



DCN: 3749



BRAC SRG #13

28 September 2004



Purpose & Agenda

- Present for information:
 - Timeline Update
- Present for review:
 - Supply & Storage JCSG Proposals
 - Industrial JCSG Proposals
- Recommendations
- Way Ahead



BRAC SRG Schedule

5 Oct	E&T and Technical JCSG Proposals
12 Oct	Medical and Intelligence JCSG Proposals
19 Oct	Integration of JCSG Proposals
26 Oct	Final Integration and Guidance for JCSGs
2 Nov	TABS RC Proposals
9 Nov	TABS Materiel & Logistics Proposals
16 Nov	TABS Institutional Training Proposals
23 Nov	TABS Operational Army Proposals
30 Nov	Integration of TABS Proposals
7 Dec	Integration of TABS Proposals
14 Dec	Final Approval of Scenarios



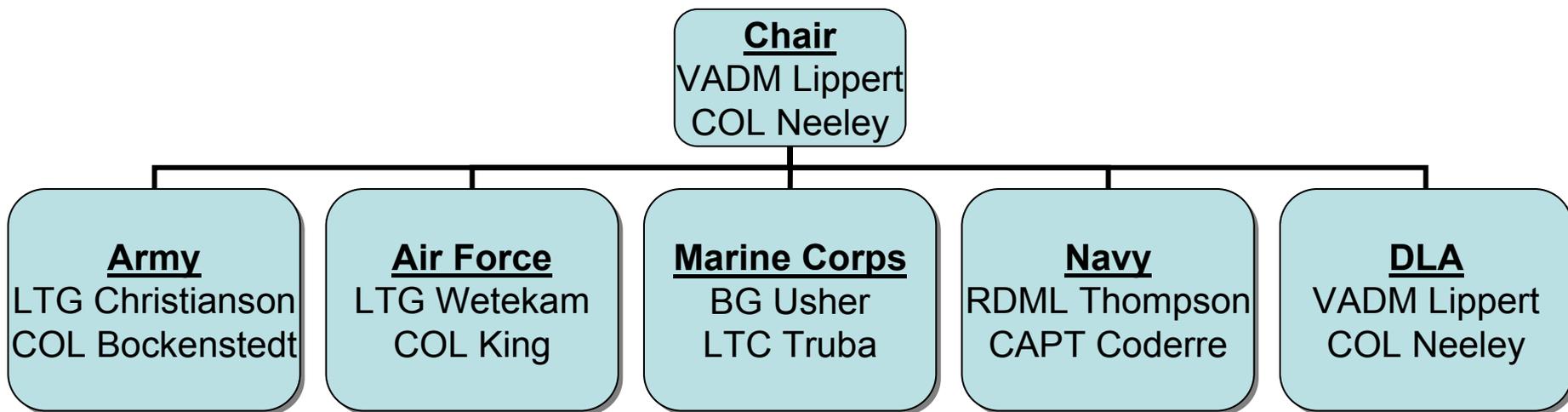
Supply and Storage Joint Cross-Service Group (S&S JCSG)

BRAC Ideas/Proposals

***LTG Claude Christianson
Army Principal***

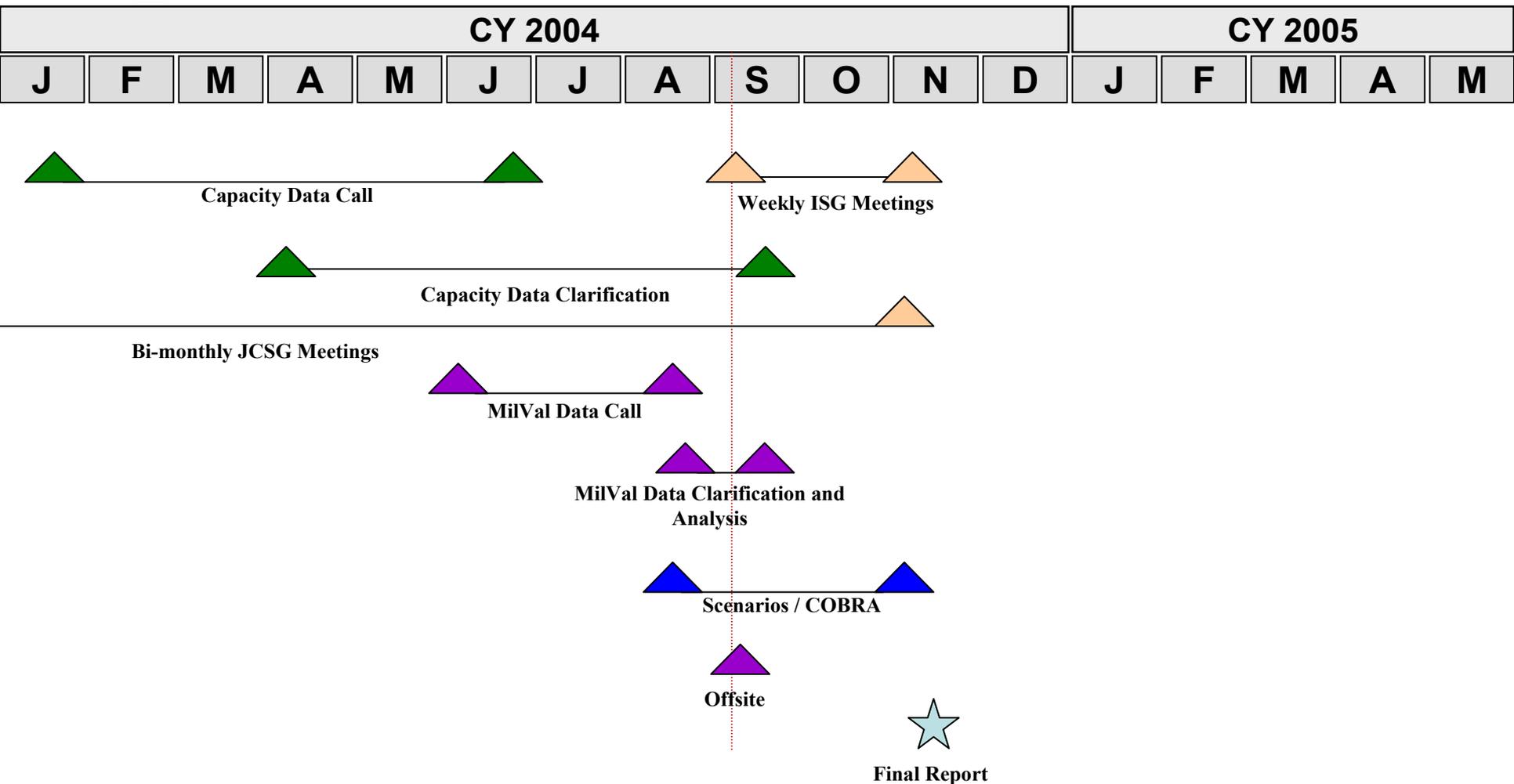


Organization





BRAC Process





TO #1



Establish a consolidated multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary joint forces worldwide. Focus the analysis on creating joint activities in heavy (US) DOD concentration areas, i.e. locations where more than one Department is based and within close proximity to another.

Create Regional Strategic Distribution Platforms

Scenario

- Create regional strategic distribution platforms that provide storage and distribution functions supporting joint forces worldwide
- Close or realign distribution depots at industrial installations

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 joint 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).

