

**BRAC 2005**  
**Technical Joint Cross-Service Group (TJCSG)**  
**Meeting Minutes of 25 January 2005**

Dr. Sega chaired the meeting. The agenda is enclosed in attachment 1. The list of attendees is enclosed in attachment 2. Read ahead materials for the meeting are enclosed in attachment 3. The primary objective for the meeting was to review the Candidate Recommendation Timeline and the FFRDC issue paper. The agenda topics are listed below in the order in which they were covered. The key points, decisions and action items from the meeting are as follows:

Candidate Recommendation Timeline – Mr. Shaffer

**Key Points:**

- Timeline shows TECH-0006, TECH-0018 and TECH-0002 are in serious jeopardy of not be completed prior to the TJCSG Deliberation Cut Off of 15 February 2005. These scenarios still need receiver scenario data.
- Air Force data for TECH-0006 will be available tomorrow. However, we are still awaiting data from Lakehurst.
- The Navy will have data available for TECH-0002 tomorrow.

**Decisions:**

- The TJCSG requested the subgroups to validate the timeline chart. The subgroups will then provide their proposed plan for proceeding to make the TJCSG Deliberation Cut Off of 15 February 2005 for the individual pieces of their respective scenarios. These proposed plans will be presented to the TJCSG on Thursday, 27 January 2005.
- The TJCSG will begin looking at each of the outstanding issues for each scenario that needs to be resolved in order to go forward with the final analysis of each scenario. This will take place at each TJCSG Meeting beginning this Thursday, 27 January 2005.

TECH-0054, Navy C4ISR RDAT&E Move from Pt. Mugu to China Lake, COBRA Review – Ms. Shibley

**Key Points:**

- Return on Investment is 13 years.
- Billets Moved = 379
- Billets Eliminated = 714
- Total MILCON Costs are in excess of \$3M.
- Annual Costs Savings Beyond 2011 are in excess of \$6M.
- One Time Costs are in excess of \$72M.
- NPV @ 20 Years represents a savings in excess of \$14M.

- TECH-0055 is a companion scenario that moves the work to PAX River.
- TECH-0056 is a companion scenario that moves the work to Edwards AFB.

**Decisions:**

- TECH-0054 is more cost effective than TECH-0055. Data has not been received for TECH-0056. Pending receipt of the data, TECH-0056 was made inactive.
- The TJCSG approved going forward with TECH-0054 as a candidate recommendation. However, COBRA will be re-run using 15% reduction of billets eliminated, i.e. reduction of 15% of 379.

TECH-0030 COBRA Review – Ms. Shibley

**Key Points:**

- Return on Investment is 7 years assuming MILCON required at Ft. Belvoir.
- Return on Investment is immediate assuming no MILCON required at Ft. Belvoir.
- Billets Moved = 331
- Billets Eliminated = 0
- Total MILCON Costs are in excess of \$15M.
- Annual Costs Savings Beyond 2011 are in excess of \$2M.
- One Time Costs are in excess of \$15M assuming MILCON required at Ft. Belvoir.
- One Time Costs are in excess of \$500K assuming no MILCON required at Ft. Belvoir.
- NPV @ 20 Years represents a savings in excess of \$40M assuming MILCON required at Ft. Belvoir.
- NPV @ 20 Years represents a savings in excess of \$15M assuming no MILCON required at Ft. Belvoir.
- TECH-0047 is a companion scenario that moves the work to Peterson AFB.

**Decisions:**

- The TJCSG decided on a 15% reduction in billets eliminated for TECH-0047.
- The TJCSG decided to go forward with TECH-0047 as a candidate recommendation and make TECH-0030 inactive. The justification for this is it moves workload out of the NCR in accordance with the OSD goals, it co-locates the workload with the Combatant Commander.

FFRDC Issue Paper #01-19-05-01 – Mr. Durante

**Key Points:**

- The Aerospace Corporation FFRDC supports SMC and the nation's security space program.

- TECH-0014 proposes to move the SMC workload to Peterson AFB. Therefore the movement of SMC workload to Peterson AFB will involve the movement of the Aerospace Corporation FFRDC to Peterson AFB.
- The OSD policy is to not move contractors as part of BRAC actions. The issue remaining is whether or not the FFRDC is different from other contractors.
- There is no compelling reason for moving the SMC workload from Los Angeles AFB to Peterson AFB and the Air Force does not support the scenario.

