Supply and Storage Joint Cross-Service Group

Summary of Selection Process

Introduction

The Director, Defense Logistics Agency chaired the Supply and Storage Joint Cross-Service Group (S&S JCSG). The group consisted of a deliberative body of senior Flag and General Officer logisticians representing each Military Department, the Defense Logistics Agency (DLA) and the Joint Chiefs of Staff (JCS) (the Principals). A staff of military personnel, Department of Defense (DoD) civilians, and private contractors supported the group. The S&S JCSG was chartered to conduct a comprehensive review of DoD's common business-oriented Supply and Storage logistics functions. Supply functions include such sub-functions as procurement and supply inventory management; storage includes such sub-functions as receipt processing; storage and issue. Distribution was added as a distinct function by the S&S JCSG Principals to acknowledge the strategic role distribution plays in the storage and distribution process.

Responsibilities and Strategy

The overarching strategy of the S&S JCSG was, "to pursue those logistics economies and efficiencies that enhance the effectiveness of operational forces as traditional forces and logistics processes transition to more joint and more expeditionary aspects." Additionally, the JCSG sought to transition traditional military logistics' linear processes to a networked, force-focused construct which reduces both the number of sites and related excess capacity, while providing a more effective and efficient DoD logistics base.

One of the group's major challenges was pursuing a course of action that acknowledged the S&S JCSG's position as a "follower activity." These follower activity conditions exist when the DoD supply, storage, and distribution activities/functions that take place on a military installation are primarily in support of the installations' specific functions and infrastructure. As a result, the rationale for the continuation of supply and storage functions at some specific locations could depend on the BRAC actions of another JCSG or Defense Component towards that particular installation. The exceptions to this are the Defense Distribution Center, Susquehanna, PA, and Defense Distribution Center, San Joaquin, CA, which each function as major distribution hubs.

For example, in cases where a distribution depot was co-located with a DoD industrial maintenance depot, the distribution depot's existence at that location was primarily to support that particular industrial maintenance depot. If a scenario were developed by the Industrial JCSG to close, disestablish, or otherwise realign one of these industrial maintenance depots, the S&S JCSG was required to develop a scenario that reflected the appropriate realignments of

logistics support. The same was also true if defense components wanted to recommend total closure of an installation, commonly referred to as "fence-line" closures, and activities under S&S JCSG purview were located at that site.

The follower activity status and chartered areas of responsibility posed great challenges for the S&S JCSG. Too aggressive an approach in pursuing BRAC scenarios that impacted business-oriented logistics functions could inadvertently and adversely impact operational efficiencies of operational forces. Of course, this was unacceptable and had to be avoided. Consequently, the thrust of S&S and the scenarios that it would eventually develop considered closing and realigning activities and their consequences, but primarily focused on business-related logistics economies and efficiencies that enhanced the effectiveness of operational forces; hence, the S&S overarching strategy.

This duality of scenario-impacting decisions made by other JCSGs and the Military Departments and transformation requirements demanded a heightened application of military judgment in S&S JCSG deliberations and scenario development. This placed a premium on the professional knowledge of the members of the JCSG. These senior level officials were acknowledged logistics experts within their respective defense components and were fully capable of arriving at accepted solutions where the application of military judgment was required. Though military judgment played a key role in the S&S JCSG deliberative process, the group used other tools that were available, such as the Installation Visualization Tool (IVT) and Optimization Model to develop scenarios, support its analysis, and formulate recommendations.

Analytical Process

As part of the analytic process the S&S JCSG was provided with an optimization model which incorporated capacity and military value analysis and force structure capabilities to identify scenarios that maximized military value and minimized the amount of excess capacity retained. The S&S JCSG used the Optimization Model to the extent that the output of the model could be useful. Because its activities, in most cases, were tenant organizations on defense component installations, the JCSG made unique demands on the tool to enable an adequate assessment of its activities. The goal was to take full advantage of the tool and use its product to the extent that the model output could assist deliberations. As the computer-based Optimization Modeling was not the optimal tool set for achieving resolution for all decision sets, the S&S JCSG explored ancillary methodologies to expand business models with an eye towards business process improvements, better fiscal management, and reducing excess infrastructure within the DoD. Certified capacity analysis and military value data were integral parts of the S&S decision-making process and were used in all sets of tools.

