, Army Team)  
Mr. Lowman (S&S JCSG, Army Team)  
Mr. Marshall (S&S JCSG, DLA Team)  
CDR Martin (S&S JCSG, Navy Team)  
Mr. Meyer (S&S JCSG, OSD (AT&L) Representative)  
CAPT Myhre (Navy BRAC Office)  
Lt Col Nalepa (S&S JCSG, USMC, Navy Team)  
Mr. Okabayashi (S&S JCSG, Army Team)  
Mr. O'Rourke (DLA BRAC Team Lead)  
Mr. Sears (S&S JCSG, DLA Team)  
LCDR Stark (S&S JCSG, Data Team)  
Capt Rivera (S&S JCSG, MC Team)  
Mr. Williams (S&S JCSG, Army Team)



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# **Supply and Storage Joint Cross-Service Group (S&S JCSG)**

## **Principals' Meeting**

**November 15, 2004**

**Chair: VADM Keith Lippert**



## Overview

- Opening Remarks  
VADM Lippert
- Status of Effort  
Col Neeley
- COBRA Status  
Mr. Meconnahey
- Scenarios' Status  
COL Bockenstedt,  
Col King
- Criteria 6 – 8 Analysis  
CAPT Coderre
- Way Ahead  
Col Neeley



# Status of Effort

Col Neeley

The logo is circular with a purple border. Inside the border, the text "Joint Cross Service Supply and Storage" is written in a circular path. In the center of the logo, there are several smaller circular icons representing different military or service branches.

## Status of Effort

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- Team Priorities: “cut to the chase”
  - Meet 20 Dec 04 Suspense
  - Scenario Analysis and Development Based on TOs
    - Military Judgment / Data Driven
    - Optimization Runs
    - COBRA Data Calls
    - Criteria 6 – 8 Analysis
  - Sensitivity Analysis (multiple scenarios based on root)
  - Enabling Scenarios
  - De-confliction Scenarios
  - Permutations and Alternatives

# Desired Meeting Outcome – Decisions and Way Ahead



- Regional Strategic Distribution Platform (SDP) Scenarios
  - Decide on Scenario Set and Course of Action: SDPs and Satellites
  - Support OSD DTCI
- Base Level Supply Scenarios
  - Discontinue with Justification
  - Support the OSD RIMM Initiative
- Outsourcing and Privatization Scenarios
  - Internal Impact / Conflict: Regional SDPs; discontinue the “All”
  - Pursue Commodity Specific Scenarios
- DLR Scenarios
  - Decision of DOD Materiel Management Transformation
  - MILDEP senior logistics experts engaged
  - Way Ahead Decision Pending Risk / Reward effort
- ICP Consolidation Scenarios
  - Decide Course of Action and Way Ahead



# JCSG Way Ahead



	November														December																					
	Week 5							Week 4							Week 3							Week 2							Week 1							
	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
JCSG Meeting	█																																			
LMI Study	█	█																																		
LMI Study Results	█				█																															
Optimization	█	█	█	█	█	█	█	█	█	█	█	█	█	█																						
Final Data Call	█	█	█	█	█	█	█	█	█	█	█	█	█	█																						
JCSG Meeting	█														█																					
COBRA	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█									
Criterion 6	█														█	█	█	█	█	█	█	█	█	█	█	█	█									
Criterion 7	█														█	█	█	█	█	█	█	█	█	█	█	█	█									
Criterion 8	█														█	█	█	█	█	█	█	█	█	█	█	█	█									
JCSG Meeting	█																																			
Offsite	█																																			
JCSG Meeting	█																																			
Format	█																																			
Suspense	█																																			
Remaining	35	34	33	32	31	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1	