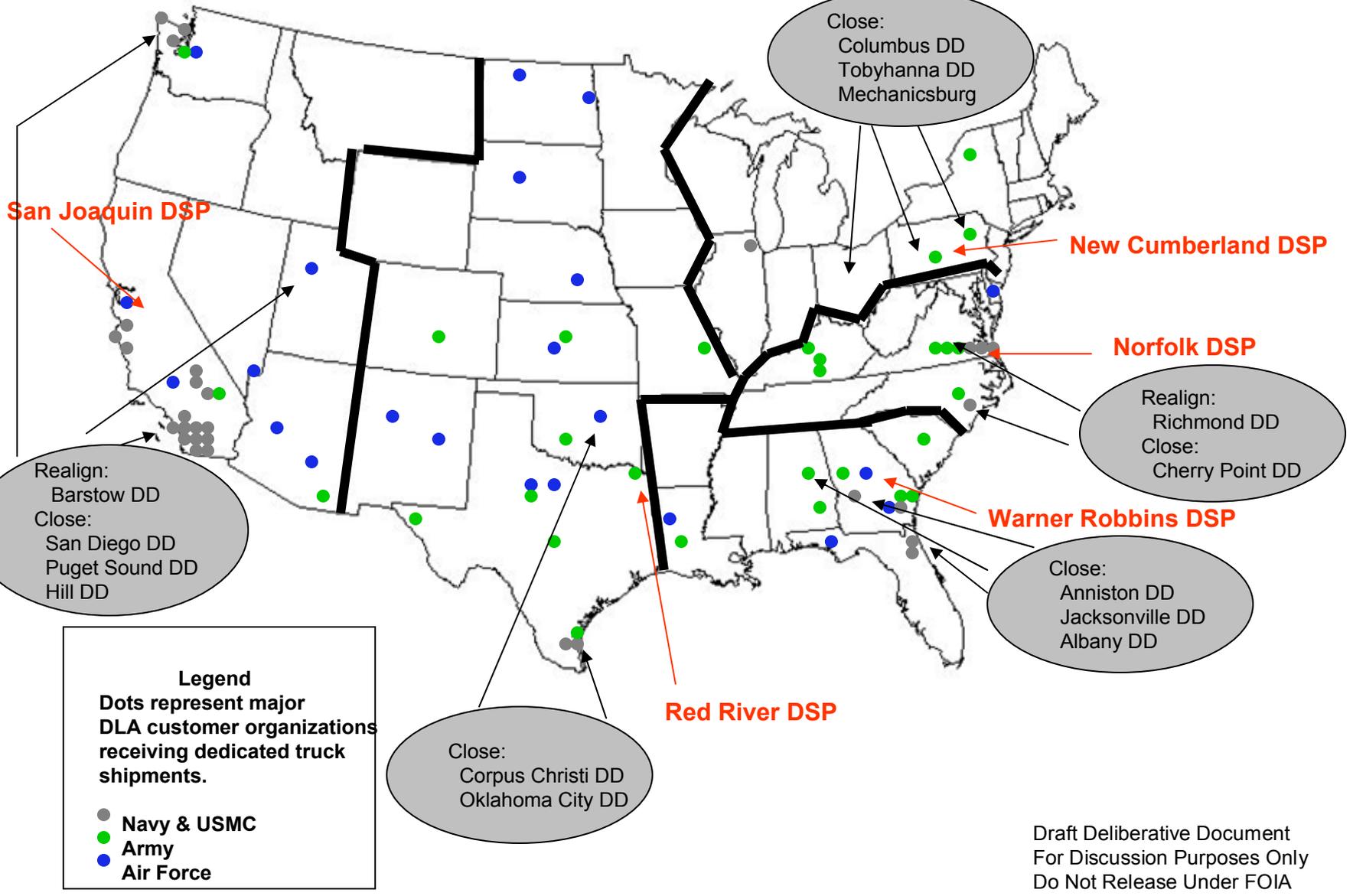
Justification/Impact

- Returns significant storage infrastructure to the services. However, service utilization determines extent of savings
- Enhances flexibility via multiple platforms to respond to routine requirements and worldwide contingencies
- Should maintain or improve current CWT and response times, but needs supporting data
- Improves surge options and capabilities
- Creates a trained manpower pool available for redistribution

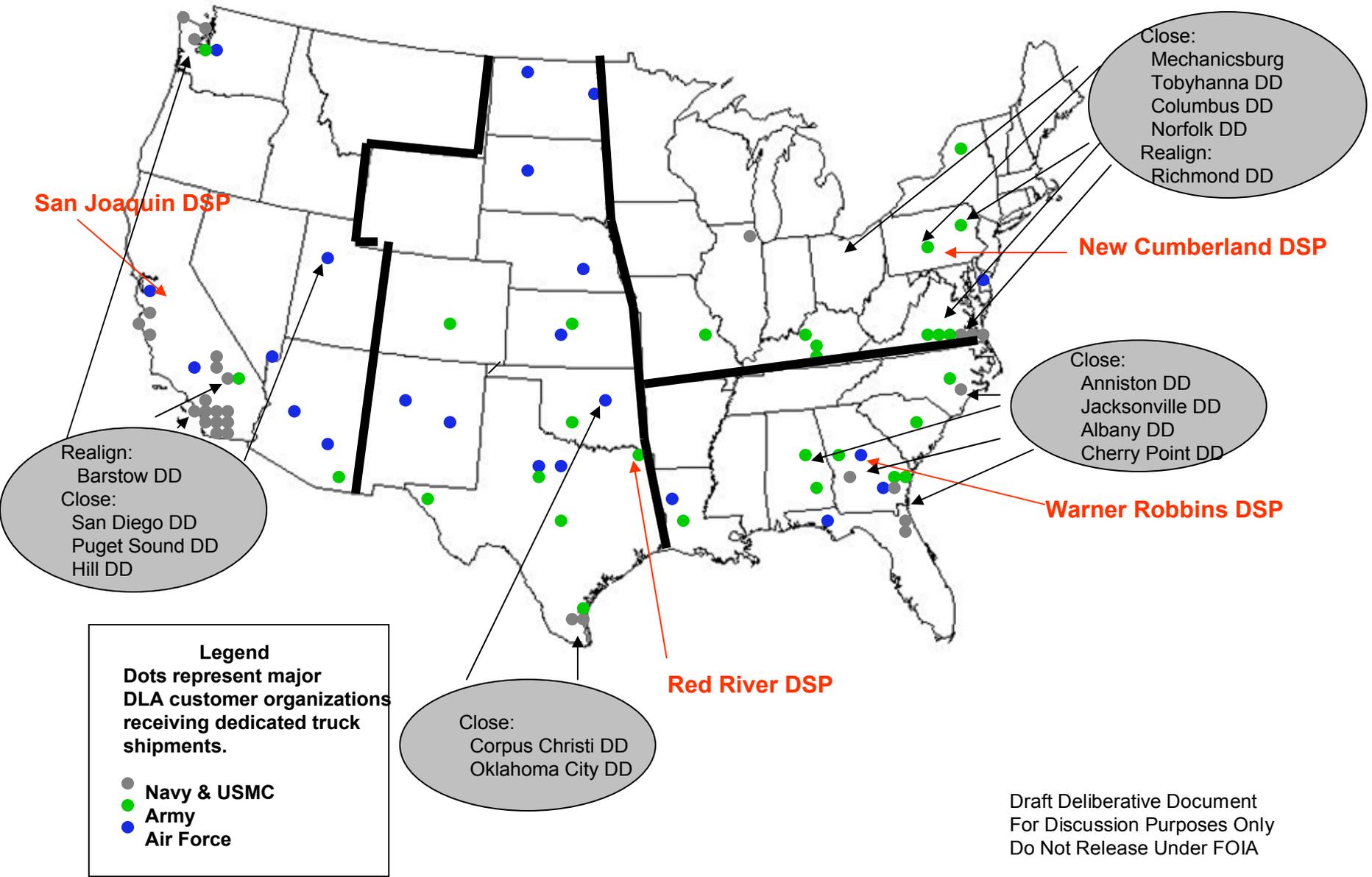
Potential Conflicts

- Conflicting proposals developed by the Industrial JCSG
- CONUS basing of returning forces may alter regional alignments
- Optimization and data analysis may dictate changes to selected sites
- Reductions in DLA personnel would have to be balanced with considerations for optimal surge requirements
- Depending on status of service depot, net reduction of personnel may be adjusted - MILDEP, Ind JCSG

