

Defense Logistics Agency (DLA)

Defense Contract Management District West (DCMDW), El Segundo, California

Category: Command and Control

*Mission: Perform contract administration
services for DoD organizations and
other U.S. Government agencies*

One-time Cost: \$10.3 million

Savings: 1996-2001: \$10.9 million

Annual: \$4.2 million

Return on Investment: 1996 (Immediate)

FINAL ACTION: Redirect

Secretary of Defense Recommendation

This is a redirect of the following BRAC 93 Commission recommendation: "Relocate the Defense Contract Management District, El Segundo, California, to Long Beach Naval Shipyard, Los Angeles, California, or space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach." The current recommendation is expanded to read: Relocate the DCMD, El Segundo, California, (a) to Government property in the Los Angeles/Long Beach area, or, (b) to space obtained from exchange of land between the Navy and Port Authority/City of Long Beach, or (c) to a purchased office building, whichever is the most cost-effective for DoD.

Secretary of Defense Justification

The Defense Contract Management District West is currently located in GSA-leased administrative space in El Segundo, California. The BRAC 93 Commission found it was cost effective for DCMD West to move from leased space to DoD-owned property. The Navy has been involved in exploratory discussions on behalf of DLA. However, the President's Five-Point Revitalization Plan, which affords communities the opportunity to obtain installations without substantial compensation, has significantly impacted the Navy's ability to consummate a land exchange at Long Beach with the Port Authority/City of Long Beach. The Long Beach Naval Shipyard, another option, has been placed on the BRAC 95 list for closure.

In order to attain the significant savings which will result by moving the organization into DoD space, the BRAC 93 recommendation is revised/expanded. This redirect eliminates the cost of a warehouse and reflects the requirement for reduced administrative space. This recommenda-

tion is consistent with the DCMC Concept of Operations and the DLA BRAC 95 Decision Rules.

Community Concerns

There were no formal expressions from the community.

Commission Findings

The Commission found the proposed change in the 1993 Commission recommendation involving Defense Contract Management District West would provide the DLA the flexibility to acquire suitable facilities at the least cost to DoD.

Commission Recommendation

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: This is a redirect of the following BRAC 93 Commission recommendation: "Relocate the Defense Contract Management District, El Segundo, California, to Long Beach Naval Shipyard, Los Angeles, California, or space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach." The current recommendation is expanded to read: Relocate the DCMD, El Segundo, California, (a) to Government property in the Los Angeles/Long Beach area, or, (b) to space obtained from exchange of land between the Navy and the Port Authority/City of Long Beach, or (c) to a purchased office building, whichever is the most cost-effective for DoD.

Defense Distribution Depot McClellan (DDMC), Sacramento, California

Category: Distribution Depots - Collocated

*Mission: Receive, store, and issue wholesale
and retail material in support of the
military services*

*One-time Cost: \$13.6 million**

*Savings: 1996-2001: \$30.6 million**

*Annual: \$13.4 million**

Return on Investment: 1998 (Immediate)

FINAL ACTION: Disestablish

* Also included in McClellan Air Force Base, California costs and savings.

Secretary of Defense Recommendation

None. The Commission added this military installation to the list of bases to be considered by the Commission for closure or realignment as a pro-

posed change to the list of recommendations submitted by the Secretary of Defense.

Community Concerns

See McClellan Air Force Base, California.

Commission Findings

The Commission recommended closing the Sacramento Air Logistics Center. Because the Sacramento Air Logistics Center was the principal customer of Defense Distribution Depot McClellan, the Commission found the distribution depot was no longer required and should be disestablished. Although disestablishment of the distribution depot increased the storage shortfall for the DLA, the Commission believes that DLA will be able to accommodate this shortfall via other public and private storage facilities.

Commission Recommendation

See McClellan Air Force Base, California.

Defense Contract Management District South (DCMDS), Marietta, Georgia

Category: Command and Control
Mission: Perform contract administration services for DoD organizations and other U.S. Government agencies
One-time Cost: \$3.8 million
Savings: 1996-2001: \$17.9 million
Annual: \$6.1 million
Return on Investment: 1999 (1 year)
FINAL ACTION: Disestablish

Secretary of Defense Recommendation

Disestablish DCMDS and relocate missions to DCMDS Northeast and DCMDS West.