**Decisions:**

- Based on military judgment, the TJCSG unanimously decided to make TECH-0014 inactive in the OSD Scenario Tracking Tool.
- No decision was made regarding the recommendation to include the FFRDC cost as part of the BRAC COBRA costs since the TECH-0014 scenario was made inactive.

The next TJCSG Meeting will take place on Thursday, 27 January 2005, from 1200 until finished EST, in Crystal City, PT-1, Rm 4600. The TJCSG will review each individual scenario and the open issues associated with the analyses of each.

**Action Items:**

1. The subgroups will validate the Candidate Recommendation Timeline chart and make any necessary corrections by COB, 25 January 2005. The subgroups will then provide their proposed plan for proceeding to make the TJCSG Deliberation Cut Off of 15 February 2005 for the individual pieces of their respective scenarios. These proposed plans will be presented to the TJCSG on Thursday, 27 January 2005.

Approved:   
Mr. Al Shaffer  
Chairman, Capabilities Integration Team

**Attachments:**

1. Outline -Agenda
2. List of Attendees
3. Read Ahead Materials

**TJCSG Agenda**  
**25 Jan 05, 1100-1300 hrs EST**  
**Crystal City, PT-1, Rm 4600**

- Timeline Review – Mr. Shaffer
- TECH-0054 COBRA Review – Ms. Shibley
- TECH-0030 COBRA Review – Ms Shibley
- FFRDC Issue Paper #01-19-05-01 – Mr. Durante

Scenario; Should have

Scenario; Should have

# Candidate Recommendation Timeline

040,  
032,  
020

Today

054,  
047,  
020  
013,  
014

Initial Cobra Run Cutoff 4 Feb

009,  
014,  
005,  
005,  
008\*

Scenario Data  
Clean Up &  
Criteria 8  
(11 Days)

TJCSG Deliberation Cut Off 15 Feb

005,  
008,  
017,  
019

006  
002

Final  
Package  
~6  
Recs

In Serious  
Jeopardy

24  
Jan

28  
Jan

4  
Feb

11  
Feb

18  
Feb

25  
Feb

Turn in Cut-off



# COBRA Summary

Scenario: Tech054	One Time costs	ROI Years	NPV @ 20 Years	Billets Eliminated	Billets Moved	Total Milcon Costs	Annual Costs beyond 2013
<b>Basic Run</b>	\$72,751	13	(\$14,201)	0	379	\$3,815	(\$6,720)

- Assumptions: No Known Assumptions
- SDD status:
- RFC status:

Costs are in \$K  
 Savings are bracketed  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# One Time Costs

One Time Costs/Savings FY 06-FY11						
Scenario: Tech 054	Constr.	Pers	Ovhd	Move	Other	
Basic Scenario	\$3,815.2	\$1,854.2	\$985.5	\$20,000.7	\$46,095.8	
<b>Totals</b>	<b>Total costs</b>	<b>Savings</b>	<b>Net Costs</b>			
Basic Scenario	\$72,751.5	\$1,827.9	\$70,923.5			

Costs are in \$K  
 Savings are bracketed  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# Personnel Summary

	OFF	ENL	CIV	STU	Contractor	Total
Scenario Tech 054						
<b>Basic Run</b>	0	0	0	0	0	0
Eliminate						
Move	4	7	368		100	479

Costs are in \$K  
 Savings are bracketed  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# MILCON Summary

Scenario: Tech 054		
Excursion	Receiving Activity	Total Cost
<b>Basic Scenario</b>	China Lake	<b>\$3,815</b>

**Costs are in \$K**  
**Savings are bracketed**  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# COBRA Summary

Scenario: Tech030	One Time costs	RQ Years	NPV @ 20 Years	Billets Eliminated	Billets Moved	Total Milcon Costs	Annual Costs beyond 2011
<b>No MilCon Required</b>	\$593	Immediate	(\$40,242)	0	331	\$0	(\$2,785)
<b>MilCon at Belvoir</b>	\$15,769	7	(\$15,781)	0	331	\$15,156	(\$2,453)

- **No MilCon Required:**
  - Leased space occupied is at 160SqFt per person
  - Recurring Savings due to a terminated lease equals \$37.29 per SqFt
  - One Time Savings due to avoided AT FP equals \$28.28 per SqFt
  - Disallowed DISA estimate of 710 lbs per person moving cost. (Already calculated by COBRA)
  - Removed eliminated positions from Fort Monmouth; DISA, and Rosslyn Lease due to errant replication of moved personnel.
- **MilCon Assumptions for Second Scenario**
  - Construction of General Administrative Space at Belvoir at 160SqFt per person
- **SDD's Outstanding: None**
- **RFC's Outstanding**