# COBRA Status (Criterion 5)

Mr. Meconnahey

# Scenario Data Call Status

- Number of Scenarios in OSD Tracker: 26
- Number of Scenario Data Calls Released: 6 (12 Nov)
  - (USN – 4) (USAF – 5) Sent through Portals
  - Pending Delivery: 15 Nov (DLA – 4) (USA – 4)
- Number of Scenario Data Calls in Work: 9 (12 Nov)
  - Estimated Delivery: 16 Nov
- Number of Proposals not in OSD Tracker: 10
- Number of Scenario Data Calls in Work: 3



# Scenarios' Status

## COL Bockenstedt

# Team 1 Proposals



- ★ **R**egionalization of Strategic Distribution (5 Regions)
- ★ **R**egionalization of Strategic Distribution (4 Regions)
- ★ **R**egionalization of Strategic Distribution (3 Regions)
- ★ **C**onsolidate Base Level Supply Functions
- ★ **E**liminate Base Level Supply Functions
- ★ **O**utsource Wholesale Distribution
- ★ **O**utsource Wholesale Storage and Distribution
- P**rivatize Storage and Distribution on Specific Commodities (Tires)
- P**rivatize Storage and Distribution on Specific Commodities (Compressed Gases)
- P**rivatize Storage and Distribution on Specific Commodities (Package POL)
- R**ealign Sierra Army Depot

# Establish Five Regional Strategic Distribution Platforms



## Scenario

- Establish five regional strategic distribution platforms that provide storage and distribution functions supporting joint forces worldwide at Susquehanna, Norfolk, Warner Robins, Red River, and San Joaquin
- Realign DDs at San Diego, Puget Sound, Hill, Corpus Christi, Oklahoma City, Anniston, Jacksonville, Albany, Cherry Point, Barstow, Richmond, and Tobyhanna, as satellite activities of each SDP
- Close Columbus DD site

## Drivers / Assumptions

- Principle: Supply, Service and Maintain
- Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)

## Justification / Impact

- Enhances strategic flexibility via multiple platforms to respond to routine requirements and worldwide contingencies
- Improves surge options and capabilities
- Returns significant storage infrastructure to the services; however, service utilization determines extent of savings
- Achieves acceptable CWT and response times, but needs supporting data

## Potential Conflicts

- Conflicting proposals developed by the Industrial JCSG
- 20 Year Force Structure Plan may alter regional alignments
- Optimization and data analysis may dictate changes to selected sites
- Satellite activities remain at service industrial installations
- TRANSCOM – Changes affecting strategic lift

# Establish Four Regional Strategic Distribution Platforms



## Scenario

- Establish four regional strategic distribution platforms that provide storage and distribution functions supporting joint forces worldwide at Susquehanna, Warner Robins, Red River, and San Joaquin
- Realign DDs at San Diego, Puget Sound, Hill AFB, Albany, Corpus Christi, Oklahoma City, Anniston, Jacksonville, Cherry Point, Columbus, Norfolk, Tobyhanna, Barstow, and Richmond as satellite activities of each SDPs
- Close Columbus DD site

## Drivers / Assumptions

- Principle: Supply, Service and Maintain
- Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)

## Justification / Impact

- Enhances strategic flexibility via multiple platforms to respond to routine requirements and worldwide contingencies
- Improves surge options and capabilities
- Returns significant storage infrastructure to the services; however, service utilization determines extent of savings
- Achieves acceptable CWT and response times, but needs supporting data

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- Conflicting proposals developed by the Industrial JCSG
- 20 Year Force Structure Plan may alter regional alignments
- Optimization and data analysis may dictate changes to selected sites
- Satellite activities remain at service industrial installations
- TRANSCOM – Changes affecting strategic lift

# Establish Three Regional Strategic Distribution Platforms



## Scenario

- Establish three regional strategic distribution platforms that provide storage and distribution functions supporting joint forces worldwide:
  - Retain SDP at Susquehanna
  - Retain SDP at San Joaquin
  - Establish SDP at Red River DD

## Drivers / Assumptions

- Principle: Supply, Service and Maintain
- Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)