Secretary of Defense Justification

The Contract Management Districts provide command and control, operational support, and management oversight for 90 Defense Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located throughout the continental United States. Due to the impact of the DoD Force Structure drawdown, budget cuts and the resulting decline in acquisition workload, a number of Area Operations Offices and Plant Representative Offices have been disestablished thereby reducing the span of control responsibility at the Districts. As

the drawdown continues, the number of Area Operations Offices and Plant Representative Offices is expected to decline even further. Based on the above, the closure of a district and realignment of assigned Area Operations Offices and Plant Representative Offices to the remaining two districts is feasible with only a moderate risk. Although the difference between second and third place was not sufficiently broad to dictate a clear decision by itself, DCMDS South received the lowest military value score.

Military judgment determined that a single contract management district presence on each coast is necessary. A west coast district is required because of the high dollar value of contracts and the significant weapon-systems related workload located on the west coast.

There is a higher concentration of workload in the northeast, in terms of span of control, field personnel provided support services, numbers of contractors, and value of contract dollars obligated, than in the south. In addition, the northeast district supports its Area Operations Offices and Plant Representative Offices with a lower ratio of headquarters to field personnel than DCMDS South. On the east coast, due to the higher concentration of workload in DCMDS Northeast, as well as its significantly higher military value score, there is a clear indication that DCMDS South is the disestablishment candidate. As a result, the BRAC Executive Group recommended to the DLA Director, and he approved, the disestablishment of DCMDS South.

Community Concerns

The community contends that the trend is for companies to move their operations from northern to southern locations. Therefore, closing the Contract Management District in Marietta will result in dramatically increased travel costs for the remaining two District Offices in Boston and Los Angeles. They argued that these increased costs were not considered by DLA in the cost-to-close computations. The community further contended that current information management systems are not capable of handling the additional workload of the two remaining offices. The community recommended that DLA maintain three smaller and leaner Defense Contract Management District Offices. The community believes this approach would provide better service to the customer.

Commission Findings

The Commission found consolidating the Defense Contract Management Districts from three to two districts was a reasonable approach to increasing management efficiencies. The Commission also found the quantity of the assigned workloads, geographical locations, and other factors analyzed supported the Secretary's recommendation. Once the consolidation is completed, DLA will realize \$6.1 million per year steady-state savings with no mission degradation.

Commission Recommendation

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: disestablish DCMD South and relocate missions to DCMD Northeast and DCMD West.

Defense Contract Management Command International (DCMCI), Dayton, Ohio

Category: Command and Control

Mission: Perform command and control for 13 overseas Defense Contract Management Area Operations offices outside the continental United States

One-time Cost: \$3.1 million

Savings: 1996-2001: \$8.7 million

Annual: \$3.1 million

Return on Investment: 1999 (1 year)

FINAL ACTION: Realign

Secretary of Defense Recommendation

Realign the DCMCI (Gentile AFS), Dayton, Ohio, and merge its mission into the Defense Contract Management Command Headquarters (DCMC HQ), Ft. Belvoir, Virginia.

Secretary of Defense Justification

The mission of the DCMCI is to provide command and control, including operational and management control and oversight, for 13 overseas Defense Contract Management Area Operations (DCMAO) offices located outside of the continental United States. The Command's mission could be performed from any locality. Military judgment concluded that merging the mission with the headquarters affords the opportunity to capitalize on operational and management oversight and to maximize use of shared overhead with DCMC. It also affords the opportunity to take advantage of

the close proximity to the State Department and the international support infrastructure in Washington, DC, and surrounding areas. This decision is consistent with DLA BRAC 95 Decision Rules, the DCMC Concept of Operations and the Force-Structure Plan.

Community Concerns

There were no formal expressions from the community.

Commission Findings

The Commission found merging Defense Contract Management Command International's mission into the Defense Contract Management Command Headquarters, Fort Belvoir, Virginia, was an effective method to increase efficiency and reduce costs. Moving this Command to Fort Belvoir capitalizes on this location's close proximity to the State Department and the international support infrastructure in Washington, D.C., which is vital to the Command's mission.