To determine capacity, the S&S JCSG analyzed an individual activity's infrastructure by examining the productivity of key resource inputs, e.g., labor (man hours) and actual space (office, warehouse, etc.). S&S assumed that a low rate of productivity for key resource inputs indicated either an inefficient use of resources and/or excess resource capacities. This would eventually become a very important issue in deliberations, as the S&S JCSG considered scenarios where DoD could divest itself of excess infrastructure while maintaining operational efficiencies. In all cases, S&S focused on FY 2003 data responses as being the most complete

and current of the data collected. The S&S JCSG calculated capacity for all functions. Questions, formulas and filters were developed and tested for validity, adequacy and data quality. Questions were issued to installations in the form of a controlled data call and the installations responded in the form of certified data. Additional capacity information was later obtained from specific activities via a data clarification effort based on the earlier capacity data call, and by responses to targeted COBRA data calls during the scenario development phase.

For the military value analysis, the S&S JCSG Principals designed attributes, metrics, data call questions, and a quantitative scoring plan to array the relative Military Value of supply and storage activities across DoD using the assessed operational and physical characteristics outlined in BRAC selection criterion 1-4. The group conducted Military Value analyses within categorical groupings of activities: Inventory Control Points (ICPs), Defense Distribution Depots (DDDs), and Defense Reutilization and Marketing Offices (DRMOs).

For scenario development, the S&S JCSG followed a process that took advantage of transformational strategies and capacity and military value data analyses. The group identified strategy-based, data-supported business realignment scenarios that would advance jointness, achieve synergy, capitalize on technology, exploit best business practices, and/or minimize redundancy. This worked to pose and examine ideas that were in line with its overarching strategy, that were transformational, and that applied good business sense. After the scenarios were developed, selection criteria 5-8 were then assessed using DoD's standard procedures and/or models.

In accordance with the BRAC statute and per Secretary of Defense guidance, the S&S JCSG assessed the relationship between the 20-Year Force Structure Plan and required supporting supply and storage capabilities. This analysis was conducted as a formal part of the S&S JCSG deliberative process. The correlation between the plan and actual supply and storage capabilities is indirect, making direct correlation and formal measurement of the impacts of recommendations difficult to ascertain. However, the group spent significant time evaluating, through the use of military judgment, the known and potential impact of candidate recommendations on transformational initiatives and related future force structure. Additionally, the S&S JCSG considered the 20-Year Force Structure Plan comments submitted to S&S JCSG by the Military Departments and JCS concerning supply, storage, and distribution requirements.

The surge requirement was another important factor to be examined. At the outset of the process, OSD's position on surge was that the specific application of surge differed for each JCSG, therefore OSD left it up to each JCSG to define and apply. The S&S JCSG originally defined surge as operating 24-hours per day, 7 days per week, using 100 percent of existing facilities and equipment. This definition was included in the initial capacity data call released in January 2004. Specific questions were asked in that data call to capture surge data using this definition. Upon the development of Capacity Analysis methodology in the early spring of 2004, the group refined its definition of surge. The S&S JCSG defined surge as using existing infrastructure resources to quickly respond to a short duration sudden increase in demand. Ten percent and 20 percent of system demand requirements were selected to conduct sensitivity analysis as reasonable short term increases on system demand that could be expected above and beyond the current increases being seen due to the wars in Afghanistan and Iraq. It was the view of the S&S

deliberative body that demand on the system as a result of the global war on terrorism represented an extraordinary demand on surge. It was therefore assumed that 20 percent at the high end of surge was sufficient for the 20-year planning horizon associated with the force structure plan. These percentages were repeated in all subsequent Capacity Analysis reports. The two rates were used to show how increases in demand would affect capacity at different levels. Even after performance was calculated at these rates, excess capacity was still visible. This in turn allowed S&S to ensure that the supply and storage system that remained after all BRAC actions were complete would be able to handle future surge demands.