**Costs are in \$K**  
**Savings are Bracketed**  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# One Time Costs

One Time Costs/Savings FY 06-FY11

Scenario: Tech 030	Constr.	Pers	Ovhd	Move	Other
No MilCon Required	\$0.0	\$73.8	\$15.5	\$460.9	\$42.5
MilCon at Belvoir	\$15,155.7	\$73.8	\$35.8	\$460.9	\$42.5
<b>Totals</b>	<b>Total costs</b>	<b>Savings</b>	<b>Net Costs</b>		
No MilCon Required	\$592.7	\$2,365.6	(\$1,772.9)		
MilCon at Belvoir	\$15,768.7	\$2,365.6	\$13,403.1		

**Costs are in \$K**  
**Savings are Bracketed**  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# Personnel Summary

Scenario Tech 030	OFF	ENL	CIV	STU	Contractor	Total
<b>No MilCon Required</b>						
Eliminate			0		0	0
Move	74	12	245	0	218	549

**Costs are in \$K**  
**Savings are Bracketed**  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# MILCON Summary

Scenario: Tech 030		
Excursion	Receiving Activity	Total Cost
<b>No MilCon Required</b>	Ft Belvoir	\$0
<b>MilCon at Belvoir</b>	Ft Belvoir	\$15,156

**Costs are in \$K**  
**Savings are Bracketed**  
 1/11/2005 6:19 AM

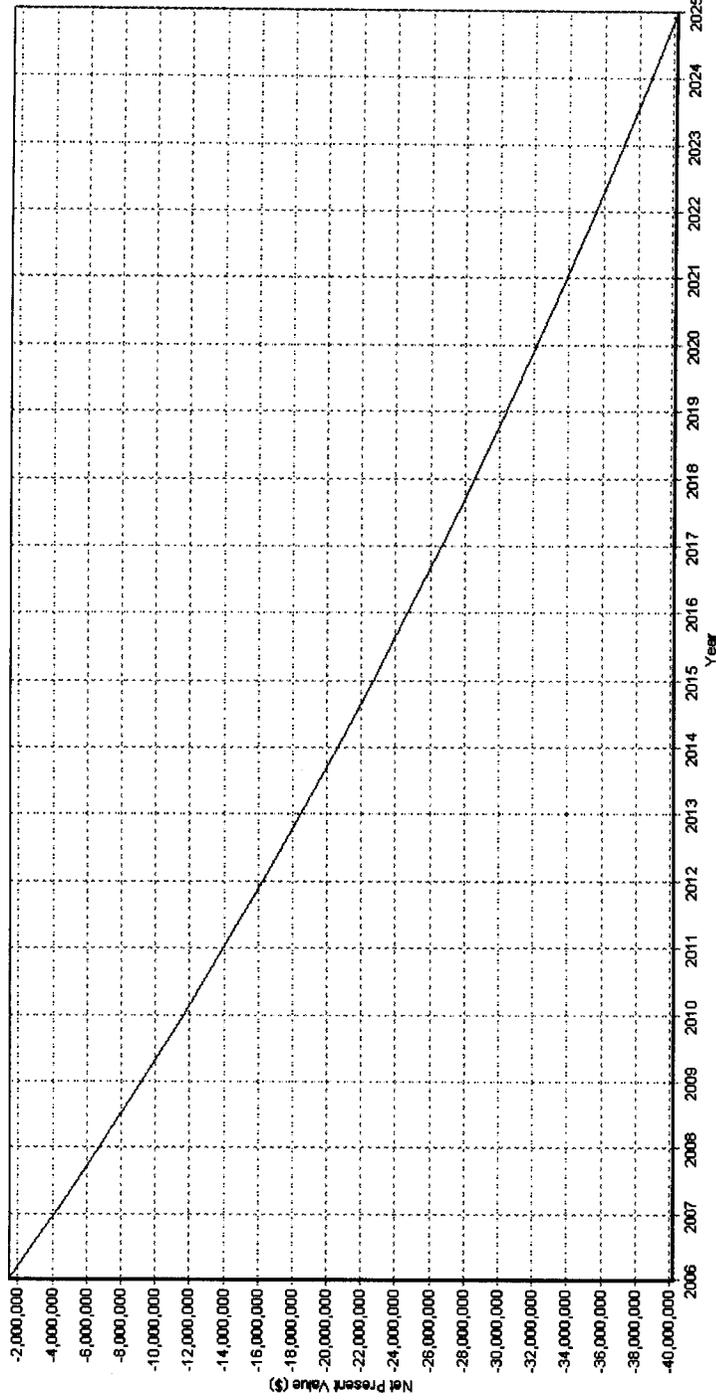
Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