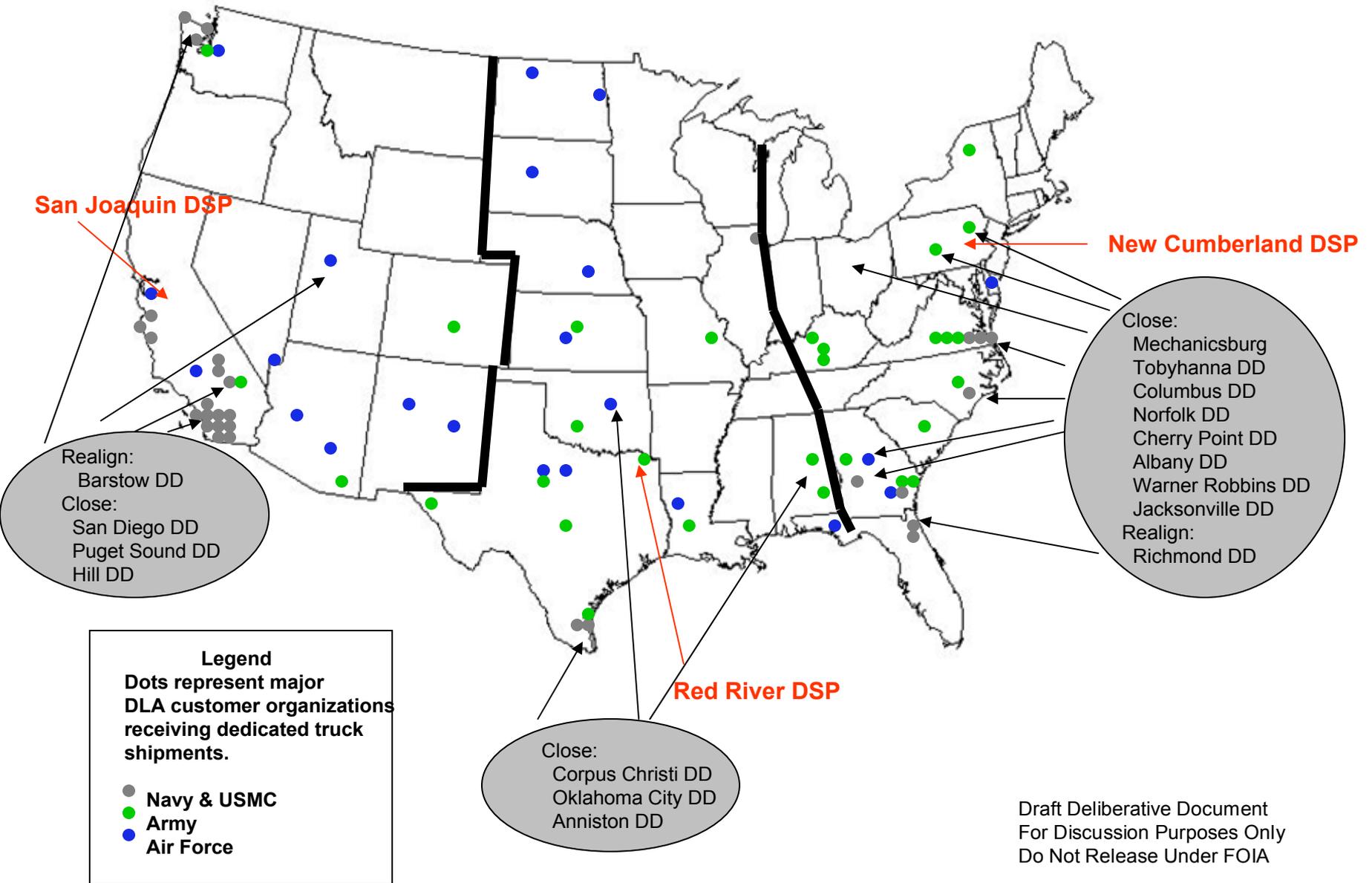
Create 5 Regional Strategic Distribution Platforms



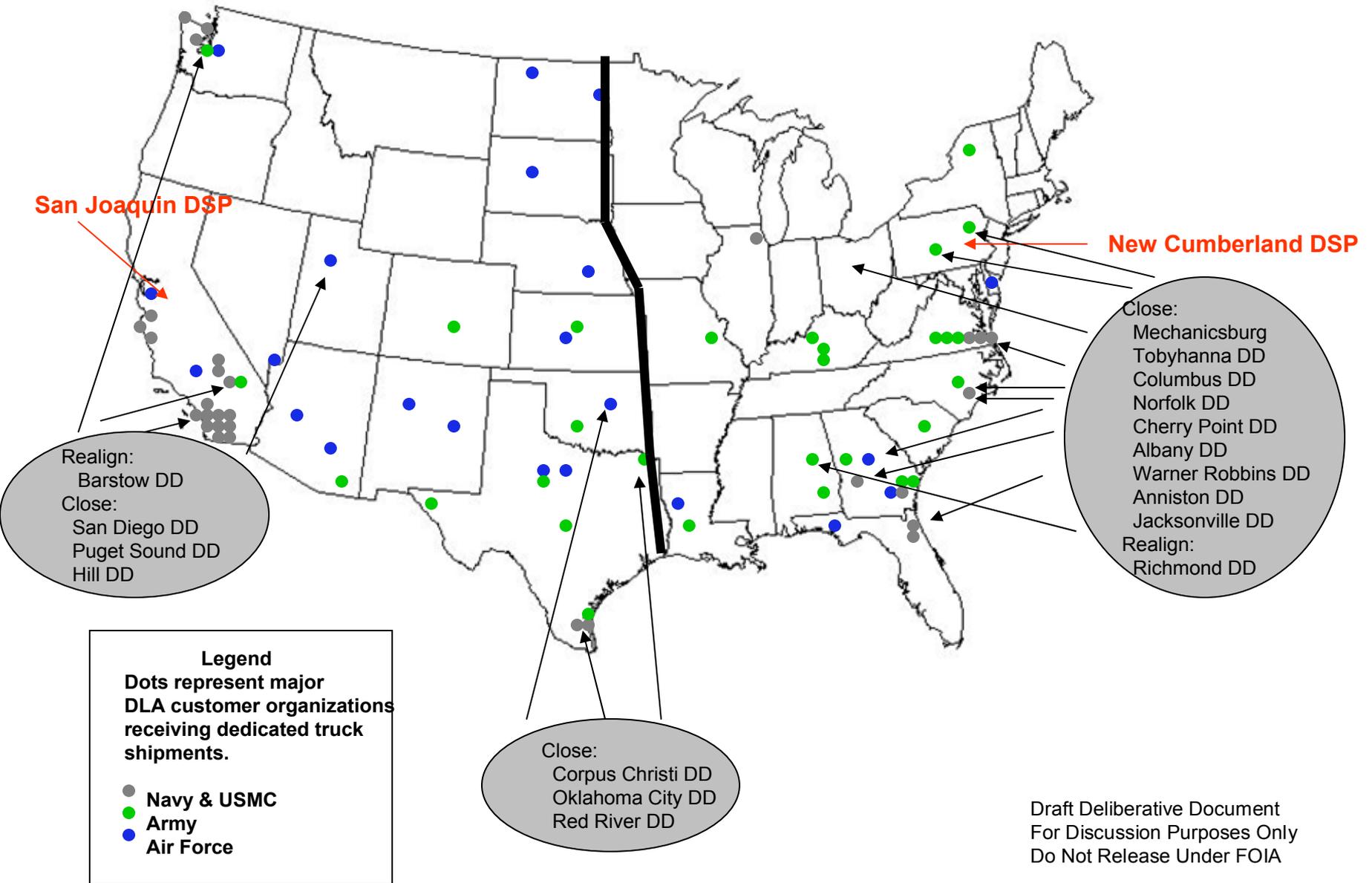
Create 4 Regional Strategic Distribution Platforms