As a result, the recommendations presented were a culmination of many factors. These included application of BRAC Criteria, capacity and military value analysis, assessment of requirements to support the 20-year force structure plan and the use of military judgment. In addition, an overarching strategy considering transformational ideas, and meeting challenges as a follower activity, were significant factors.

The S&S JCSG believes it has arrived at a supply storage and distribution structure which enables DoD to more efficiently and effectively support our joint and coalition forces in a transformed global environment while at the same time introducing new world class business processes. These changes in sum are expected to have an immediate payback, an annual recurring savings of over $400M and an estimated Department savings (20-year Net Present Value) of about $5,500M.

The recommendations approved by the Secretary of Defense follow:

Commodity Management Privatization

Recommendation: Realign Detroit Arsenal, MI, by relocating the supply contracting function for tires to the Inventory Control Point at Defense Supply Center Columbus, OH, and disestablishing all other supply functions for tires.

Realign Hill Air Force Base, UT, as follows: relocate the supply contracting function for tires to the Inventory Control Point at Defense Supply Center Columbus, OH; disestablish all other supply functions for tires; and disestablish the storage, and distribution functions for tires, packaged petroleum, oils, and lubricants, and compressed gases.

Realign Naval Support Activity, Mechanicsburg, PA, by relocating the supply contracting function for packaged petroleum, oils, and lubricants to the Inventory Control Point at Defense Supply Center, Richmond, VA, and disestablishing all other supply functions for packaged petroleum, oils, and lubricants.

Realign Defense Supply Center, Richmond, VA by disestablishing storage and distribution functions for tires, and the supply, storage, and distribution functions for packaged petroleum, oils, and lubricants, and compressed gases. Retain the supply contracting function for packaged petroleum, oils, and lubricants, and compressed gases.

Realign Defense Supply Center Columbus, OH, Tobyhanna Army Depot, PA, Defense Distribution Depot Susquehanna, PA, Naval Station Norfolk, VA, Marine Corps Air Station Cherry Point, NC, Marine Corps Logistics Base, Albany, GA, Robins Air Force Base, GA, Anniston Army Depot, AL, Naval Air Station Jacksonville, FL, Tinker Air Force Base, OK, Corpus Christi Army Depot, TX, Naval Station Bremerton, WA, Naval Station San Diego, CA, Defense Distribution Depot Barstow, CA, Defense Distribution Depot San Joaquin, CA, and Naval Station Pearl Harbor, HI, by disestablishing storage and distribution functions for tires, packaged petroleum, oils, and lubricants, and compressed gases at each location.

Justification: This recommendation achieves economies and efficiencies that enhance the effectiveness of logistics support to forces as they transition to more joint and expeditionary operations. This recommendation disestablishes the wholesale supply, storage, and distribution functions for all tires; packaged petroleum, oils and lubricants; and compressed gases used by the Department of Defense, retaining only the supply contracting function for each commodity. The Department will privatize these functions and will rely on private industry for the performance of supply, storage, and distribution of these commodities. By doing so, the Department can divest itself of inventories and can eliminate infrastructure and personnel associated with these functions. This recommendation results in more responsive supply support to user organizations and thus adds to capabilities of the future force. The recommendation provides improved support during mobilization and deployment, and the sustainment of forces when deployed worldwide. Privatization enables the Department to take advantage of the latest technologies, expertise, and business practices, which translates to improved support to customers at less cost.

It centralizes management of tires; packaged petroleum, oils, and lubricants; and compressed gases and eliminates unnecessary duplication of functions within the Department. Finally, this recommendation supports transformation by privatizing the wholesale storage and distribution processes from DoD activities.

In addition to the actions described in this recommendation, the Department is also disestablishing storage and distribution functions for tires, packaged petroleum, oils, and lubricants, and compressed gases at Red River Army Depot, TX. The storage and distribution functions at this additional location are now being disestablished as part of a recommendation for the full closure of the Red River Army Depot installation. The recommendation to close the installation fully supports all objectives intended by this recommendation.