Commission Recommendation

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: realign the DCMCI (Gentile AFS), Dayton, Ohio, and merge its mission into the Defense Contract Management Command Headquarters (DCMC HQ), Ft. Belvoir, Virginia.

Defense Distribution Depot Columbus (DDCO), Columbus, Ohio

*Category: Distribution Depots—
Stand-Alone Depots*

Mission: Receive, store, and issue wholesale and retail material in support of the military services

One-time Cost: \$7.9 million

Savings: 1996-2001: \$51.2 million

Annual: \$11.6 million

Return on Investment: 1997 (Immediate)

FINAL ACTION: Realign

Secretary of Defense Recommendation

Realign the Defense Distribution Depot Columbus, Ohio, and designate it as a storage site for slow moving/war reserve material. Active material remaining at DDCO at the time of realignment will be attrited. Stock replenishment will be stored in optimum space within the distribution system.

Secretary of Defense Justification

Defense Distribution Depot Columbus, is a Stand-Alone Depot that supports the two large east/west coast depots and is used primarily for storage capability and local area demand. The decision to realign the Columbus depot was based on storage requirements and capacity estimates for FY 01 and the need to comply with BRAC 95 Decision Rules. Columbus ranked sixth of six depots in military value for the Stand-Alone Depot category.

The other Stand-Alone Depots were not considered for realignment for the following reasons. The higher military value of both the Susquehanna (DDSC) and San Joaquin (DDJC) depots removed them from consideration for closure or realignment. The Richmond Depot (DDRV) was not selected for realignment because of the large amount of conforming hazardous material storage space, new construction and mechanization, and collocation with supply center, which has the best maintained facilities of any in DLA. Both the Ogden and Memphis distribution depots were selected for closure.

The decision to realign rather than close the Columbus depot was based on the need for inactive storage capacity in the overall system and with the long-range intent of minimizing use of this site as storage requirements decline. Moving highly active stock to San Joaquin and Susquehanna will allow DLA to take advantage of economies of scale from large distribution operations. The decision was also based on the further consideration that Columbus, the highest ranking DLA location in the Installation Military Value analysis, will remain open and most likely expand its operations, thereby allowing DLA to maximize the use of shared overhead and optimize the use of retained DLA-operated facilities. In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model favored the retention of Columbus over either Ogden or Memphis. Realigning the Columbus depot is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to realign DDCO.

Community Concerns

There were no formal expressions from the community.

Commission Findings

The Commission found realigning the Defense Distribution Depot Columbus to a storage site for slow moving/war reserve material was cost-effective and efficient. Redesignating the distribution depot was consistent with the reduced requirement for storage capacity and the need to provide a low cost alternative for siting slow moving/war reserve material.

Commission Recommendation

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: realign the Defense Distribution Depot Columbus, Ohio, and designate it as a storage site for slow moving/war reserve material. Active material remaining at DDCO at the time of realignment will be attrited. Stock replenishment will be stored in optimum space within the distribution system.

Defense Distribution Depot Letterkenny (DDLP), Chambersburg, Pennsylvania

Category: Distribution Depots - Collocated
Mission: Receive, store, and issue wholesale and retail material in support of DLA and the military services

One-time Cost: \$44.9 million

Savings: 1996-2001: \$-21.2 million (Cost)

Annual: \$12.4 million

Return on Investment: 2003 (3 years)

FINAL ACTION: Disestablish

Secretary of Defense Recommendation

Disestablish the Defense Distribution Depot Letterkenny, Pennsylvania. Material remaining at DDLP at the time of disestablishment will be relocated to the Defense Distribution Depot Anniston, Alabama (DDAA) and to optimum storage space within the DoD Distribution System.

Secretary of Defense Justification

The Defense Distribution Depot Letterkenny is collocated with an Army maintenance depot, its largest customer. While Collocated Depots may support other nearby customers and provide limited world-wide distribution support, Letterkenny's primary function is to provide rapid response in support of the maintenance operation. The Distri-

bution Concept of Operations states that DLA's distribution system will support the size and configuration of the Defense Depot Maintenance System. Thus, if depot maintenance activities are disestablished, Collocated Depots will also be disestablished.