## Justification / Impact

- Enhances strategic flexibility via multiple platforms to respond to routine requirements and worldwide contingencies
- Improves surge options and capabilities

## Potential Conflicts

- Conflicting proposals developed by the Industrial JCSG
- 20 Year Force Structure Plan may alter regional alignments
- Optimization and data analysis may dictate changes to selected sites
- TRANSCOM – Changes affecting strategic lift

# Regionalization Scenario Sets



## Base Scenario Set (Based on Physical Capacity)

<b>5 Region</b>	<b>4 Region</b>	<b>3 Region</b>
Susquehanna	Susquehanna	Susquehanna
Norfolk		
Warner Robins	Warner Robins	
Red River	Red River	Red River
San Joaquin	San Joaquin	San Joaquin

## De-confliction Scenario Set (Directed by OSD)

<b>5 Region</b>	<b>4 Region</b>	<b>3 Region</b>
Susquehanna	Susquehanna	Susquehanna
<b>Richmond</b>		
Warner Robins	Warner Robins	
<b>Oklahoma City</b>	<b>Oklahoma City</b>	<b>Oklahoma City</b>
San Joaquin	San Joaquin	San Joaquin

## MIL VAL Scenario Set

<b>5 Region</b>	<b>4 Region</b>	<b>3 Region</b>
Susquehanna	Susquehanna	Susquehanna
Norfolk		
<b>Anniston</b>	Anniston	
Red River	Red River	Red River
<b>Hill</b>	<b>Hill</b>	<b>Hill</b>

# Regionalization Scenario Sets (Continued)



## Optimization Set

### 5 Region

- Tobyhanna
- Cherry Point
- Anniston
- Oklahoma City
- Barstow

### 4 Region

- Susquehanna
- Anniston
- Oklahoma City
- San Joaquin

### 3 Region

- Susquehanna
- Oklahoma City
- Barstow

# Consolidate Base-level Supply Functions



<h2 style="text-align: center;">Scenario</h2>	<h2 style="text-align: center;">Drivers / Assumptions</h2>
<h2 style="text-align: center;">Justification / Impact</h2> <ul style="list-style-type: none"> <li>■ Consolidates base level inventories</li> <li>■ Reduce logistics infrastructure requirements...close and / or demolish unnecessary facilities</li> <li>■ Personnel reductions / reassignments</li> <li>■ Should achieve acceptable levels of service and CWT to customers at reduced cost to individual installations</li> </ul>	<h2 style="text-align: center;">Potential Conflicts</h2> <ul style="list-style-type: none"> <li>■ Resistance of installation commanders</li> <li>■ Initial incompatibility of service automated supply systems</li> <li>■ Inter / Intra Service rivalries / loyalties / traditions impeding transformation and resisting joint approach to warfighter support</li> <li>■ Regional Inventory and Materiel Management (RIMM)</li> </ul>

- Consolidate base level supply, storage and distribution functions for DOD installations in high density geographical clusters at a joint facility
- Recommended test case locations:
  - Hampton Roads, VA and Puget Sound, WA
- Classes of Supply under consideration:
  - Class I Food (Prime Vendor)
  - Class II Extra Materials (Jackets, Tools, Admin Supplies)
  - Class III Fuels and Packaged POLs
  - Class IV Construction Materials (Wire, Lumber, Cement)
  - Class VI Comfort Materials (Candy, Cigarettes, Soap, Camera)
  - Class VIII Medical (Bandages, Syringes, Stretchers, Drugs)
  - Class IX Repair Parts (Battery, sparkplug, axle, cotter pins)
  - Class X Nation Building (Farm Tools, Tractor, Seed)

- Principle: Supply, Service and Maintain
- Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)