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is $6.4M. The net of all costs and savings to the Department during the implementation period is a savings of $333.6M. Annual recurring savings to the Department after implementation are $43.7M with a payback expected immediately. The net present value of the costs and savings to the Department over 20 years is a savings of $735.3M.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in the maximum potential job reductions (direct and indirect) over the 2006-2011 period, as follows:

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Harrisburg-Carlisle, PA, Metropolitan Statistical Area	16	15	31	Less than 0.1
Richmond, VA, Metropolitan Statistical Area	32	25	57	Less than 0.1
Bremerton-Silverdale, WA, Metropolitan Statistical Area	1	1	2	Less than 0.1
Virginia Beach-Norfolk-Newport News, VA, Metropolitan Statistical Area	7	10	17	Less than 0.1
Oklahoma City, OK, Metropolitan Statistical Area	1	1	2	Less than 0.1
Stockton, CA, Metropolitan Statistical Area	31	20	51	Less than 0.1
Honolulu, HI Metropolitan Statistical Area	1	1	2	Less than 0.1

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Anniston-Oxford, AL, Metropolitan Statistical Area	1	1	2	Less than 0.1
Detroit-Livonia-Dearborn, MI, Metropolitan Division	30	19	49	Less than 0.1

The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I.

Community Infrastructure Assessment: A review of community attributes indicates no issues regarding the ability of the infrastructure of the communities to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: This recommendation has no impact on air quality; cultural, archeological, or tribal resources; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noise; threatened and endangered species or critical habitat; waste management; water resources; or wetlands. This recommendation will require spending approximately $0.2M for waste management and environmental compliance activities. This cost was included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, and environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.

Depot Level Reparable Procurement Management Consolidation

Recommendation: Realign Lackland Air Force Base, TX, as follows: relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items to Defense Supply Center Columbus, OH, and reestablish them as Defense Logistics Agency Inventory Control Point functions; relocate the procurement management and related support functions for Depot Level Reparables to Robins Air Force Base, GA, and designate them as Defense Supply Center Columbus, OH, Inventory Control Point functions; relocate the remaining integrated materiel management, user, and related support functions to Robins Air Force Base, GA.

Realign Soldier Systems Center, Natick, MA, by relocating the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items to

Defense Supply Center Philadelphia, PA, and reestablishing them as Defense Logistics Agency Inventory Control Point functions and by disestablishing the procurement management and related support functions for Depot Level Reparables and designating them as Defense Supply Center Philadelphia, PA, Inventory Control Point functions.

Realign Detroit Arsenal, MI, by relocating the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items to Defense Supply Center Columbus, OH, and reestablishing them as Defense Logistics Agency Inventory Control Point functions, and by disestablishing the procurement management and related support functions for Depot Level Reparables and designating them as Defense Supply Center Columbus, OH, Inventory Control Point functions.

Realign Rock Island Arsenal, IL, as follows: relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items to Defense Supply Center Columbus, OH, and reestablish them as Defense Logistics Agency Inventory Control Point functions; relocate the procurement management and related support functions for Depot Level Reparables to Detroit Arsenal, MI, and designate them as Defense Supply Center Columbus, OH, Inventory Control Point functions; and relocate the remaining integrated materiel management, user, and related support functions to Detroit Arsenal, MI.

Realign Ft. Huachuca, AZ, as follows: relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items to Defense Supply Center Columbus, OH, and designate them as Defense Logistics Agency Inventory Control Point functions; relocate the procurement management and related support functions for Depot Level Reparables to Aberdeen Proving Ground, MD, and designate them as Defense Supply Center Columbus, OH, Inventory Control Point functions; and relocate the remaining integrated materiel management, user, and related support functions to Aberdeen Proving Ground, MD.

Realign Naval Support Activity Mechanicsburg, PA, as follows: relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items, except those Navy items associated with Nuclear Propulsion Support, Level 1/Subsafe and Deep Submergence System Program (DSSP) Management, Strategic Weapon Systems Management, Design Unstable/Preproduction Test, Special Waivers, Major End Items and Fabricated or Reclaimed items to Defense Supply Center Columbus, OH, and reestablish them as Defense Logistics Agency Inventory Control Point functions; disestablish the procurement management and related support functions for Depot Level Reparables and designate them as Defense Supply Center Columbus, OH, Inventory Control Point functions; and relocate the oversight of Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer

Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items and the oversight of procurement management and related support functions for Depot Level Reparables to the Defense Logistics Agency, Fort Belvoir, VA.