The recommendation to disestablish the Letterkenny depot was driven by the Army recommendation to realign Letterkenny Army Depot, Letterkenny's primary customer, and the Agency's need to reduce infrastructure. The Letterkenny depot was rated 3 of 17 in the Collocated Depot military value matrix. However, that military value ranking was based on support to the maintenance missions. With the realignment of the Army's maintenance mission to the Anniston Army Depot that value decreases significantly. Other customers within the Letterkenny area can be supported from nearby distribution depots. Production and physical space requirements can also be met by fully utilizing other depots in the distribution system.

Disestablishing DDLP is consistent with both the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to disestablish DDLP.

Community Concerns

See Letterkenny Army Depot, Pennsylvania.

Commissions Findings

The Commission recommended realigning Letterkenny Army Depot by transferring the towed and self-propelled combat vehicle mission to Anniston Army Depot, Alabama. Because the Letterkenny Army Depot was the principal customer of Defense Distribution Depot Letterkenny, the Commission found the distribution depot was no longer required and should be disestablished. Although disestablishment of the distribution depot increased the storage shortfall for DLA, the Commission believes that DLA will be able to accommodate this shortfall via other public and private storage facilities.

Commission Recommendation

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: disestablish the Defense Distribution Depot Letterkenny, Pennsylvania. Material remaining at

DDLP at the time of disestablishment will be relocated to the Defense Distribution Depot Anniston, Alabama (DDAA) and to optimum storage space within the DoD Distribution System.

Defense Industrial Supply Center (DISC), Philadelphia, Pennsylvania

Category: Inventory Control Point

Mission: Provide wholesale support of industrial type items to the military services

One-time Cost: \$55.1 million

Savings: 1996-2001: \$21.2 million

Annual: \$18.4 million

Return on Investment: 2000 (1 year)

FINAL ACTION: Disestablish

Secretary of Defense Recommendation

The Defense Industrial Supply Center is disestablished. Distribute the management of Federal Supply Classes (FSC) within the remaining DLA Inventory Control Points (ICP). Create one ICP for the management of troop and general support items at the Defense Personnel Support Center (DPSC) in Philadelphia, PA. Create two ICPs for the management of weapon system-related FSCs at the Defense Construction Supply Center (DCSC), Columbus, Ohio and the Defense General Supply Center (DGSC), Richmond, Virginia.

Secretary of Defense Justification

Four of the five Inventory Control Points manage differing mixes of weapon system, troop support, and general support items. Troop and general support items largely have different industry and customer bases than weapon system items. They are also more conducive to commercial support, and are thus managed differently than weapon system items. Consolidating management of items by the method of management required will improve oversight, streamline the supply management process, increase internal efficiency, and reduce overhead.

DLA manages nearly five times as many weapon system items as troop and general support items. A single troop and general support ICP is adequate, but two weapon system ICPs are necessary. DPSC is almost entirely a troop support ICP. No other ICP currently manages troop support items. The percentage of general support items at other ICPs is relatively small. Singling-up troop and general support items under DPSC management is the most logical course of action.

DISC had the lowest military value of the three hardware ICPs. The Columbus and Richmond centers are host activities of compounds which house a number of DLA and non-DLA activities, conforming to the DLA decision rules concerning maximizing the use of shared overhead and making optimum use of retained DLA-operated facilities. Both the Richmond and Columbus sites have high installation military value, and take advantage of the synergy of a Collocated Depot. Both also have considerable expansion capability. The facilities at Columbus are the best maintained of any in DLA, and Richmond has several new buildings completed or in progress. DISC is a tenant on a Navy compound. Disestablishing DISC allows the Agency to achieve a substantial cost avoidance by back-filling the space already occupied by DISC and substantially reducing the amount of conversion required to existing warehouse space. Based on the above, military judgment concluded that disestablishing DISC is in the best interest of DLA and DoD.

