



21 August 2009

William J. Lynn III
Deputy Secretary of Defense
1400 Defense Pentagon
Washington DC 20301-1400

To Deputy Secretary Lynn:

Huntsville, Alabama, is home to Redstone Arsenal, one of the Department of Defense's most strategically important assets. The Arsenal is a federal campus that includes the Army Aviation and Missile Command (AMCOM) and associated Program Executive Offices (PEOs); the Aviation and Missile Research, Development and Engineering Center (AMRDEC); the Army's Space and Missile Defense Command (SMDC); the Missile Defense Agency (MDA); the Defense Intelligence Agency's Missile and Space Intelligence Center; and several other agencies/operations. More than 32,000 people work on the Arsenal's 38,000 acres.

Base realignments as a result of the 2005 BRAC are bringing 4,700 additional civil servant and supporting contractor jobs to Redstone Arsenal. Relocating Commands include the headquarters of the Army Materiel Command (AMC), the U.S. Army Security Assistance Command (USASAC), SMDC, several smaller Army operations and significant MDA operations. Moves are on schedule to be concluded by September of 2011.

On July 9, MG James Myles, commanding general of Redstone Arsenal and Commander of AMCOM, and BG Tim Crosby (PEO Aviation) met with prime contractors supporting AMCOM and the PEOs to discuss the "in-sourcing" initiative. At this meeting MG Myles explained the process AMCOM and the PEOs had used to respond to the May 2009 in-sourcing implementation guidance issued by your office. Approximately 15 percent of the AMCOM and PEO workforce – 870 positions locally – are scheduled for conversion. An unknown number of additional Redstone positions with MDA, SMDC and the AMRDEC will also be subject to in-sourcing.

The Chamber of Commerce of Huntsville/Madison County is concerned that execution of the in-sourcing initiative, concurrent with the Army and MDA relocating thousands of new positions to Redstone, will impose a significant hardship on the existing commands to fill in-sourced positions and on the incoming commands' ability to fill transitioned positions. Implementation of the in-sourcing guidance in the coming fiscal year would likewise undermine local employers' ability to maintain their capabilities and recruit additional personnel to meet the workforce demands of BRAC.

The Chamber urges the Department of Defense to delay implementation of in-sourcing at Redstone until the end of the execution period in 2014. Such a delay would comply with the implementation guidance, while allowing contractors more time to prepare for in-sourcing, especially in light of the BRAC requirements. A delay would also lessen the hardship for companies and their employees by allowing contractors to offset in-sourcing losses at Redstone Arsenal with gains in other work as a result of BRAC. Lastly, moving the execution to 2014 would allow the federal personnel system time to recover from the extensive hiring associated with BRAC, which we estimate will be completed by the end of FY 2013, before adding the additional in-sourced positions to the system.

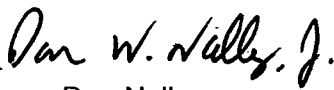
The Chamber also has concerns about the disproportionate impact that in-sourcing is likely to have on small businesses. Since the passage of the in-sourcing provisions included in the National Defense Authorization Act in January of 2008, the economic situation across the country has deteriorated significantly. In better economic times, defense contractors could absorb the local loss of work at other locations. Current economic conditions will force larger companies to pass the cuts on to smaller companies. In spite of efforts to the contrary, small businesses and other 8(a) contractors supporting the military will bear a disproportionate number of the positions at Redstone identified for in-sourcing. For some small companies the loss of as few as 10 to 15 positions could have devastating results.

The business community greatly appreciates MG Myles' efforts to keep us informed regarding efforts at Redstone Arsenal to comply with the in-sourcing guidance. We would request your leadership in ensuring that the implementation of in-sourcing is carried out within the stated timeframe in a way that minimizes the negative impact on local contractors, on the BRAC effort, and on the missions of Redstone Arsenal. Thank you for your consideration.

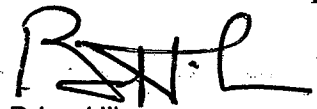
Sincerely,



Irma Tudor
Chair



Don Nalley
Chair-elect



Brian Hilson
President and CEO

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Rep. Parker Griffith GEN Ann E. Dunwoody LTG Kevin T. Campbell
LTG Patrick J. O'Reilly MG James R. Myles BG William T. Crosby
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