# NPV No MilCon Required

## Tech-030



COBRA NET PRESENT VALUES CHART (COBRA v6.04)  
Data As Of 1/13/2005 11:56:01 AM, Chart Created 1/21/2005 4:03:43 PM



Department: Technical JCSG  
Scenario File: Z:\Tech 030\Consolidate Combatant Cmdr C4ISR DATAE at Fort Belvoir, VA or Colorado Springs, CO.CBR  
Option Pkg Name: Consolidate Combatant Cmdr C4ISR DATAE at Fort Belvoir, VA or Colorado Springs, CO  
Std Fctrs File: E:\Database\COBRA 6.04\BRAC2005.SFF

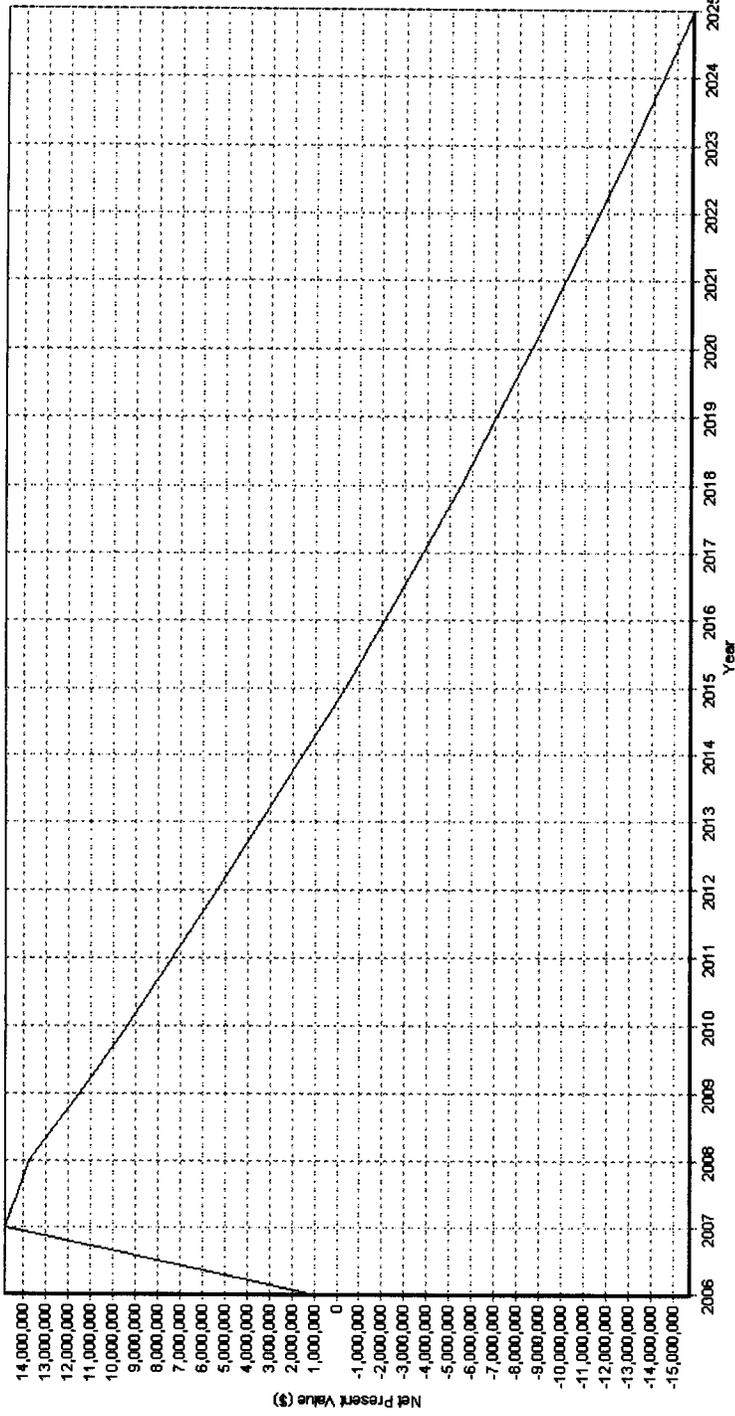
**Costs are in \$K**  
**Savings are Bracketed**  
1/11/2005 6:19 AM