Community Concerns

The Philadelphia community contends disestablishing the Defense Industrial Supply Center (DISC) and moving its weapon system coded items to the Defense General Supply Center (DGSC) would have a negative impact on military readiness. They reasoned that moving 1.4 million items over a relatively short period of time would substantially degrade performance for customers. They cited past experience where moving fewer items caused mission degradation. The community asserted that during the 1993 round of base closures, DLA determined that a mass movement of items would be risky. The community believes nothing has happened since BRAC 93 to minimize this risk. The community further contended that DISC, and not DGSC, should be the weapons system Inventory Control Point because DISC has a higher percentage of weapon system items than DGSC, and is better able to perform the complex work involved.

The community also argued that the cost savings were understated because the actual costs to move the items and the cost to keep Defense Personnel Support Center (DPSC) at its current location for an additional two years, while awaiting movement of personnel and items to DGSC, were not included in the COBRA costs. In addition, they believe that the synergy between the Navy's Aviation Supply Office and DISC, which

was recognized by the Navy during BRAC 95, was ignored by DLA. Finally, the community was concerned because disestablishment of DISC did not preserve job retention rights even though DLA assured employees in writing that maximum efforts would be exerted to ensure placements in the Philadelphia area.

Commission Findings

The Commission found DLA's Concept of Operations to consolidate management of weapon system and troop and general support items was a rational approach to increase management efficiencies and achieve significant annual savings. Moreover, the Commission found that disestablishing DISC allowed DLA to distribute item management responsibility among three geographically separated Inventory Control Points, two dedicated to weapon system management and one to troop and general support management. Pursuing this option also allowed DLA to achieve a substantial cost avoidance by back-filling space presently occupied by DISC with the new Troop and General Support Inventory Control Point without substantial building modification. In addition, the Commission believes DLA should ameliorate job losses at DISC by offering displaced employees positions at the new Troop and General Support Inventory Control Point.

Commission Recommendation

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: the Defense Industrial Supply Center is disestablished. Distribute the management of Federal Supply Classes (FSC) within the remaining DLA Inventory Control Points (ICP). Create one ICP for the management of troop and general support items at the Defense Personnel Support Center (DPSC) in Philadelphia, PA. Create two ICPs for the management of weapon system-related FSCs at the Defense Construction Supply Center (DCSC), Columbus, OH and the Defense General Supply Center (DGSC), Richmond, VA.

Defense Distribution Depot Memphis (DDMT), Memphis, Tennessee

Category: Distribution Depots - Stand-Alone
Mission: Receive, store, and issue wholesale and retail material in support of the military services

One-time Cost: \$85.7 million
Savings: 1996-2001: \$14.8 million
Annual: \$23.8 million
Return on Investment: 2001 (3 years)
FINAL ACTION: Close

Secretary of Defense Recommendation

Close Defense Distribution Depot Memphis, Tennessee. Material remaining at DDMT at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDMT, all DLA activity will cease at this location and DDMT will be excess to DLA needs.

Secretary of Defense Justification

Defense Distribution Depot Memphis, is a Stand-Alone Depot that supports the two large east and west coast depots and is used primarily for storage capability and local area demand. It is also the host for the Memphis complex. The decision to close the Memphis depot was based on declining storage requirements and capacity estimates for FY 01 and on the need to reduce infrastructure within the Agency.

Memphis tied for third place out of the six Stand-Alone Depots in the military value analysis. The higher scores for the Susquehanna and San Joaquin distribution depots in this analysis removed them from further consideration for closure. The variance of only 37 points out of a possible 1,000 between the third and sixth place depots in the military value analysis for this category reinforced the importance of military judgment and compliance with the DLA BRAC 95 Decision Rules in the decision-making process.

A further consideration was the Agency's desire to minimize distribution infrastructure costs. Closure of an entire installation will allow DLA to reduce infrastructure significantly more than disestablishment of a tenant depot (DDCO at Columbus, Ohio, and DDRV at Richmond, Virginia). Memphis was rated six out of six in the Installation Military Value analysis. The Columbus installation ranked the highest. The facilities at Richmond are the best maintained of any in DLA. Both Columbus and Richmond take advantage of the synergy of a collocated Inventory Control Point. This closure action conforms to the Decision Rules to maximize the use of shared overhead and make optimum use of retained DLA-operated facilities, while closing an installation.

