



**U.S. Department of Defense**  
Office of Economic Adjustment

# Office of Economic Adjustment Town Hall

*June 19, 2018*

# National Defense Strategy

*“the foundation on which DoD sets its priorities and aligns its resources”*



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“capitalize on its (DoD) comparative advantages and leverage those of its external partners”



# Secretary of Defense Mattis

- Three Overarching Priorities
  1. Rebuild military readiness as we build a more lethal force



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## ➤ Three Overarching Priorities

1. Rebuild military readiness as we build a more lethal force
2. Strengthen alliances and attract new partners



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## ➤ Three Overarching Priorities

1. Rebuild military readiness as we build a more lethal force
2. Strengthen alliances and attract new partners
3. Bring business reforms to the Department of Defense for greater performance and affordability



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**LETHALITY**



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**RESILIENCY**



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**READINESS**



# OEA Programs

## Supporting Lethality & Readiness



# Compatible Use

## Supporting Lethality & Readiness

- The “enabler” -- only Department of Defense source of technical and financial resources for civilian efforts to optimize the local mission - support lethality and enhance the military value/resilience of our installations, ranges, and test evaluation facilities – **BE READY FOR THE FIGHT!**
- Currently supports 77 local efforts to support the mission
- Facilities, missions, and their threat environments are more complex than what they used to be – respond if no JLUS in the last 5 years – **CONVERSATION – COMP MASTER PLAN**
- Sustaining Military Readiness Conference, St. Louis, MO  
August 13-16



# Compatible Use

## Supporting Lethality & Readiness

- Sheppard AFB, TX –State of Texas and City of Wichita Falls leveraging OEA's \$292.5Kto invest \$5M for property acquisition and traffic upgrades to the Main Gate - a priority and critical to the base's overall force security



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- Ellsworth AFB, SD – State of South Dakota establishing the Ellsworth Development Authority and leveraging OEA's \$700K grant to invest \$23M for wastewater treatment plant for the City of Box Elder and the base, saving the Air Force \$8M, thus lowering their annual O&M costs



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- Langley AFB, VA – Commonwealth of Virginia and City of Hampton leveraging OEA's \$200K and investing \$8.77M for property acquisition (with an additional \$1.4M for FY19) to acquire properties located in the Clear and Accident Potential Zones around the base



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- Grissom ARB, IN – local wind energy ordinance to further regulate vertical obstructions near the base



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- Sheppard AFB, TX – State of Texas and City of Wichita Falls leveraging OEA's \$292,500 to invest \$5M for property acquisition and traffic upgrades to the Main Gate - a priority and critical to the base's overall force security
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**MULTIPLIER**



# Industry Resilience

## Supporting Lethality & Readiness

- The “enabler” -- only Department of Defense source of technical and financial resources for civilian efforts to help strengthen the economic and cyber resiliency of their supply chains - advancing warfighting lethality/capabilities – **BE READY FOR THE FIGHT**
- \$89.7B in procurement reductions since FY2010 = 52 projects
- Helps to maintain the effective delivery of goods and services for our installations and warfighters



# Industry Resilience

## Supporting Lethality & Readiness

- Utah: Building a composite materials skill-based workforce to support the Hill AFB Air Logistics Center and it's F-35 program support mission



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## Supporting Lethality & Readiness

- Utah: Building a composite materials skill-based workforce to support the Hill AFB Air Logistics Center and its F-35 program support mission
- Wichita: Developing and deploying a software solution for additive manufacturing rapid prototyping to aid in the production and assembly of current and future weapon systems. Initial estimates are showing upwards of a 200% improvement in assembly time for apprentice workers, and traditional tooling is 5x more expensive for midsized tools and 9-10x more expensive for larger tools than 3D printed tooling



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- Connecticut: Support to reverse engineer an electrical Brush Block for the Blackhawk helicopter, currently being made overseas. This model will reduce cost and lead time to the Army and bring the manufacturing back into the US



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**COMPETITIVENESS  
& INNOVATION**