Realign Marine Corps Base, Albany, GA, as follows: relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for any residual Consumable Items to Defense Supply Center Columbus, OH, and reestablish them as Defense Logistics Agency Inventory Control Point functions; disestablish the procurement management and related support functions for Depot Level Reparables and designate them as Defense Supply Center Columbus, OH, Inventory Control Point functions; and relocate the oversight of Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items and the oversight of procurement management and related support functions for Depot Level Reparables to the Defense Logistics Agency, Fort Belvoir, VA.

Realign Naval Support Activity Philadelphia, PA, Tinker Air Force Base, OK, Hill Air Force Base, UT, and Robins Air Force Base, GA, by relocating the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items, except those Navy items associated with Design Unstable/Preproduction Test, Special Waivers and Major End Items to Defense Supply Center Richmond, VA, and reestablishing them as Defense Logistics Agency Inventory Control Point functions, and by disestablishing the procurement management and related support functions for Depot Level Reparables and designating them as Defense Supply Center Richmond, VA, Inventory Control Point functions.

Realign Redstone Arsenal, AL, as follows: relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Aviation Consumable Items to Defense Supply Center Richmond, VA, and reestablish them as Defense Logistics Agency Aviation Inventory Control Point functions; disestablish the procurement management and related support functions for Aviation Depot Level Reparables and designate them as Defense Supply Center Richmond, VA, Aviation Inventory Control Point functions; relocate the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Missile Consumable Items to Defense Supply Center Columbus, OH; reestablish them as Defense Logistics Agency Missile Inventory Control Point functions; disestablish the procurement management and related support functions for Missile Depot Level Reparables and designate them as Defense Supply Center Columbus, OH, Missile Inventory Control Point

functions; and realign a portion of the remaining integrated materiel management, user, and related support functions necessary to oversee the Inventory Control Point activities at Aberdeen Proving Ground, MD, Detroit Arsenal, MI, Soldier System Center, Natick, MA, and Redstone Arsenal, AL, to Headquarters Army Materiel Command (AMC).

Realign Wright-Patterson Air Force Base, OH, by relocating the oversight of Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items and the oversight of procurement management and related support functions for Depot Level Reparables to the Defense Logistics Agency, Fort Belvoir, VA.

Realign Fort Belvoir, VA, by assigning the oversight of Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items and the oversight of procurement management and related support functions for Depot Level Reparables to the Defense Logistics Agency, Fort Belvoir, VA.

Justification: The Supply & Storage Joint Cross Service Group looked at the responsibility for consumable and depot level reparable item management across the Department of Defense. This recommendation, together with elements of a base closure recommendation, supports the migration of the remaining Service Consumable Items to the oversight and management of a single DoD agency/activity. This proposal moves select Inventory Control Point functions (Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, and Integrated Materiel Management Technical Support) to DLA. A number of Inventory Control Point functions (Allowance/Initial Supply Support List Development, Configuration Management, User Engineering Support, Provisioning, and User Technical Support) will be retained by the Services to maintain the appropriate critical mass to perform requirements and engineering. In addition, this recommendation realigns or relocates the procurement management and related support functions for the procurement of DLRs to DLA. For both consumable items and the procurement management of DLRs, this recommendation provides the opportunity to further consolidate Service and DLA Inventory Control Points by supply chain type. Defense Supply Center Columbus, OH (DSCC), manages the Maritime and Land supply chain, the Defense Supply Center Richmond, VA (DSCR), manages the Aviation supply chain, and Defense Supply Center Philadelphia, PA (DSCP), manages the Troop Support supply chain. The realignment should provide labor savings through transfer in place (application of standard labor rates across Inventory Control Points, headquarters staff reductions, and consolidation of support functions), reduce labor and support costs (from site consolidation) and business process improvements, such as consolidation of procurement under a single inventory materiel manager, reduction of disposal costs, and improved stock positioning. Savings related to overhead/support functions, especially at those locations where physical realignments occur at a lead center can be anticipated. Finally, this recommendation supports transformation by transferring procurement management of all Service DLRs to a single DoD agency/activity.