In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model optimized system-wide costs for distribution when the Ogden and Memphis depots were the two Stand-Alone Depots chosen for closure. Sufficient throughput and storage capacity are available in the remaining depots to accommodate projected workload and storage requirements. Closing DDMT is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Therefore, military judgment determined that it is in the best interest of DLA and DoD to close DDMT.

Community Concerns

The community contends that DLA should retain the Distribution Depot at Memphis because of its excellent infrastructure. The Memphis area is known as "America's Distribution Center." The depot is located near major highways, rail, air, and shipping facilities, and has never been closed due to weather. The community was dismayed that weather factors were considered during DLA's BRAC 93 analysis, but not in BRAC 95. Because of these factors, the community argued that the depot is strategically sited to support any major regional conflict. This support would be especially vital if support for two simultaneous regional conflicts was required. The community contends that closure of both the Memphis and Ogden Depots was predetermined when DLA (1) combined the Tracy and Sharpe Depots into the San Joaquin, California Depot and the New Cumberland and Mechanicsburg Depots into the Susquehanna, Pennsylvania Depot, effectively removing them from further BRAC consideration; (2) determined it would maintain a distribution presence at service maintenance facilities; and (3) performed an installation military value analysis. The community argued that military value had not been properly assessed because DLA removed tenant missions, all depots were given equal credit for rail and surface capabilities, proper consideration was not given for consolidated containerization capabilities, and throughput capacity was underestimated. Finally, the community argued closure of the depot would impact the minority community disproportionately since approximately 80% of the Depot's employees are African-Americans.

Commission Findings

The Commission found that force-structure reductions had resulted in a corresponding decrease in DoD's storage requirements. Moreover, the Com-

mission found the distribution depots designated as primary distribution sites on the east and west coasts provide sufficient mobilization support. Therefore, the Commission found closing Defense Distribution Depot Memphis would reduce both overall excess capacity and infrastructure within the Defense Distribution Depot system and, at the same time, yield significant cost savings. The Commission recognizes the adverse economic impact on the Memphis African-American community. Although closure of the distribution depot increases the storage shortfall for the DLA, the Commission believes that DLA will be able to accommodate this shortfall via other public and private storage facilities. The Commission believes leasing space in the local area is a viable option for accommodating any short or long-term shortfall.

Commission Recommendation

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: close Defense Distribution Depot Memphis, Tennessee. Material remaining at DDMT at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDMT, all DLA activity will cease at this location and DDMT will be excess to DLA needs.

Defense Distribution Depot Red River (DDRT), Texarkana, Texas

Category: Distribution Depots - Collocated
Mission: Receive, store, and issue wholesale and retail material in support of the military services

One-time Cost: None

Savings: 1996-2001: None

Annual: None

Return on Investment: None

FINAL ACTION: Remain Open

Secretary of Defense Recommendation

Disestablish the Defense Distribution Depot Red River, Texas. Material remaining at DDRT at the time of disestablishment will be relocated to the Defense Distribution Depot Anniston, Alabama, (DDAA) and to optimum storage space within the DoD Distribution System.

Secretary of Defense Justification

The Defense Distribution Depot Red River is collocated with an Army maintenance depot, its larg-

est customer. While Collocated Depots may support other nearby customers and provide limited world-wide distribution support, Red River's primary function is to provide rapid response in support of the maintenance operation. The Distribution Concept of Operations states that DLA's distribution system will support the size and configuration of the Defense Depot Maintenance System. Thus, if depot maintenance activities are disestablished, Collocated Depots will also be disestablished.

The recommendation to disestablish the Red River depot was driven by the Army recommendation to realign its Red River Army Depot, Red River's primary customer, and the Agency's need to reduce infrastructure. DDRT was rated 5 of 17 in the Collocated Depot military value matrix. However, that military value ranking was based on support to the maintenance missions. With the realignment of the Army's maintenance mission to Anniston, Alabama, that value decreases significantly. Other customers within the DDRT area can be supported from nearby distribution depots. Production and physical space requirements can also be met by fully utilizing other depots in the distribution system.