Draft Deliberative Document  
For Discussion Purposes Only  
Do Not Release Under FOIA

# NPV Milcon at Belvoir

COBRA Consolidate Combatant Cmdr C4ISR DATA at Fort Belvoir, VA or Colorado Springs, CO MilConBel012105a - [NPV Chart]  
 File Edit Reports Window Help

COBRA NET PRESENT VALUES CHART (COBRA v6.04)  
 Data As Of 1/21/2005 3:50:12 PM, Chart Created 1/21/2005 3:50:21 PM



Department: Technical JCSG  
 Scenario File: Z:\Tech 030\Milcon\Belvoir\Consolidate Combatant Cmdr C4ISR DATA at Fort Belvoir, VA or Colorado Springs, CO MilConBel012105a.CBR  
 Option Pkg Name: Consolidate Combatant Cmdr C4ISR DATA at Fort Belvoir, VA or Colorado Springs, CO  
 Std Fcsts File: E:\Database\COBRA 6.04\BRA\2005.SFF

**Costs are in \$K**  
**Savings are Bracketed**  
 1/11/2005 6:19 AM

Draft Deliberative Document  
 For Discussion Purposes Only  
 Do Not Release Under FOIA

**FEDERALLY FUNDED RESEARCH & DEVELOPMENT CENTERS**  
**Issue #01-19-05-01**

**Issue:** How to handle the costs associated with the movement of the Aerospace Corporation FFRDC's support to the Air Force Space and Missile Center (SMC) mission as part of the Base Realignment and Closure (BRAC) candidate recommendation process to relocate SMC to Peterson Air Force Base (AFB), as proposed in the TJCSG scenario TECH-0014.

**Point of Contact:** Mr. Blaise Durante

**Issue Summary:**

- Considerations associated with this issue are:
  1. FFRDCs differ from other contractual sources and have been specifically authorized by law. In the case of Aerospace Corporation, it was established in 1960 to provide systems engineering and integration support to SMC and the nation's security space programs, in lieu of an organic workforce, and continues in that role today.
  2. The retention of the intellectual capital embodied in the Aerospace Corporation's systems engineering and integration workforce, and its potential impact on the SMC mission and the national security space programs, is of critical importance.
  3. Precedents were set in BRAC 95 by how the Air Force (AF) handled the costs associated with the movement of the Aerospace Corporation and Mitre Corporation as part of the BRAC 05 analysis to evaluate the relocation of SMC and the AF Electronic Systems Center (ESC).

1. **Differences Between FFRDCs and Other Contractual Sources**

- FFRDCs have been specifically authorized by law (10 U.S.C. 2367) to provide technical support to DoD centers that cannot be provided from any other contractual source. (See Attachment 1)
  - These differences are reflected in Mr. Wynne's Memos to the HAC and SAC on FFRDC Ceiling dated 3 May 2004, which stipulate "FFRDC work is consistent with each center's mission, its core competencies, and the strategic relationship between the center and its sponsors." (See Attachment 2)
  - In a 4 January 2005 memo, Mr. Teets, Undersecretary of the Air Force, further emphasized to Mr. Wynne the vital role of the Aerospace Corporation FFRDC that cannot be met through the use of other resources, such as military, civilian or Advisory and Assistance Services (A&AS) contractors. (See Attachment 3)

- Congress has also recognized that FFRDC support is essential for specific DoD centers and authorized in (10 U.S.C. 2304 © (3)) that sole source awards to FFRDCs are appropriate for specific centers.
  - For TECH-0014, Aerospace Corporation is currently the sole source provider of systems engineering and integration support to SMC. There is no way to accomplish the SMC mission without the Aerospace Corporation FFRDC support without incurring significant risk to the SMC mission and the nation's security space programs.
  - Furthermore, the government is required to pay for the costs associated with a directed move to a new location under the terms of the current contract and Federal Acquisition Regulations (Clause 52.243-02 ALT V and FAR 43.201 (b)).