This recommendation also allows for the relocation of the remaining Army ICP functions at Fort Huachuca (integrated materiel management, user, and related support functions) to be collocated with its respective Life Cycle Management Command.

This recommendation relocates Air Force ICP functions from Lackland AFB to Robins AFB to provide for the continuation of secure facilities required by the Lackland ICP.

In addition while this recommendation incorporates most of the actions required to complete the transfer of management to DLA, one element is captured in the closure recommendation associated Fort Monmouth, NJ, as noted below:

The realignment of Fort Monmouth, NJ, which relocates the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items to Defense Supply Center Columbus, OH, and reestablishes them as Defense Logistics Agency Inventory Control Point functions; relocates the procurement management and related support functions for Depot Level Reparables to Aberdeen Proving Ground, MD, and designates them as Defense Supply Center, Columbus, OH, Inventory Control Point functions; and relocates the remaining integrated materiel management, user, and related support functions to Aberdeen Proving Ground, MD, has been incorporated into the closure of Fort Monmouth, NJ.

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is $127.0M. The net of all costs and savings to the Department of Defense during the implementation period is a savings of $369.8M. Annual recurring savings to the Department after implementation are $159.3M with a payback expected immediately. The net present value of the costs and savings to the Department over 20 years is a savings of $1,889.6M.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in the maximum potential job reductions (direct and indirect) over the 2006-2011 period, as follows:

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Sierra Vista-Douglas, AZ, Metropolitan Statistical Area	212	159	371	0.72
Cambridge-Newton-Framingham, MA, Metropolitan	18	12	30	Less than 0.1
San Antonio, TX, Metropolitan Statistical Area	293	302	595	Less than 0.1

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Davenport-Moline-Rock Island, IA-IL, Metropolitan Statistical Area	740	647	1,387	0.61
Albany, GA, Metropolitan Statistical Area	7	6	13	Less than 0.1
Harrisburg-Carlisle, PA, Metropolitan Statistical Area	10	9	19	Less than 0.1
Huntsville, AL, Metropolitan Statistical Area	71	55	126	Less than 0.1
Ogden-Clearfield, UT, Metropolitan Statistical Area	47	46	93	Less than 0.1
Oklahoma City, OK, Metropolitan Statistical Area	38	48	86	Less than 0.1

The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I.

Community Infrastructure Assessment: A review of community attributes indicates no issues regarding the ability of the infrastructure of the communities to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: This recommendation will impact air quality at Aberdeen. Added operations will require New Source Review permitting and Air Conformity Analysis. Potential impacts to cultural resources may occur at Aberdeen as a result of increased times delays and negotiated restrictions, due to tribal government interest, and the fact that resources must be evaluated on a case-by-case basis. Eighteen historic properties are identified at Detroit Arsenal to date, but no restrictions to mission reported. Potential impacts may occur to historic resources at Detroit Arsenal, since resource must be valuated on a case-by-case basis, thereby causing increased delays and costs. Additional operations may impact cultural resources and sensitive resource areas at Robins, which may impact operations. Noise contours at Robins may need to be reevaluated due to the change in mission. Additional operations at Aberdeen may further impact threatened/endangered species leading to additional restrictions on training or operations. Modification of on-installation treatment works may be necessary at Robins to accommodate the change in mission. Significant mitigation measures to limit releases may be required at Aberdeen and Detroit Arsenal to reduce impacts to water quality and achieve US EPA water quality standards. A wetlands survey may be needed at Detroit Arsenal. This recommendation has no impact on dredging; marine mammals, resources, or sanctuaries; or wetlands. This recommendation will require spending approximately $0.8M for environmental compliance

activities. These costs were included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, or environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.

Supply, Storage, and Distribution Management Reconfiguration

Recommendation: Realign Defense Supply Center Columbus, OH, by disestablishing the Defense Distribution Depot Columbus, OH. Relocate the storage and distribution functions and associated inventories to the Defense Distribution Depot Susquehanna, PA, hereby designated the Susquehanna Strategic Distribution Platform.

Realign Tobyhanna Army Depot, PA, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot Tobyhanna, PA, with all other supply, storage, and distribution functions and inventories that exist at Tobyhanna Army Depot to support depot operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support Tobyhanna Army Depot, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the Susquehanna Strategic Distribution Platform.