Create 3 Regional Strategic Distribution Platforms



Create 2 Regional Strategic Distribution Platforms



Consolidate Base-level Supply Functions

Scenario

- Consolidate base level supply, storage and distribution functions for DoD installations in high density geographical clusters such as:
 - South Hampton Roads
 - North Hampton Roads
 - San Antonio
 - Washington DC, Maryland and Northern VA
 - San Diego
 - Puget Sound

Drivers

- 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 joint 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

- Reduces base level inventories
- May reduce logistics infrastructure requirements
 - Savings will be determined and could be impacted based on follow-on utilization
- Should result in personnel reductions
- Provides for same or better levels of service to customers

Potential Conflicts

- Incompatibility of service supply systems
- Service doctrinal issues may pose conflicts

Consolidate Base-level Supply Functions Example - South and North Hampton Roads





TO #2



Privatize the wholesale storage and distribution processes from DoD activities that perform these functions.

Privatize Wholesale Storage and Distribution

Scenario

- Privatize the wholesale storage and distribution functions and processes supporting DoD
 - Close or privatize wholesale storage and distribution infrastructure
 - Reduce and realign Gov't personnel positions associated with wholesale storage and distribution processes

Drivers

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

Justification/Impact

- Significant reductions in logistics infrastructure
- Significant reductions in personnel requirements and associated costs
- Retains or improves current CWT and response times
- Incorporates best business practices and provides agility and flexibility
- Requires careful planning and implementation to minimize risk to readiness

Potential Conflicts

- Limited number of qualified vendors
- Risk during contractor learning curve



TO #3



Migrate oversight and management of all service depot level reparable to a single DoD agency/activity.

Transfer COMSEC Equipment to a Single Manager

Scenario

- Transfer management of Army, Navy, Air Force and Marine COMSEC DLRs to a single agency by:
 - Converting service ICPs in-place to the selected agency (e.g. Fort Huachuca, AZ; Lackland AFB, TX)
 - Developing systems, procedures and processes to integrate service operations and create engineering linkages to facilitate deployment and ensure readiness
 - Consolidating and implementing best business practices

Drivers

- Principle: Supply, service and maintain
- Transformational Option: Migrate oversight and management of all service depot level reparable to a single DoD agency/activity
- Focused Logistics: Changing nature of warfare dictates the need for a network centric approach to logistics
- Excess Capacity: GAO Report B-276977 (Aug 97) estimates significant savings associated with ICP consolidation

Justification/Impact

- Justification: streamline and simplify DLR management
- Impact:
 - Fundamentally alters existing IMM/PM relationships
 - Time/cost to develop integrating systems, procedures, processes and training workforce
 - Reduced logistics footprint; single face to the warfighter
 - Enables workforce streamlining

Potential Conflicts

- Risk associated with disruption of existing IMM/PM system
- Resource allocation by appropriation account
- Reduces ability of ICPs to provide tailored support to their customers
- Hinders efforts to link all echelons of supply performance to weapon system readiness goals



TO #4

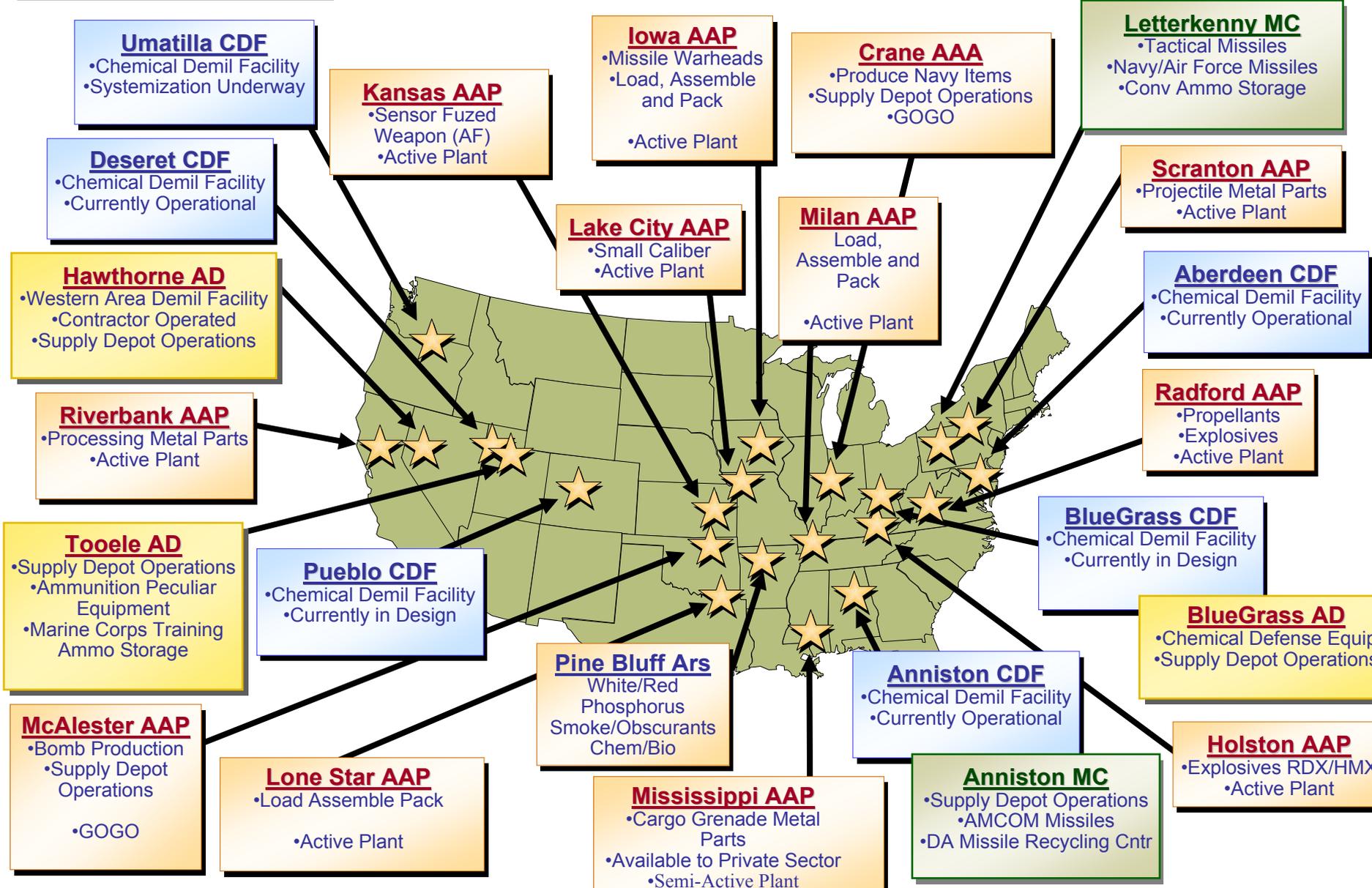


Establish a single inventory control point (ICP) within each Service or consolidating into joint ICPs.