Disestablishing DDRT is consistent with both the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to disestablish DDRT.

Community Concerns

The community contends that because 85% of the depot's mission is to provide support to bases in the central United States rather than the Army Depot, Defense Distribution Depot Red River should have been evaluated as a Stand-Alone Depot. The community argued that elimination of the depot would deprive DoD of storage facilities to accommodate surge requirements in times of national crisis. They further raised concerns over the efficiency and cost effectiveness of maintaining only two primary stand-alone distribution facilities in San Joaquin, California and Susquehanna, Pennsylvania. In addition, the community contended that DLA had overstated the savings and understated the costs for this action. The community asserted that the cost to relocate the vehicles and other material located at the depot was \$319 million, significantly above DLA's figure of \$58.9 million. The community's figure would make the return on investment for this action 22 years, not 2 years as calculated by DLA.

The community further asserted that the depot's preservation/packaging and support of rubber products mission was not considered in DLA's analysis. A storage capability would still be required because these missions will remain at Red River. Finally, the community argued that closing both the Army and the Distribution Depot would be economically devastating to the community, because this facility is the largest employer in the area.

Commission Findings

The Commission recommended that the Red River Army Depot be realigned and that maintenance missions related to the Bradley Fighting Vehicle Series be retained. In addition, the Commission recommended retention of the Rubber Production Facility and other activities supported by the Defense Distribution Depot Red River. The Commission found, therefore, the Defense Distribution Depot Red River, which provided principal support to the Red River Army Depot, was required and should remain open.

Commission Recommendation

The Commission finds the Secretary of Defense deviated substantially from final criterion 1. Therefore, the Commission recommends the following: the Defense Distribution Depot Red River (DDRT) remains open and is not disestablished. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Defense Distribution Depot San Antonio (DDST), San Antonio, Texas

Category: Distribution Depots - Collocated
Mission: Receive, store, and issue wholesale and retail material in support of the military services

*One-time Cost: \$22.1 million**

*Savings: 1996-2001: \$32.7 million**

*Annual: \$18.5 million**

Return on Investment: 1999 (Immediate)

FINAL ACTION: Disestablish

* Also included in Kelly Air Force Base, Texas costs and savings.

Secretary of Defense Recommendation

None. The Commission added this military installation to the list of bases to be considered by the Commission for closure or realignment as a pro-

posed change to the list of recommendations submitted by the Secretary of Defense.

Community Concerns

See Kelly Air Force Base, Texas.

Commission Findings

The Commission recommended closing the San Antonio Air Logistics Center and consolidating its maintenance function among the remaining Air Logistics Centers or the private sector. Because the San Antonio Air Logistics Center was the principal customer of Defense Distribution Depot San Antonio, the Commission found the distribution depot was no longer required and should be disestablished. Although disestablishment of the distribution depot increases the storage shortfall for the DLA, the Commission believes that DLA will be able to accommodate this shortfall via other public and private storage facilities.

Commission Recommendation

See Kelly Air Force Base, Texas.

Defense Distribution Depot Ogden (DDOU), Ogden, Utah

Category: Distribution Depots - Stand-Alone
Mission: Receive, store, and issue wholesale and retail material in support of the military services

One-time Cost: \$110.8 million

Savings: 1996-2001: \$-28.0 million (Cost)

Annual: \$21.3 million

Return on Investment: 2003 (4 years)

FINAL ACTION: Close

Secretary of Defense Recommendation

Close Defense Distribution Depot Ogden, Utah, except for a 36,000 square foot cantonment for Army Reserve personnel. Material remaining at DDOU at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDOU, all DLA activity will cease at this location and DDOU will be excess to DLA needs.

Secretary of Defense Justification

The Defense Distribution Depot Ogden is a Stand-Alone Depot that supports the two large east and west coast depots and is used primarily for stor-

age capability and local area demand. It is also the host for the Ogden complex. The decision to close the Ogden depot was based on declining storage requirements and capacity estimates for FY 01 and on the need to reduce infrastructure within the Agency.