Realign Naval Station Norfolk, VA, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot Norfolk, VA, with all other supply, storage, and distribution functions and inventories that exist at Norfolk Naval Base and at Norfolk Naval Shipyard to support shipyard operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support Norfolk Naval Shipyard operations, maintenance and production, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the Susquehanna Strategic Distribution Platform.

Realign Defense Supply Center Richmond, VA, by relocating the storage and distribution functions and associated inventories of the Defense Distribution Depot Richmond, VA, to the Susquehanna Strategic Distribution Platform. Retain the minimum necessary storage and distribution functions and associated inventories at Defense Distribution Depot Richmond, VA, to serve as a wholesale Forward Distribution Point**.**

Realign Marine Corps Air Station, Cherry Point, NC by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot, Cherry Point, NC, with all other supply, storage, and distribution functions and inventories that exist at Naval Aviation Depot Cherry Point, NC, to support depot operations, maintenance and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support Naval Air Depot Cherry Point, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and

associated inventories to the Defense Distribution Depot Warner Robins, GA, hereby designated the Warner Robins Strategic Distribution Platform.

Realign Robins Air Force Base, GA, by consolidating the supply, storage, and distribution functions and associated inventories supporting depot operations, maintenance, and production at the Warner Robins Air Logistics Center with the supply, storage, and distribution functions at the Warner Robins Strategic Distribution Platform.

Realign Marine Corps Logistics Base, Albany, GA, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot Albany, GA, with all other supply, storage, and distribution functions and inventories that exist at the Maintenance Center Albany, GA, to support depot operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support the Maintenance Center Albany, GA, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the Warner Robins Strategic Distribution Platform.

Realign Naval Air Station Jacksonville, FL, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot, Jacksonville, FL, with all other supply, storage, and distribution functions and inventories that exist at the Naval Aviation Depot, Jacksonville, FL, to support depot operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support the Naval Aviation Depot, Jacksonville, FL, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the Warner Robins Strategic Distribution Platform.

Realign Anniston Army Depot, AL, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot Anniston, AL, with all other supply, storage, and distribution functions and inventories that exist at Anniston Army Depot, AL, to support depot operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support Anniston Army Depot, AL, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the Warner Robins Strategic Distribution Platform.

Realign Corpus Christi Army Depot, TX, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot, Corpus Christi, TX, with all other supply, storage, and distribution functions and inventories that exist at Corpus Christi Army Depot, TX, to support depot operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support Corpus Christi Army Depot, TX, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the Defense Distribution Depot Oklahoma City, hereby designated the Oklahoma City Strategic Distribution Platform.

Realign Tinker AFB, OK, by consolidating the supply, storage, and distribution functions and associated inventories supporting depot operations, maintenance, and production at the Air Logistics Center, Oklahoma City, OK, with the supply, storage, and distribution functions and inventories at the Oklahoma City Strategic Distribution Platform.

Realign Hill AFB, UT, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot, Hill, UT, with all other supply, storage, and distribution functions and inventories that exist at the Ogden Air Logistics Center, UT, to support depot operations, maintenance, and production. Retain the necessary supply, storage, and distribution functions and inventories required to support the Ogden Air Logistics Center, UT, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the Defense Distribution Depot, San Joaquin, CA, hereby designated the San Joaquin Strategic Distribution Platform.

Realign Naval Station Bremerton, WA, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot, Puget Sound, WA, with all other supply, storage and distribution functions and inventories that exist at Puget Sound Naval Shipyard, WA, to support shipyard operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support Puget Sound Naval Shipyard, WA, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the San Joaquin Strategic Distribution Platform.

Realign Naval Station, San Diego, CA, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot, San Diego, CA, with all other supply, storage and distribution functions and inventories that exist at Naval Aviation Depot, North Island, CA, to support depot operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories required to support Naval Aviation Depot, North Island, CA, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the San Joaquin Strategic Distribution Platform.