# Eliminate Base-level Supply Functions



## Scenario

- Eliminate base level supply, storage and distribution functions for most classes of supply in favor of expanded use of Government Commercial Purchase Card and / or Performance Based contracts
- Classes of Supply under consideration:
  - Class I Food (Prime Vendor)
  - Class II Extra Materials (Jackets, Tools, Admin Supplies)
  - Class III Fuels and Packaged POL
  - Class IV Construction Materials (Wire, Lumber, Cement)
  - Class VI Comfort Materials (Candy, Cigarettes, Soap, Camera)
  - Class VIII Medical (Bandages, Syringes, Stretchers, Drugs)
  - Class IX Repair Parts (Battery, sparkplug, axle, cotter pins)
  - Class X Nation Building (Farm Tools, Tractor, Seed)

## Drivers / Assumptions

- Principle: Supply, Service and Maintain
- Transformational Option: Establish a multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary forces worldwide. Focus the analysis on creating joint activities in heavy (CONUS) DOD concentration areas (i.e., locations where more than one department is based and within close proximity)

## Justification / Impact

- Eliminates base level inventories for most classes of supply
- Eliminates need to maintain logistics infrastructure...close and / or demolish facilities
- Personnel reductions / reassignments
- Commercial providers with incentive to deliver same or better levels of service within acceptable CWT for customers

## Potential Conflicts

- Determination of acceptable CWT for on-base customers
- Cooperative vendor base
- GCPC used IAW regulation to avoid actual or perceived misuse resulting in alienating commercial vendors



## Discussion and Recommendation

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- Principals agreed to suspend work on these proposals and to review them again after RIMM orientation
- RIMM shares many similarities with BRAC proposals...will achieve many of the same objectives
  - Both address base level retail supply
  - Both focus on streamlining processes and reducing base level inventories
  - Both envision implementation in geographical clusters with participating facilities from all services
  - Both will reduce logistics infrastructure and personnel
- RIMM calls for Regional Hubs that serve as single, consolidated receive, store, issue locations. Also, calls for Logistics Integrators that synchronize flow and stockage to satisfy customer requirements
- RIMM fits nicely with regionalization scenarios (5 and 4 region). SDPs could serve as regional HUBs while satellites could serve as local logistics integrators
- Given the issues associated with the proposals, recommend:
  - Delete the proposals
  - Support the synchronization of RIMM with regionalization scenarios

# Outsource Wholesale Storage and Distribution



## Scenario

- Outsource the wholesale storage and distribution functions and processes supporting DOD
- Close or outsource wholesale storage and distribution infrastructure
- Reduce and realign Government personnel positions associated with wholesale storage and distribution processes
- Wholesale storage and distribution functions will be outsourced at the following DDs: Albany, Anniston, Barstow, Cherry Point, Columbus, Corpus Christi, Hill AFB, Jacksonville, Norfolk, Oklahoma City, Puget Sound, Red River, Richmond, San Diego, San Joaquin, Susquehanna, Tobyhanna, and Warner Robins

## Drivers / Assumptions

- Principle: Supply, service and maintain
- Transformational Option: Outsource the wholesale storage and distribution processes from DOD activities that perform these functions.

## Justification / Impact

- Significant reduction in logistics infrastructure
- Significant reductions in personnel requirements and associated costs
- Maintains acceptable CWT
- Incorporates best business practices and provides agility and flexibility
- Requires careful planning and implementation to minimize risk to readiness

## Potential Conflicts

- Risk during start up
- Difficult fall back

# Outsource Wholesale Distribution



Scenario	Drivers / Assumptions
<p><b>Justification / Impact</b></p> <ul style="list-style-type: none"> <li>■ Reduces distribution infrastructure</li> <li>■ Reduces requirements for personnel, contracts, equipment, etc.</li> <li>■ Enhances flexibility in transportation management</li> <li>■ Incorporates best business practices</li> <li>■ Reduces costs</li> </ul>	<p><b>Potential Conflicts</b></p> <ul style="list-style-type: none"> <li>■ Risk during start up</li> <li>■ Difficult fall back</li> <li>■ Defense Transportation Coordination Initiative (DTCI)</li> </ul>