## 2. Retention of Intellectual Capital

- Relocation of the Aerospace Corporation FFRDC with the SMC relocation is essential in mitigating the risk to SMC and the national security space programs associated with the disruption in the mission assurance and program execution functions provided by the Aerospace Corporation, particularly in the area of systems engineering and integration.
  - Since the Aerospace Corporation's technical staff capability has been developed over many years and is specifically devoted to reducing mission risk on national security space programs, every attempt must be made to retain as much of this intellectual capital as possible in relocating SMC.
- The importance of the systems engineering support provided by the Aerospace Corporation FFRDC to SMC and the national security space programs is further evidenced by the May 2003 "Report of the Defense Science Board/Air Force Scientific Advisory Board Joint Task Force on Acquisition of National Security Space Programs".
  - "Policies and practices inherent in acquisition reform inordinately devalued the systems acquisition – engineering workforce. As a result, today's government systems engineering capabilities are not adequate to support the assessment of requirements, conduct trade studies, develop architectures, define programs, oversee contractor engineering, and assess risk."
  - The "government systems engineering" referenced above is provided by the Aerospace Corporation FFRDC. The AF has taken action to strengthen this engineering workforce, which makes it even more crucial to retain as much of this intellectual capital as possible in relocating SMC, and to ensure the FFRDC and SMC moves are treated as a single, integrated move.

### 3. Precedents Set in BRAC 95

- Since an FFRDC has no operating funds other than those derived from the government, and there is no ability to raise funds from other sources, the sponsor is required to pay a FFRDC's relocation and re-establishment costs. Historically the costs have been recovered from the sponsoring activity requiring the relocation of FFRDC personnel. Since the proposed relocation and re-establishment of the Aerospace Corporation FFRDC is sponsored by DoD to enable a BRAC action, the costs of that action should be borne as a BRAC cost vice transferring those costs to systems acquisition programs through FFRDC rate increases - i.e. those programs receive appropriated funds from Congress to acquire weapons systems, not to pay for BRAC actions.
  - For these reasons, the proposed relocation and re-establishment of the Aerospace Corporation FFRDC was included and accepted as a BRAC cost in the BRAC 95 analysis, as was the similar cost associated with the Mitre Corporation FFRDC as part of the proposed relocation of ESC. These costs were included as part of the BRAC analysis process and documentation.
- For the same reasons used in BRAC 95, the costs associated with the movement of the Aerospace Corporation FFRDC need to be treated as a one-time BRAC cost in the analysis of TECH-0014 and the BRAC candidate recommendation decision process.
  - These costs would be strictly due to a BRAC action and, as such, need to be part of the decision process since it would be a cost to the DoD regardless of how it gets funded.
- The costs associated with relocation of the Aerospace Corporation FFRDC are not only required under the current terms of the contract, but are allowable per federal regulations.
  - The cost of personnel movement of special mass nature (i.e. BRAC), are allowable under FAR 31.205.35e.
  - FAR 31.205 allows for reimbursement of facility-related costs used in support of government depreciation and leasehold improvement amortization.
  - Under FAR 31.205-10 and 31.205.11 the costs to construct new facilities would be reimbursed through cost of money (CAS 414) and building depreciation on the new facilities. DOD funds could be used in a BRAC situation with Congressional approval to construct new facilities, which would greatly reduce the loan repayment period and cost of money associated with the cost of new facilities.

**Recommendations:**

- As in BRAC 95, treat the relocation costs of moving the Aerospace Corporation FFRDC as a one-time BRAC cost as part of the BRAC candidate recommendation decision process to relocate SMC to Peterson AFB (TECH-0014 Scenario)
  - FFRDCs differ from other contractual sources, as specifically authorized by law. The Aerospace Corporation was established over 40 years ago in agreement with the law to provide systems engineering and integration support to the SMC mission and the national security space programs.
- Since there is no government organic systems engineering workforce, retention of the Aerospace Corporation intellectual capital is critical and must be preserved throughout the BRAC implementation period in order to mitigate the risks associated with relocating the SMC mission.
- Allowable costs were included as part of BRAC 95 and therefore should be included in BRAC 2005 for the same reasons, regardless of the source of funding to cover the costs.

**Attachments:**

1. How FFRDCs Differ from Contractors
2. Mr. Wynne's 3 May 2004 Memo to the SAC (Similar memo was sent to the HAC)
3. Mr. Teets' 5 Jan 05 Memo to Mr. Wynne