Realign Marine Corps Logistics Base, Barstow, CA, by consolidating the supply, storage, and distribution functions and associated inventories of the Defense Distribution Depot Barstow CA, with all other supply, storage, and distribution functions and inventories that exist at the Maintenance Center Barstow, CA, to support depot operations, maintenance, and production. Retain the minimum necessary supply, storage, and distribution functions and inventories at Defense Distribution Depot Barstow, CA, that are required to support the Maintenance Center Barstow, CA, and to serve as a wholesale Forward Distribution Point. Relocate all other wholesale storage and distribution functions and associated inventories to the San Joaquin Strategic Distribution Platform.

Justification: This recommendation achieves economies and efficiencies that enhance the effectiveness of logistics support to operational joint and expeditionary forces. It reconfigures the Department's wholesale storage and distribution infrastructure to improve support to the future force, whether home-based or deployed. It transforms existing logistics processes by

creating four CONUS support regions, with each having one Strategic Distribution Platform and multiple Forward Distribution Points. Each Strategic Distribution Platform will be equipped with state-of-the-art consolidation, containerization and palletization capabilities, and the entire structure will provide for in-transit cargo visibility and real-time accountability. Distribution Depots, no longer needed for regional supply, will be realigned as Forward Distribution Points and will provide dedicated receiving, storing, and issuing functions, solely in support of on-base industrial customers such as maintenance depots, shipyards and air logistics centers. Forward Distribution Points will consolidate all supply and storage functions supporting industrial activities, to include those internal to depots and shipyards, and those at any intermediate levels that may exist. This consolidation eliminates unnecessary redundancies and duplication, and streamlines supply and storage processes.

In addition to the actions in this recommendation, the Department is abolishing the Defense Distribution Depot at Red River Army Depot. This action is included as part of a recommendation to close the Red River Army Depot installation. The recommendation to fully close the installation achieves the objective of disestablishing the Defense Distribution Depot and is consistent with the intent of this recommendation.

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is $192.7M. The net of all costs and savings to the Department of Defense during the implementation period is a savings of $1,047.3M. Annual recurring savings to the Department after implementation are $203.2M with a payback expected immediately. The net present value of the costs and savings to the Department over 20 years is a savings of $2,925.8M.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in the maximum potential job reductions (direct and indirect) over the 2006-2011 period, as follows:

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Columbus, OH, Metropolitan Statistical Area	21	16	37	Less than 0.1
Scranton-Wilkes-Barre, PA, Metropolitan Statistical Area	86	60	146	Less than 0.1
Virginia Beach-Norfolk-Newport News, VA-NC, Metropolitan Statistical Area	307	426	733	Less than 0.1
Richmond, VA, Metropolitan Statistical Area	47	36	83	Less than 0.1

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
New Bern, NC, Micropolitan Statistical Area	10	9	19	Less than 0.1
Albany, GA, Metropolitan Statistical Area	40	31	71	Less than 0.1
Jacksonville, FL, Metropolitan Statistical Area	29	40	69	Less than 0.1
Anniston-Oxford, AL, Metropolitan Statistical Area	90	67	157	0.3
Corpus Christi, TX, Metropolitan Statistical Area	92	133	225	0.1
Ogden-Clearfield, UT, Metropolitan Statistical Area	64	62	126	Less than 0.1
Bremerton-Silverdale, WA, Metropolitan Statistical Area	59	62	121	0.1
Riverside-San Bernadino-Ontario, CA, Metropolitan Statistical Area	10	8	18	Less than 0.1
San Diego-Carlsbad-San Marcos, CA, Metropolitan Statistical Area	3	3	6	Less than 0.1

The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I.

Community Infrastructure Assessment: A review of community attributes indicates there are no issues regarding the ability of infrastructure of communities to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: Additional operations at Tinker may impact wetlands and may restrict operations. At Susquehanna and San Joaquin, permits may be required for new boilers, generators, and paint booths. Increased solid and hazardous waste may also require new permits. Drinking water consumption will increase at these two locations and MILCON projects require storm water permits. This recommendation has no impact on cultural, archeological, or tribal resources; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noise; or threatened and endangered species or critical habitat. This recommendation will require spending approximately $0.7M for waste management and

environmental compliance activities. This cost was included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, and environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.