# Mission Growth

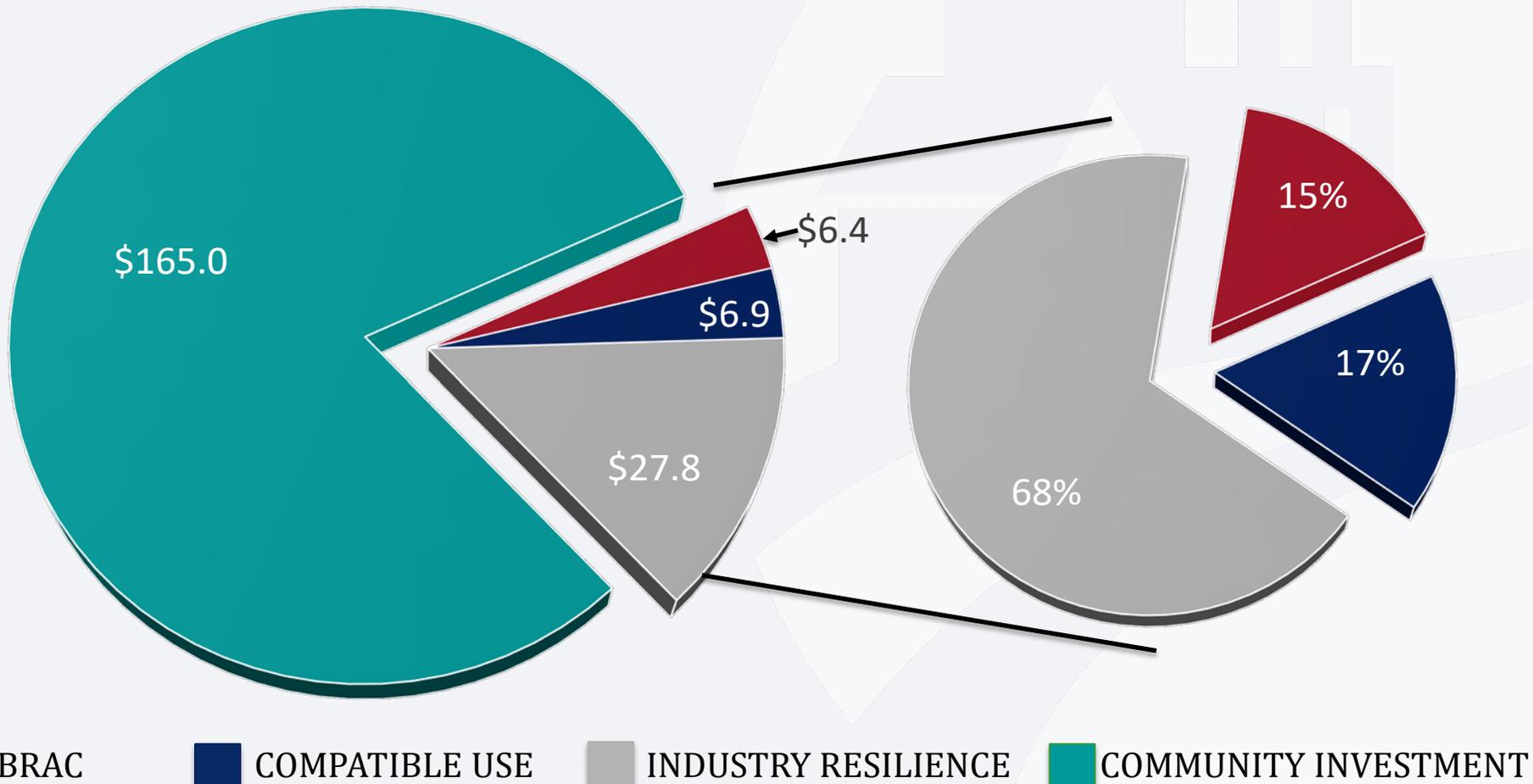
## Supporting Lethality & Readiness

- The “enabler” -- only Department of Defense source of technical and financial resources for civilian efforts to plan for the necessary public infrastructure and services to support the mission and enhance the military value of the local assets
  1. Supporting the basing of two F-35A squadrons at Eielson AFB by 2020
  2. Providing critical public services and infrastructure to support the Indo-Pacific efforts on Guam and the Commonwealth of the Northern Mariana Islands