MUNITIONS SITES

AAP = Army Ammunition Plant
AD = Army Depot
CDF = Chemical Demil Facility
MC = Munition Center

GOGO = Government Owned, Government Operated





DRAFT

INDUSTRIAL JCSG DRAFT PROPOSALS

Mr. Gary Motsek
28 Sep 2004



Purpose

- ✓ To brief DRAFT Proposals from the Subgroups of the Industrial Joint Cross Service Group:
 - Munitions and Armaments Subgroup
 - Ship Overhaul and Repair
 - Maintenance (Depot and Intermediate Level)



Joint Cross Service Groups (JCSGs)

IEC

ISG

JCSG Supply & Storage
VADM Holder, Chair

JCSG Ed & Tng
Mr. Abell, Chair

JCSG Medical
LG Taylor, Chair

JCSG Industrial
Mr. Wynne, Chair

JCSG Technical
Dr. Sega, Chair

JCSG HQ & Spt Act
Mr. Tison, Chair

JCSG Intel
Ms. Haave, Chair

Munitions & Armaments
Subgroup
Mr. Gary Motsek

Maintenance
Subgroup
Mr. Ron Orr

Ship Overhaul and
Repair Subgroup
RADM Bill Klemm



Industrial JCSG

Mr Pauling
ADUSD (MPP&R)
Executive Secretary

IJCSG
HON MIKE WYNNE

USA Mr Gary Motsek
USN RADM Bill Klemm
USAF Mr. Ron Orr
JS BG Hank Taylor
USMC BG Willie Williams

<p>Munitions & Armaments Mr. Gary Motsek</p>	<p>Maintenance (Depot & I-Level) Mr. Ron Orr</p>	<p>Ship overhaul & Repair RADM Klemm</p>
<p>(Ms. Willie Smith)</p>	<p>(Mr. Mark VanGilst)</p>	<p>(Mr. Steve Krum)</p>





IJCSG SUBGROUP

MUNITIONS & ARMAMENTS Mr. Gary Motsek



Munitions & Armaments Subgroup Responsibility

✓ Analysis of:

➤ Munitions:

- Production
- Storage/distribution
- Demilitarization
- Maintenance

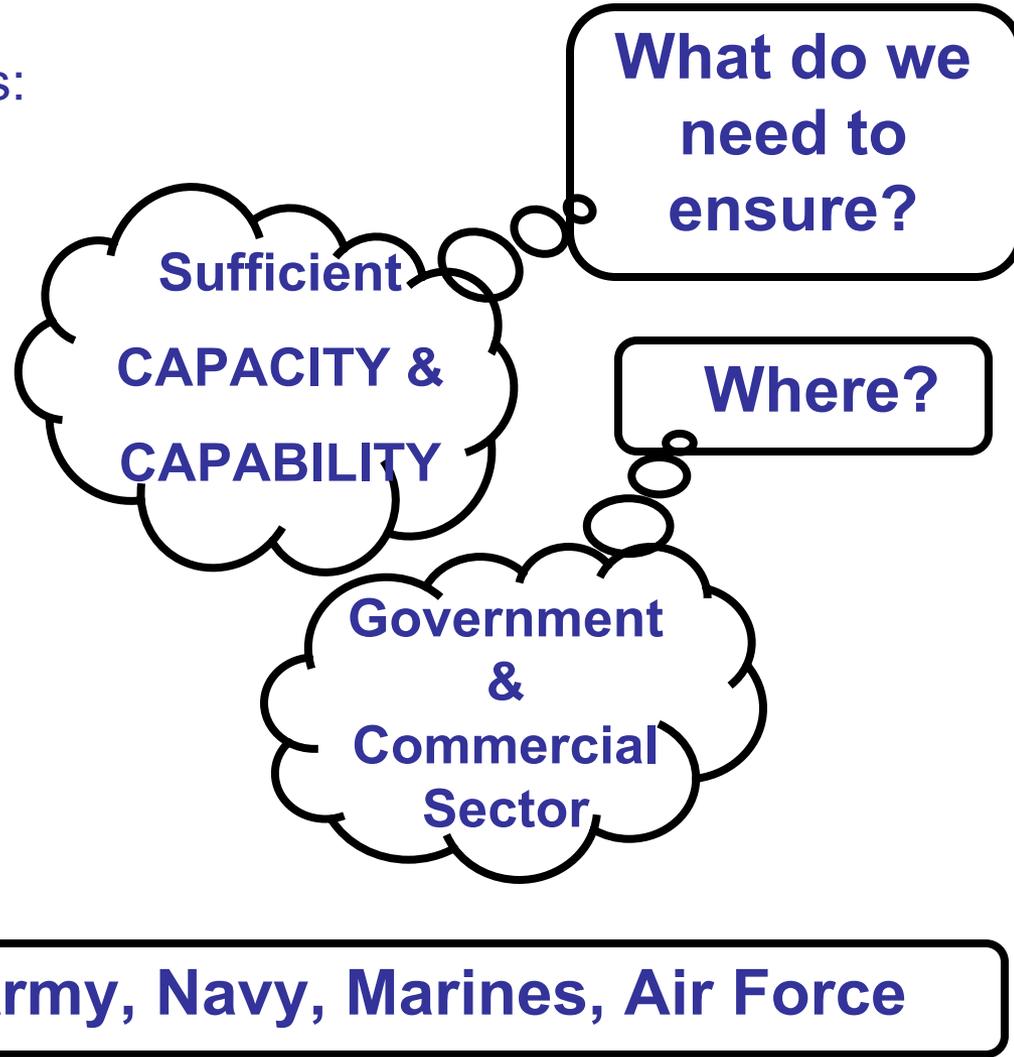
➤ Armaments



Munitions Analysis

✓ Munitions Core Capabilities:

- Artillery/Navy Gun Ammo
- Bombs
- CAD/PAD
- Energetics
- Medium Caliber
- Metal Parts
- Missiles
- Mines
- Mortar
- Rockets
- Pyro/Demo
- Small Caliber
- Tank
- Torpedoes