**Army Position:**

**Navy Position:**

**Air Force Position: Concur**

**Marine Position:**

**JCS Position:**

**Final Resolution:**

---

**Mr. Blaise Durante**  
Issue Paper Author

---

**Mr. Al Shaffer**  
CIT Chairman

## ATTACHMENT 1

### HOW FFRDCs DIFFER FROM CONTRACTORS

- Government policies and regulations describe terms and conditions of the special relationship between FFRDCs and DoD (FAR Part 35.017, the DoD FFRDC Management Plan, and sponsoring agreements)
- Congress specifically authorized FFRDCs (10 U.S.C. § 2367)
  - Congress further recognized their unique status by the fact that sole source awards to FFRDCs are authorized (10 U.S.C. § 2304(c)(3))
- Characteristics of FFRDCs not available in the private sector or by A&AS contractors:
  - Need for free exchange of information and views without fear of organizational conflicts of interest or compromise of the decision making process
  - Need for products that are objective and of high quality
  - Need for non-profit organizations that can have access to proprietary data which commercial organizations will accept
  - Need for organizations that do not have financial ties to other portions of the private sector which create financial conflicts of interest in evaluations and assessments
- FFRDC characteristics that distinguish FFRDCs from A&AS contracts:
  - FFRDC meets some special DoD research or development need
  - FFRDC maintains a continuing level of excellence in areas most relevant to DoD's needs
  - Nature of the mission requires continuity and for FFRDCs to operate in a strategic, long term relationship with the DoD
  - FFRDCs have access to information, including sensitive and proprietary information that is beyond that which is common to normal contractual relationships
- FFRDCs are required to conduct business in a manner befitting this special long-term relationship including:
  - Operating as a not-for-profit
  - Accepting stringent requirements on scope of work in which the organization can engage
  - Agreeing that other work is undertaken only to extent permitted by sponsor
  - Committing that FFRDC will not compete for any Federal RFP for other than operation of an FFRDC
  - Operating in the public interest with objectivity
  - Fully disclosing its affairs to sponsor
  - Being free from organizational conflict of interest
  - Avoiding actual or perceived conflict of interest



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

ATTACHMENT 2  
THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

MAY 3 2004

The Honorable Ted Stevens  
Chairman, Subcommittee on Defense  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510-6028

Dear Mr. Chairman:

I need your help to solve a problem that is hurting the Department's efforts to acquire new capabilities and to respond to worldwide operational challenges. The staff-year ceilings on Federally Funded Research and Development Centers (FFRDCs) in the annual Appropriations Act prevent us from bringing the best possible talent to bear on important problems. The ceilings have become detrimental to national security and should be eliminated, or as a minimum, increased to meet DoD's need for quality technical support from its FFRDCs.

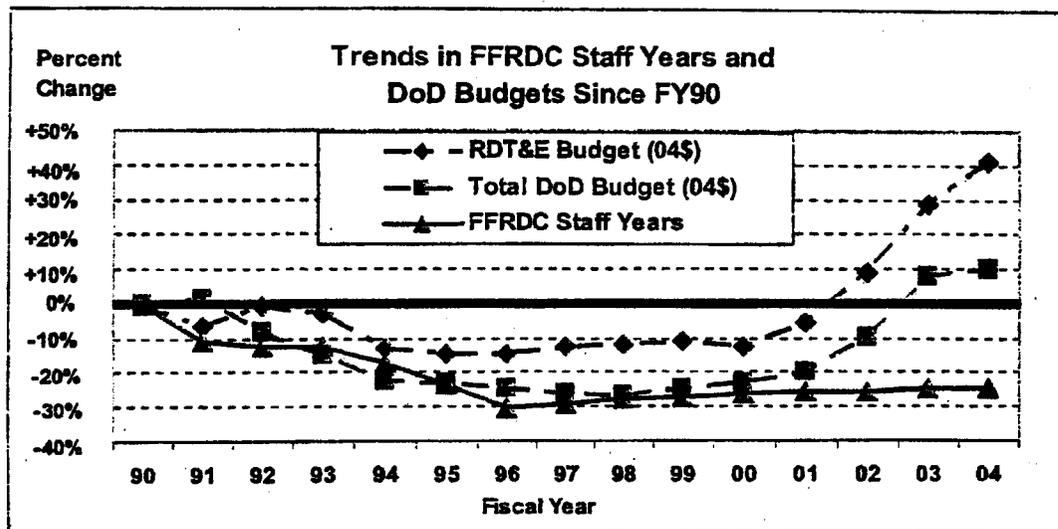
The Department relies on FFRDCs to provide objective answers to difficult scientific, technical, analytic, and operational issues that cannot be addressed as effectively by in-house or other external sources. These are unique institutions with high-quality, independent expertise developed over 40 years of working closely with the Secretary's immediate office, as well as the Joint Staff, the Combatant Commands, the Military Departments, and defense agencies.