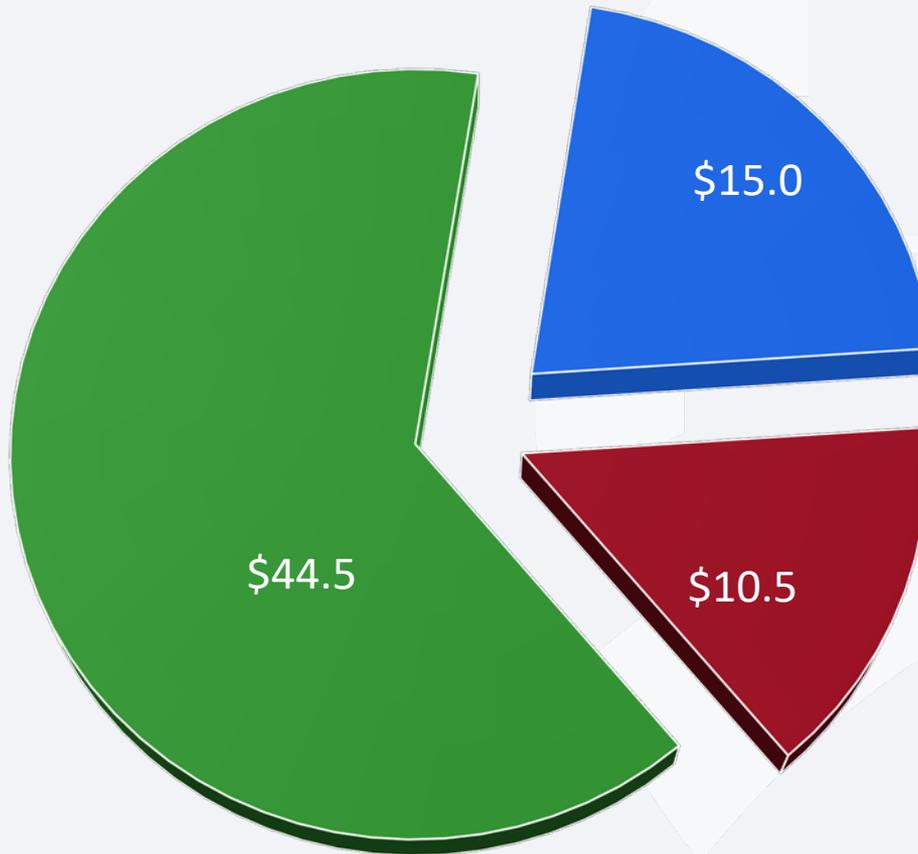


# FY18 Obligations by Program

(Projected, in Millions)



# PB 19 Request (in Millions)



 PROGRAM OF ASSISTANCE

 OPERATIONS

 CNMI INFRASTRUCTURE



# FY19 Congressional Actions

## HOUSE AUTHORIZATION

- Defense Community Infrastructure
  - Amends 2391
  - 20% match; can waive if rural
  - No expiration
  - \$100 million for program
- Public Schools on Military Installations
  - Locks in Schools List at #38
- Threats to Military Installation Resilience
  - No corresponding language
- Economic Adjustment Committee
  - Calls for an EAC meeting and report on CNMI

## HOUSE APPROPRIATION

- Provides \$270M for schools
- Cuts \$10.5M for CNMI



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## SENATE AUTHORIZATION

- Defense Community Infrastructure
  - Amends 2391
  - 30% match; can waive if rural
  - Pilot program expires in 2023
  - No funding noted
- Public Schools on Military Installations
  - No corresponding language
- Threats to Military Installation Resilience
  - Amends 2391
- Economic Adjustment Committee
  - No corresponding language

## SENATE APPROPRIATION

TBD