- Outsource distribution (transportation) functions at all Defense Distribution Depots in CONUS. Distribution includes:
  - Process and control of incoming/outgoing truck traffic
  - Traffic management services (discrepancies, records, reports, planning, small parcel, etc.)
  - Freight terminal operations
  - Transportation of materiel
- Close or vacate distribution infrastructure and return to host service
- Eliminate requirements for distribution personnel... Government and contractor
- Affected DDs include: Albany, Anniston, Barstow, Norfolk, Cherry Point, Columbus, Corpus Christi, Hill, Jacksonville, Oklahoma City, Puget Sound, Red River, Richmond, San Diego, San Joaquin, Susquehanna, Tobyhanna and Warner Robins

- Principle: Supply, service and maintain
- Transformational Option: Outsource the wholesale distribution processes from DOD activities that perform these functions

## Justification / Impact

- Reduces distribution infrastructure
- Reduces requirements for personnel, contracts, equipment, etc.
- Enhances flexibility in transportation management
- Incorporates best business practices
- Reduces costs

## Potential Conflicts

- Risk during start up
- Difficult fall back
- Defense Transportation Coordination Initiative (DTCI)

## Discussion and Recommendation



- Cost and benefit analysis will be the sole justification
- No optimization possible
- Conflicts with regionalization scenarios...cannot do both
- Requires market research
- Requires scoping the acquisition (e.g., commodities, customers,
  - phasing, performance metrics, financial processes)
- Recommendation: Delete both proposals



# Optimization Runs – Results to Date

## Col King



## Scenarios

### ■ 22.1 DLR Management Consolidation

- *22.1.1 Transfer Common DLRs to DLA*
- 22.1.2 Transfer Service ICPs to DLA (include DLRs)
- *22.1.3 Transfer Service ICPs to DLA and realign by mission area (include DLRs)*
- Without fundamental Business process change, does not imply elimination of resources—only transfer. Recommend hold in abeyance pending outcome of Risk-Reward Analysis

### ■ 57.1 ICP Consolidation

- 57.1.1 Consolidate Army ICPs in a single location (Fort Monmouth)
- 57.1.2 Consolidate NAVICP in a single location (NAVICP Philadelphia)
- 57.1.3 Consolidate Air Force ICPs in a single location (Tinker)
- 57.1.6 Consolidate DLA ICPs in a single location (DSCC)
- 57.1.7 Consolidate Service and DLA ICPs (minimize excess capacity)
- **57.1.9 Air Force Consolidated (Virtual) ICP**

# 57.1.9 Air Force Consolidated (Virtual) ICP



<h2 style="text-align: center;">Scenario</h2>	<h2 style="text-align: center;">Drivers / Assumptions</h2>
<h2 style="text-align: center;">Justification / Impact</h2> <ul style="list-style-type: none"> <li>■ Consolidate Air Force ICP operations under single point command and control; consolidate common functions</li> <li>■ Technical ICP functions / facets remain at 3 commodity centers of excellence</li> <li>■ Realign materiel management workload at ALCs to create pure centers of excellence</li> </ul>	<h2 style="text-align: center;">Potential Conflicts</h2> <ul style="list-style-type: none"> <li>■ Principle: Force Sustainment</li> <li>■ Transformational Option: Consolidate 3 ICP C2 activities to a single operations center</li> <li>■ Specialized SCM tech functions at ALCs</li> <li>■ Efficiencies driven through shared commodity industrial base intelligence, repair technologies, strategic sourcing arrangements, and engineering support</li> </ul>

- Strategy
- COBRA

- Capacity Analysis / Data Verification
- Military Value Analysis / Data Verification

- JCSG Recommended
- Criteria 6-8 Analysis

- De-Conflicted with JCSGs
- De-Conflicted with MilDeps



# Criteria 6 – 8 Analysis

## CAPT Coderre

The logo is circular with a purple border. Inside the border, the text "Joint Cross Service Supply and Storage" is written in a circular path. In the center of the logo, there are several smaller circular icons representing different military or service branches.