Munitions & Armaments

Munitions Production

<h3>Proposal</h3> <ul style="list-style-type: none">✓ Preserve and optimize Munitions Production and metal parts capability while minimizing excess capacity.✓ Retain capabilities at Crane, Indian Head, Holston, Iowa, Lake City, McAlester, Milan, Pine Bluff, Radford, Scranton, and Yorktown.✓ Realign workload Kansas, Lone Star, Louisiana, Mississippi, and Riverbank.	<h3>Drivers/Assumptions</h3> <ul style="list-style-type: none">✓ Principles: Consider the value of preserving the capability to support surge, mobilization, continuity of operations, evacuations for natural disasters, or conduct core roles and missions (e.g., sea-based operations, combined arms, etc.).✓ Transformational Options: Reshape and integrate critical munitions and armaments capability to sustain peacetime and wartime Joint operational requirements in the most effective and efficient manner.
<h3>Justification/Impact</h3> <ul style="list-style-type: none">✓ Retains artillery, bomb, CAD/PAD, energetics, medium/small caliber, missiles, mines, metal parts, pyro/demo, tank, and torpedo Joint capability✓ JOINT Sites✓ Avoids “Single Point Failure”	<h3>Potential Conflicts</h3> <ul style="list-style-type: none">✓ Indian Head falls into the Industrial JSCG and the Technical JCSG✓ Industrial JSCG recommends limiting Indian Head and Yorktown munitions production to LRIP production required to support their R&D efforts



Munitions & Armaments

Munitions Demilitarization

<p style="text-align: center;">Proposal</p> <ul style="list-style-type: none"> ✓ Preserve and optimize <u>Munitions Demilitarization</u> capability while minimizing excess capacity. ✓ Retain Demil capability at all munitions production sites retained for production: Crane, McAlester, Iowa, Lake City, and Pine Bluff ✓ Realign Demil capability from Letterkenny Munitions Center, Anniston Munitions Center, Red River Munitions Center, and Hawthorne ✓ Close Chemical Sites: Deseret, Pueblo, Newport, and Umatilla as soon as work is complete 	<p style="text-align: center;">Drivers/Assumptions</p> <ul style="list-style-type: none"> ✓ Transformational Option: Realign and consolidate the Army organic industrial base, in partnership with industry, to provide joint, responsive, flexible, world-wide logistics support from factory to foxhole. ✓ Transformational Option: Consolidate similar commodities under Centers if Technical Excellence.
<p style="text-align: center;">Justification/Impact</p> <ul style="list-style-type: none"> ✓ Retains capability to demil what is in the B5A account and what is scheduled for return from WRSA-K ✓ Focus on preserving closed disposal versus OB/OD ✓ JOINT Sites 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ✓ The Treaty says that we cannot close the chemical sites until the work is complete. ✓ Recommendation: Closure of all 4 when work is complete. Dates for completion of work at 2 exceed 2011.



Munitions & Armaments Storage/distribution

<p style="text-align: center;">Proposal</p> <ul style="list-style-type: none"> ✓ Preserve and optimize <u>Storage/distribution</u> capability while minimizing excess capacity. ✓ Retain storage/distribution capability at all munitions production and Demil sites retained: Crane, Iowa, Lake City, McAlester, Milan, Pine Bluff, Blue Grass, Tooele, and Radford ✓ Retain Concord. ✓ Realign Storage/Distribution capability from Sierra 	<p style="text-align: center;">Drivers/Assumptions</p> <ul style="list-style-type: none"> ✓ Transformational Options: Maintain a multi-service distribution and deployment network consolidating on regional joint service nodes.
<p style="text-align: center;">Justification/Impact</p> <ul style="list-style-type: none"> ✓ Retain Joint storage and distribution capability for all Services ✓ Retain capacity to support deployment needs for force structure of 2025 ✓ JOINT Sites 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ✓ None



Munitions & Armaments Munitions Maintenance

Proposal

- ✓ Preserve and optimize Munitions Maintenance capability while minimizing excess capacity.
- ✓ Retain maintenance capability at all munitions production sites retained for production, storage/distribution, and demil: Crane, Blue Grass, McAlester, Tooele, Seal Beach, Seal Beach San Diego, Seal Beach New London, and Hill AFB

Drivers/Assumptions

- ✓ Transformational Option: Implement concept of Vertical Integration by putting entire life cycle at same site to increase synergies, e.g. production of raw materials to the manufacture of finished parts, co-locating storage, maintenance and demil.

Justification/Impact

- ✓ Retains capability to perform munitions maintenance on missiles, torpedoes, and guided/unguided munitions
- ✓ Focus on the location of maintenance with production
- ✓ JOINT Sites

Potential Conflicts

- ✓ None



Munitions Summary

	PROD	DEMIL	STORG	MAINT
ABERDEEN		-	-	
ANNISTON MUNITIONS CTR	-	-	-	-
BLUE GRASS		+	+	+
CONCORD			+	
CRANE	+	+	+	+
DESERET	-	-	-	
HAWTHORNE		-	-	-
HOLSTON	+			
IOWA	+	+	+	
LOUISIANA	-			
KANSAS	-	-	-	
LAKE CITY	+	+	+	
LETTERKENNY MUNITIONS CTR	-	-	-	-
LONESTAR	-		-	
McALESTER	+	+	+	+



Munitions Summary

	PROD	DEMIL	STORG	MAINT
MILAN	+		+	
MISSISSIPPI	-			
NEWPORT		-		
PICATINNY				
PINE BLUFF	+	+	+	
PUEBLO		-		
RADFORD	+		+	
REDRIVER MUNITIONS CTR	-	-	-	-
REDSTONE				
RIVERBANK	-			
SCRANTON	+			
SIERRA			-	
TOBYHANNA			-	-
TOOELE		+	+	+
UMATILLA		-		
YUMA PROVING GROUND				



Munitions & Armaments

Armaments (Alt 1)

<h3>Proposal</h3>	<h3>Drivers/Assumptions</h3>
<ul style="list-style-type: none">✓ Preserve and optimize <u>Armaments</u> capability while minimizing excess capacity.✓ Retain core capabilities at Rock Island Arsenal and Watervliet Arsenal and place both sites under one commander. Get rid of the excess capacity.✓ Retain Pine Bluff✓ Close Lima Tank Plant	<ul style="list-style-type: none">✓ Principles: Consider the value of preserving the following critical industrial capabilities: castings and forgings of ground components; white phosphorous-based munitions; chemical and biological defense equipment; the manufacture of gun tubes, mortars, and cannon tubes; and rubber track and road wheels that are required by law, not commercially available.
<h3>Justification/Impact</h3> <ul style="list-style-type: none">✓ Retain core capability at Rock Island (foundry capability for armor steel (ferrous and non ferrous), gun mounts (medium and large caliber, and recoil mechanisms)✓ Retain core capability at Watervliet (cannons, gun tubes, mortars, and chrome plating)✓ Government owns, but we get rid of excess capacity	<h3>Potential Conflicts</h3> <ul style="list-style-type: none">✓ None



Munitions & Armaments

Armaments (Alt 2)

Proposal	Drivers/Assumptions
<ul style="list-style-type: none">✓ Preserve and optimize <u>Armaments</u> capability while minimizing excess capacity.✓ Retain core capability at Rock Island Arsenal✓ Retain Pine Bluff✓ Transfer and leaseback Watervliet✓ Close Lima Tank Plant	<ul style="list-style-type: none">✓ Transformational Option: Realign and consolidate the Army organic industrial base, in partnership with industry, to provide joint, responsive, flexible, world-wide logistics support from factory to foxhole.
Justification/Impact <ul style="list-style-type: none">✓ Retain core capability at Rock Island (foundry capability for armor steel (ferrous and non ferrous), gun mounts (medium and large caliber, and recoil mechanisms)✓ Leaseback core capability at Watervliet (cannons, gun tubes, mortars, and chrome plating)	Potential Conflicts <ul style="list-style-type: none">✓ Concerned with creation of lease