DoD faces many complex problems, and we need to be able to pick the best sources of technical and analytic support for each issue – whether it involves space systems, or command and control, or homeland defense, or advanced operating concepts for the war on terrorism, or a host of other areas where innovative ideas and advanced technologies need to be brought to bear in support of the President's goals of modernizing and transforming U.S. military forces. Artificial constraints on FFRDCs keep us from getting the best available help in many cases.

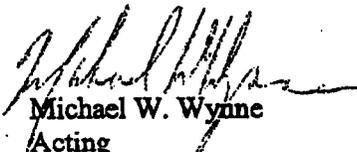
The ceilings are a legacy of concerns from the 1990s, which were long ago resolved. In the mid-1990s, DoD put in place a Management Plan for FFRDCs to provide the needed oversight. The Plan ensures that FFRDC work is consistent with each center's mission, its core competencies, and the strategic relationship between the center and its sponsors. The Plan led to effective DoD oversight of FFRDCs, which continues today.



For the past five years, the level of support provided by FFRDCs has remained essentially constant, while the demands for their services have increased dramatically. In fiscal year 2004, the Department requested an increase of 392 staff years, but received no increase. In fiscal year 2003, the Department requested a modest four percent increase of 250 staff years, but received only 94 despite rapidly evolving challenges since the 9/11 terrorist attacks. The figure below shows trends in FFRDC staff years and DoD budgets since 1990. As noted previously, FFRDCs have remained essentially flat while demand for their work – for which the RDT&E and total DoD budgets are only rough surrogates – has increased substantially.



I urge your support in resolving this problem. This is not a funding issue; it is about good governance. The Department should be able to spend the money that Congress provides in the most effective manner. The Department's technical and analytical requirements are clearly growing and it should have the ability to apply the best talent to these requirements. A similar letter has been sent to the ranking member of the Senate Appropriations Subcommittee on Defense, and to the Chairman and ranking member of the House Appropriations Subcommittee on Defense.

  
 Michael W. Wynne  
 Acting

cc:  
 The Honorable Daniel K. Inouye  
 Ranking Member



ATTACHMENT 3  
UNDER SECRETARY OF THE AIR FORCE  
WASHINGTON

4 January 2005

MEMORANDUM FOR ACTING UNDER SECRETARY OF DEFENSE FOR ACQUISITION,  
TECHNOLOGY & LOGISTICS

SUBJECT: Increase to AF Space Federally Funded Research and Development Center Ceiling

I am concerned about Space and Missile Systems Center's (SMC) Federally Funded Research and Development Center (FFRDC) ceiling. As you are aware, the Air Force is facing significant challenges in obtaining technical expertise critical to acquiring our space systems. The FFRDCs perform a vital role that the National Security Space community cannot meet through the use of other resources such as military, civilian or Advisory and Assistance Services (A&AS). The continuity they provide, their technical expertise and the lack of organizational conflicts of interest make the FFRDCs a lynchpin in space program development and acquisition.

As I have pointed out to Congress and to you in the past, the National Security Space community has a greater requirement for FFRDCs than the ceiling will allow. Over the last ten years, SMC has experienced a 30% decrease in military/civilian positions in conjunction with a 27% decrease in FFRDC staff-years. During this same period, SMC's procurement workload has doubled as the National Security Space budget has grown to meet increasing warfighter and civil space requirements. Furthermore the FY06 President's Budget significantly reduces funding for A&AS, which has at times substituted for the more qualified Aerospace FFRDC support. This disconnect between available SMC manpower resources and funded requirements is such that I am unable to maintain the necessary expertise on legacy systems and fully support emerging space programs.

As evidenced by recent technical difficulties and cost breaches on several National Security Space programs, we need to increase our oversight into contractor performance and industrial base issues. DoD (non-NFIP funded) space programs have a total requirement for 1800 staff-years of technical effort (STE) for the Aerospace FFRDC, yet have only received 1295 STE in FY05. Even though this is a slight increase over the FY04 ceiling, it does not meet the National Security Space requirement. The STE increase for SMC is just 5 STE.

I would like to work with you to get an immediate increase in FFRDC staff-years for FY05. The AF has looked internally and is unable to reallocate other AF FFRDC ceiling to National Security Space. I request your assistance in working with Congress to get the FFRDC ceiling raised significantly or eliminated in the FY06 Appropriations language. I believe the resolution of this issue is critical to the health of our programs and our ability to procure next generation space systems.

*Veter B. Teets*