Ogden tied for third place out of the six Stand-Alone Depots in the military value analysis. The higher scores for the Susquehanna and San Joaquin distribution depots in this analysis removed them from further consideration for closure. The variance of only 37 points out of a possible 1,000 between the third and sixth place depots in military value ranking for this category reinforced the importance of compliance with the DLA BRAC 95 Decision Rules and military judgment in the decision-making process.

A further consideration was DLA's desire to minimize distribution infrastructure costs. Closure of an entire installation will allow DLA to reduce infrastructure significantly more than disestablishment of a tenant depot (DDCO at Columbus, Ohio, and DDRV at Richmond, Virginia). The Ogden depot was rated five of six in the Military Value Installation analysis. The Columbus installation ranked the highest. The facilities at Richmond are the best maintained of any in DLA. Both Columbus and Richmond take advantage of the synergy of a collocated Inventory Control Point. This action conforms to the DLA Decision Rules to maximize the use of shared overhead and make optimum use of retained DLA-operated facilities while closing an installation.

In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model optimized system-wide costs for Distribution when Ogden and Memphis were the two Stand-Alone Depots chosen for closure. Sufficient throughput and storage capacity are available in the remaining depots to accommodate projected workload. Closing the Ogden depot is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to close DDOU.

Community Concerns

The community contends the closure of the Ogden Depot was predetermined when DLA combined the Tracy and Sharpe Depots into the San Joaquin, California Depot and the New Cumberland and Mechanicsburg Depots into the Susquehanna, Pennsylvania Depot, and desig-

nated them both as primary distribution sites, effectively removing them from further BRAC consideration. The community argued that each of the depots should have been treated separately and equally. The community further contended that Ogden is DLA's most cost efficient depot. They argued that DLA did not recognize the Ogden Depot as the most efficient operation in the DLA Distribution System. The community further asserted that the shipping costs from the Ogden Depot are lower than from the San Joaquin, California Depot. In addition, they argued that the supplier destination costs would increase as items shipped from east coast suppliers would have to pass the Ogden area for storage at the San Joaquin Depot, only to be reissued to bases located east of the San Joaquin Depot. The community also argued that since any depot can perform the functions of a Consolidated Containerization Point, no points should have been given for this capability. DLA gave such points only to those depots currently performing the function (San Joaquin and Susquehanna Depots). The community also asserted that DLA underestimated the depot's throughput capacity, did not consider all of its tenants in the installation military value analysis, and did not consider the Army's desire to retain the deployable medical systems (DEPMEDS) mission at Ogden.

Commission Findings

The Commission found that force structure reductions had resulted in a corresponding decrease in DoD's storage requirements. Moreover, the Commission found the distribution depots designated as primary distribution sites on the east and west coasts provide sufficient mobilization support. Therefore, the Commission found closing Defense Distribution Depot Ogden (DDOU) would reduce both overall excess capacity and infrastructure within the Defense Distribution Depot system and, at the same time, yield significant cost savings. The Commission found, however, that the Deployable Medical Systems mission performed by DDOU for the Army was essential to military readiness and should remain, as requested by the Executive Agent (US Army), in the Ogden area. Moreover, the Commission found that the Army Reserve requirement at DDOU was greater than the 36,000 sq. ft. identified in the DoD recommendation. In fact, the Army Reserve notified the Commission that the requirement, although not exactly determined, was substantially above

36,000 sq. ft. Although closure of the distribution depot increases the storage shortfall for the DLA, the Commission believes that DLA will be able to accommodate this shortfall via other public and private storage facilities. The Commission believes leasing space in the local area is a viable option for accommodating any short or long-term shortfall.

Commission Recommendation

The Commission finds the Secretary of Defense deviated substantially from final criteria 2 and 3. Therefore, the Commission recommends the following: close Defense Distribution Depot Ogden, Utah except for minimum essential land and facilities for a Reserve Component enclave. Material remaining at DDOU at the time of closure will be relocated to optimum storage space within the DoD Distribution System. As a result of the closure of DDOU, all DLA activity will cease at this location and DDOU will be excess to DLA needs. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.