Munitions & Armaments

Armaments (Alt 3)

<p style="text-align: center;">Proposal</p> <ul style="list-style-type: none">✓ Preserve and optimize <u>Armaments</u> capability while minimizing excess capacity.✓ Retain core capability at Watervliet Arsenal✓ Close Rock Island Arsenal and realign workload to Watervliet✓ Close Lima Tank Plant	<p style="text-align: center;">Drivers/Assumptions</p> <ul style="list-style-type: none">✓ Principles: Consider the value of preserving the following critical industrial capabilities: castings and forgings of ground components; white phosphorous-based munitions; chemical and biological defense equipment; the manufacture of gun tubes, mortars, and cannon tubes; and rubber track and road wheels that are required by law, not commercially available.
<p style="text-align: center;">Justification/Impact</p> <ul style="list-style-type: none">✓ Retain core capability at Watervliet (cannons, gun tubes, mortars, and chrome plating)✓ Facilitize Watervliet to accommodate Rock Island's workload	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none">✓ None



Armaments Summary

	ALT 1
LIMA	-
PBA	+
RIA	+
WVLT	+

	ALT 2
LIMA	-
PBA	+
RIA	+
WVLT	-

	ALT 3
LIMA	-
PBA	+
RIA	-
WVLT	+



IJCSG SUBGROUP

SHIP OVERHAUL & REPAIR RADM Bill Klemm



Ship Overhaul & Repair

<p style="text-align: center;">Proposal</p> <p>✓ Reviewed and considered for munitions and armaments capability:</p> <ul style="list-style-type: none">• Welding• Metal forming	<p style="text-align: center;">Drivers/Assumptions</p>
<p style="text-align: center;">Justification/Impact</p>	<p style="text-align: center;">Potential Conflicts</p>

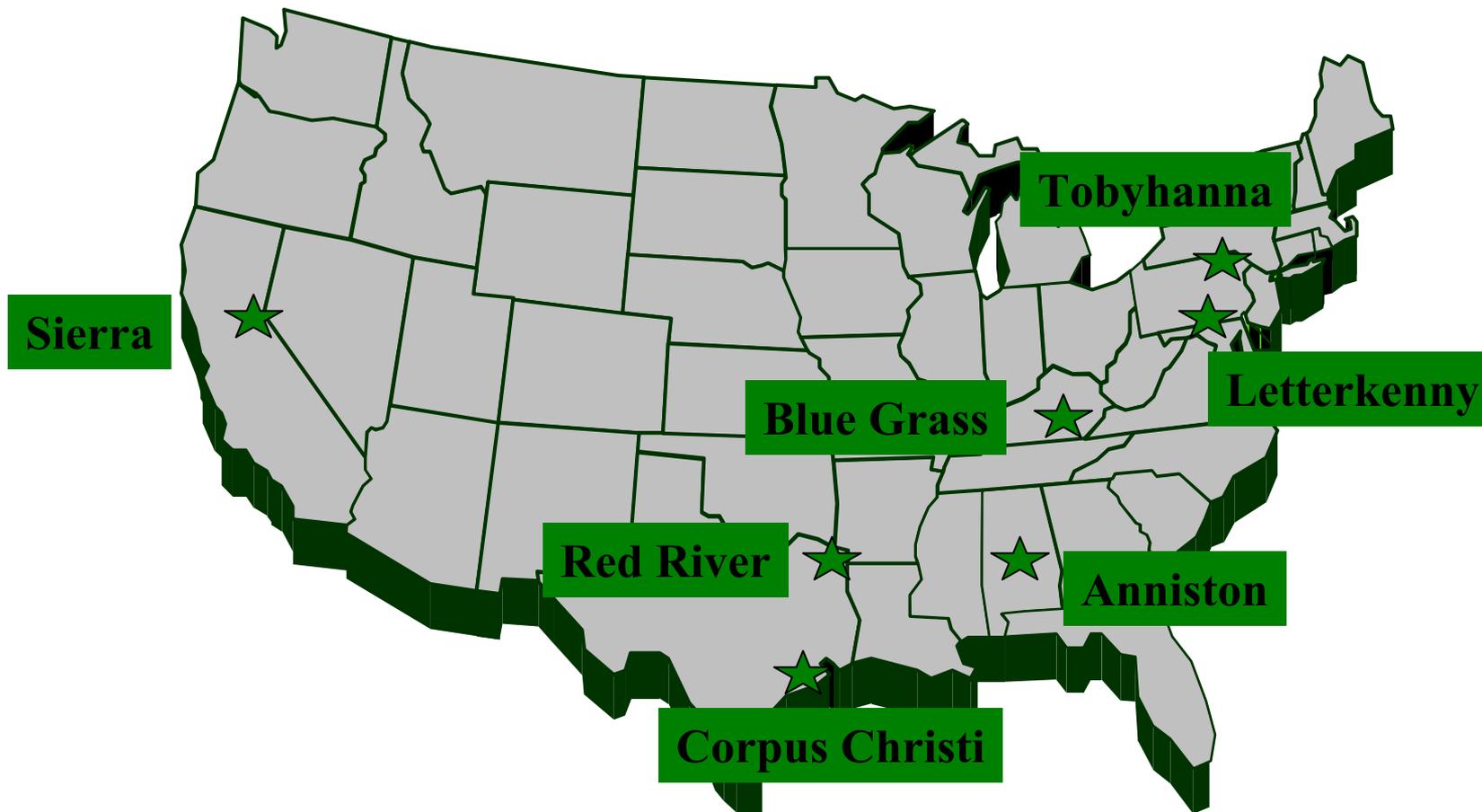


**IJCSG
SUBGROUP**

**MAINTENANCE
(DEPOT & INTERMEDIATE LEVEL)
Mr. Ron Orr**



US Army Maintenance Depots





Realignment Requires Synchronization of Many Moving Parts - Who Has The Lead?

NAF FINANCIAL SERVICES
&
NAF SYSTEM SUPPORT
OFFICE



GSA
AREA UTILIZATION OFFICE

MUNITIONS CENTER
RED RIVER



DEFENSE AUTOMATED
PRINTING SERVICES



DEFENSE DISTRIBUTION
DEPOT RED RIVER



DRMO TEXARKANA





IJCSG – Maintenance Subgroup

Notional – For Training Only (presented to I-JCSG)

<h3>Proposals (Training)</h3> <ul style="list-style-type: none"><input type="checkbox"/> Each Service closed one Depot – Albany (USMC), Letterkenny (Army) , Warner Robins (AF) , Richmond (DLA), Jacksonville (Navy)<input type="checkbox"/> Capacity was used as a surrogate factor to determine military value<input type="checkbox"/> Private Sector is a source for workload re-location/redistribution	<h3>Drivers</h3> <ul style="list-style-type: none"><input type="checkbox"/> Principles:<ul style="list-style-type: none">• Retained Navy Doctrinal requirement for Depot Detachments• Mitigated operational risk - retained two locations per commodity group<input type="checkbox"/> Transformational Options: Based Maximum Capacity on 1.5 shifts/60 hour work week
<h3>Justification/Impact</h3> <ul style="list-style-type: none"><input type="checkbox"/> Environmental impacts not know at this time - workload moves<input type="checkbox"/> Costs/Savings of movements not determined – COBRA<input type="checkbox"/> Workload moved to various sites. May require building additional capability	<h3>Potential Conflicts</h3> <ul style="list-style-type: none"><input type="checkbox"/> USC Title 10 Sec 2464 – Core Capabilities<input type="checkbox"/> USC Title 10 Sec 2466 – 50/50