## Criterion 6 Analysis – Profiles / Impact Summaries

*Selection Criterion 6 - The economic impact on existing communities in the vicinity of military installations.*

- Economic Impact assessment will be made using personnel data derived from COBRA as well as regional economic summaries provided by OSD.
- Closure / realignment options will be evaluated in terms of:
  - Potential direct job loss (military personnel, DOD civilian personnel, and on-base contractors)
  - Potential indirect job loss (local commercial and governmental activity)
  - Total potential job change in the economic area
  - Considers impact of other recommendations affecting the same economic area
- Analysis of each scenario will take place, utilizing Booz-Allen developed model, upon receipt of COBRA data.



## Criterion 7 Assessment

*Selection Criterion 7 - The ability of both the existing and potential receiving communities' infrastructure to support forces, missions, and personnel.*

- Community Impact assessments will evaluate scenario impacts on both existing and receiving communities.
- JCSGs will perform this assessment based on location-specific data for ten attributes collected by MILDEPs / DAs and formatted into summary reports by the Criterion 7 JPAT:
  - Population
  - Child Care
  - Cost of Living
  - Education
  - Employment
  - Housing
  - Medical / Health
  - Safety / Crime
  - Transportation
  - Utilities
- Data is currently being compiled by the JPAT and will be ready for distribution the week of 21 Nov.

The logo is circular with a purple border. Inside the border, the text "Joint Cross Service Supply and Storage" is written in a circular path. In the center of the logo, there are several smaller circular icons representing different military or service-related symbols.

## Criterion 8 Analysis – Profiles / Impact Summaries

*Selection Criterion 8 - The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.*

- **Initial Criterion 8 assessments will be based on MILDEP-prepared “Environmental Profiles” (for each installation)**
- **Profiles and summaries will take into account the following ten environmental factors:**
  - **Air Quality**
  - **Dredging**
  - **Cultural Resources**
  - **Marine Resources**
  - **Land Use**
  - **Noise**
  - **Wetlands**
  - **Threatened / Endangered Species**
  - **Waste Disposal**
  - **Water Resources**
- **The Impact Summary will consider the costs related to potential environmental restoration, waste management, and environmental compliance.**
- **Analysis will be based on scenarios. MILDEP Data Analysts require 10 – 14 day turnaround to provide profiles and summaries of approved scenarios.**



# Way Ahead

Col Neeley



## Way Ahead (2004)

**16 Nov** – *LMI-hosted “ICP Risk – Reward Study” (at LMI)*

**19 Nov** – *ISG Meeting (1030), VADM Lippert attends, Pentagon (3D1019)*

**26 Nov** – *No ISG scheduled*

**29 Nov** – *JCSG Principals’ Meeting (1300 – 1500), J4 Conference Room / 2C836*

**3 Dec** – *ISG Meeting (1030), VADM Lippert attends, Pentagon (3D1019)*

**9 Dec** – *JCSG Principals’ Meeting (1400 – 1600), J4 Conference Room / 2C836*

**10 Dec** – *ISG Meeting (1000), VADM Lippert attends, Pentagon (3D1019)*

**\* 13 Dec** – *S&S JCSG Offsite at DLA HQ (1330 – 1730); RE: Candidate Recommendation Decisions*

**16 Dec** – *JCSG Principals’ Meeting (1400 – 1600), J4 Conference Room / 2C836*

**17 Dec** – *ISG Meeting (1030), VADM Lippert attends, Pentagon (3D1019)*

**20 Dec 04** – *JCSG candidate recommendations due to the ISG (S&S JCSG internal suspense)*

**24 Dec** – *No ISG scheduled*

**31 Dec** – *No ISG scheduled*