IJCSG – Maintenance Subgroup

Notional – For Training Only (presented to I-JCSG)

<h2>Proposals (Training)</h2> <ul style="list-style-type: none"><input type="checkbox"/> Realignment to establish Joint Centers of Industrial Technical Excellence<ul style="list-style-type: none">– Realignment of Barstow (USMC depot) Combat/Tactical vehicle workload to Anniston Army Depot– Realignment of Cherry Point NAVAIR Depot rotary wing workload to Corpus Christi	<h2>Drivers</h2> <ul style="list-style-type: none"><input type="checkbox"/> Principles:<ul style="list-style-type: none">• Maintain industrial capabilities not commercially available or privatizable to meet production sustainment, surge and reconstitution requirement<input type="checkbox"/> Transformational Options:<ul style="list-style-type: none">• Realign and consolidate organic industrial base with Industry to provide joint, responsive flexible support• Collocate multiple functions, activities or workload at single installation
<h2>Justification/Impact</h2> <ul style="list-style-type: none"><input type="checkbox"/> Environmental impacts not known at this time - workload moves<input type="checkbox"/> Costs/Savings of movements not determined – COBRA<input type="checkbox"/> Workload moved to various sites. May require building additional capability	<h2>Potential Conflicts</h2> <ul style="list-style-type: none"><input type="checkbox"/> Creates single point of failure for depot maintenance of certain systems



IJCSG – Maintenance Subgroup

Non Approved Proposals

<p style="text-align: center;">Proposals</p> <ul style="list-style-type: none"> <input type="checkbox"/> Minimize sites by sizing to CORE <ul style="list-style-type: none"> ▪ Retain installations to meet CORE capability requirements ▪ After determining sites to be retained for CORE capability, assign CORE workload minimizing available capacity at these sites. <input type="checkbox"/> Capacity (1.5 times max capacity) 	<p style="text-align: center;">Drivers</p> <ul style="list-style-type: none"> <input type="checkbox"/> Principles: service specific doctrinal reqmts (e.g) <ul style="list-style-type: none"> ▪ Retain Navy Doctrinal requirement for Depot Detachments ▪ Retain Army National Maintenance Program <input type="checkbox"/> Transformational Options: <ul style="list-style-type: none"> ▪ Realign and consolidate organic industrial base with industry to provide joint, responsive flexible support ▪ Collocate multiple functions, activities or workload at single installation
<p style="text-align: center;">Justification/Impact</p> <ul style="list-style-type: none"> <input type="checkbox"/> Increase depot workload available for commercial sector <input type="checkbox"/> Costs/Savings of movements not determined – COBRA <input type="checkbox"/> Other JCSG potential impacts- Supply and Storage 	<p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> <input type="checkbox"/> USC Title 10 Sec 2466 – 50/50



Way Ahead



Date	Topic
5 Oct	Review of Education & Training and Technical JCSG Proposals
12 Oct	Review of Intelligence & Medical JCSG Proposal
19 Oct	JCSG Proposal Integration
26 Oct	JCSG Final Proposal Integration
November	Review TABS Proposals & Integration
December	TABS Proposal Integration, Final Approval for EOH, submit to OSD

28 September 2004
BRAC 2005 SRG#13
SECRETARY OF THE ARMY CONF ROOM, 3D572

PURPOSE:

- To provide updates
- To present Supply & Storage and Industrial Joint Cross Service Groups' proposals and give the SRG an opportunity to provide guidance and comments to the Army representatives.
- To present the BRAC 05 SRG meetings schedule

ACTIONS:

Dr. College opened the meeting by welcoming the group and immediately began the briefing. He reviewed the timeline, and noted changes imposed by OSD regarding the scenario-specific data calls and JCSG submissions. He recommended that the Army stick to its original timeline for developing candidate recommendations, and noted that we will have sufficient time to digest and integrate what the JCSGs have done after the holidays and before final submissions are required. SECARMY directed that the Army stick to its original schedule, which requires scenario completion by 17 December 04

Dr. College then turned the briefing over to Mr. Neal to present the Supply and Storage JCSG proposals.

Mr. Neal began with the internal organization and timeline for the S&S JCSG and presented proposals according to the transformational options the JCSG is trying to accomplish.

When discussing Regional Strategic Distribution Platforms (a proposed consolidation) the SECARMY requested clarification of the mission and separation of responsibility between DLA and the Services. In discussion, the VCSA noted that, while this proposal gains efficiencies for DLA, there is some risk for the Services, as they revert from partners to customers in supply distribution. Services would still be required to maintain capabilities to receive, store and distribute materials and supplies related to reparable items. Mr. Neal noted that the cost analysis has not been run for this proposal yet.

Mr. Neal presented a total of four concepts, including consolidations, privatizations, and transfer potentials, which will evolve into specific scenarios with further analysis.

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(CONTD)

Dr. College then turned the briefing over to Mr. Motsek to present Industrial Joint Cross Service group proposals.

Mr. Motsek began with the mission and organization of the Industrial JCSG. He presented a total of 11 proposals, in the following subgroups: Munitions and Armaments, Maintenance and Ship OverHaul and Repair. Comments were as follows:

Proposed scenarios within Munitions generated discussion of surge capability for both maintenance and production. Of concern were single point of failure situations, the ratio of private vice government capability and the costs and benefits of maintaining a constant wartime level of capability vice the costs of a rapid ramp up when required.

SECARMY noted the difficulty of retaining funding to keep commercial capability on line other than in time of war.

Mr. Motsek noted that when we opt to privatize a capability, we need to ensure that the commercial venture remains viable. For efficiency within the government, single line production facilities become "losers" while multifunctional facilities gain additional work.

As a method to screen munitions storage facilities, the Industrial JCSG determined that to be considered a munitions storage facility, an installation must account for at least five percent of the total munitions stored.

Mr. Motsek noted that the Army currently stores Air Force war reserve stocks, and has been approached about also storing a percentage of their operational stocks within our existing capacity.

SECARMY noted that our Arms Program commitments must also be factored into analysis.

During an extensive discussion of surge requirements and capabilities, the DAS noted that surge is best defined by our capability to produce vice remaining stocks. Mr. Motsek noted that, except for those things which are clearly unnecessary, we (Industrial JCSG) are moving capability, not reducing it.

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(CONTD).

Reference Depot Maintenance, Mr. Motsek noted that, because of limited capacity, the USMC facilities are almost always losers in comparisons. He noted that capacity is defined in terms of Direct Labor Hours, and that a change in maximum capacity would potentially require a change in the 50/50 law.

ASA (ALT) noted that, while this definition of capacity is useful to normalize workloads across depots, it is useless as an indicator of what we can get out the door (products).

Mr. Motsek noted that, in the past, the Army had tended towards single function sites, while other Services went in the other direction.

General Comments:

VCSA noted that we must keep OPSEC issues in mind and control access to scenario-specific discussions. He noted that right after the elections, people will be focused on BRAC. Dr. College assured him that the Internal Control Plan controls were in place and working.

Scheduling:

Dr. College then reviewed the Way Ahead, noting that the Education and Training and Technical JCSG proposals will be next.

SECRETARY, Dr. Craig College
RECORDER, Ms. Stephanie Hoehne



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