

About the Army Alliance

The Army Alliance supports the missions and programs of Aberdeen Proving Ground:

- Advocates for APG with local, state, and federal government agencies
- Coordinates among regional interests and organizations supporting the military
- Helps the citizenry and elected officials understand the economic value and benefits of military resources
- Works to ensure that APG has the people and programs it needs to remain successful

The Work of the Army Alliance

The Army Alliance has secured over \$200 million in programs for the region around Aberdeen Proving Ground. These programs strengthened the region's infrastructure and paved the way for a very successful BRAC transition that brought thousands of new jobs to northeastern Maryland. Despite the region's clear success, there is much work to be done. The immediate priorities of the Army alliance are in the areas of transportation, education, defense budget reductions, and leadership changes at APG.

Transportation

- Continue to advocate for additional roadway and intersection improvements; needed upgrades cost over \$100 million
- Two intersections are funded and redesign is underway, but other intersections around APG are already at or beyond capacity
- Improve other commuting and transportation options

Education

- Participate in the Governor's Task Force on Higher Education in Northeastern Maryland to expand all higher education opportunities in the region
- Support the establishment of a University Research Park for Northeastern Maryland, which will serve the region's growing research and development enterprise and provide doctoral and post-doctoral collaborative research and technology transfer opportunities for this high-tech community
- Support the Northeastern Maryland Technology Council's STEM Summit process

Defense Budget Reductions

- Track, analyze, and work to mitigate the impact of pending budget cuts on Aberdeen Proving Ground organizations
- Help our elected officials and decision makers understand the impact of reductions and realignments
- Work to improve region's infrastructure to protect against future negative BRAC actions

Changes in Command at APG

- APG will undergo a major leadership change this year and the Army Alliance will work to smooth the path by building bridges between new commanders and the community:
 - Mr. Dale Ormond will assume leadership of the Research, Development, and Engineering Command upon MG Nick Justice's departure
 - COL Greg McClinton will replace outgoing Garrison Commander COL Orlando Ortiz
 - MG Robert Ferrell will assume command of Communications Electronics Command upon MG Randolph Strong's departure

Defense Budget News

As a service to its sponsors and stakeholders, the Army Alliance is tracking the defense budget issue for its programmatic and budgetary impact on Aberdeen Proving Ground and the Northeastern Maryland region.

Even though it is uncertain how extensive the defense budget cuts will be, no doubt Aberdeen Proving Ground will be impacted. Under all possible scenarios, three trends are likely to occur:

1. There will be uncertainty for an extended period, likely through at least FY16. This uncertainty may prevent companies and government agencies from hiring new employees and making investments in the region. This uncertainty may also inhibit technologies from passing major milestones, or transitioning to the next phase of development/acquisition.
2. We will see budget cuts impact programs and people at APG. The good news is that the work that takes place at Aberdeen Proving Ground touches almost every military program in existence today, so the community as a whole is protected by its diversity and wide range of capabilities. The bad news is that the work of Aberdeen Proving Ground touches almost every military program, so we are sure to see some parts of APG organizations impacted by budget cuts.
3. Two technology development areas appear to be protected from the possible 30% cut to the defense budget, and may even see growth – network (communications and electronics) and cybersecurity. Clearly, this is welcome news to Aberdeen Proving Ground, as it may offset the impact of cuts to other programs.

2012 Defense Budget

The National Defense Authorization Act of 2012, passed in December, will impact APG in both positive and negative ways. Most of the reduction in DoD's 2012 budget comes from reduced funding for combat operations in Iraq and Afghanistan. The 2012 budget reduces military construction funding, cancels the Marine Corps's efforts to develop the Expeditionary Fighting Vehicle as a replacement for its amphibious troop carriers, and slows down the F-35 Joint Strike Fighter program. The budget expands programs developing helicopters and unmanned aerial systems. The budget also incorporates the first of a two-year freeze on federal civilian pay, a freeze on the size of the DoD civilian workforce, and a reduction in service support contracts, which will shrink by 10% each year over the next three years,

and will focus on reducing contracted personnel who provide staff augmentation support for government employees, and function as a staff/action officer.

The FY12 budget will impact the defense community around APG, but will not eliminate any major programs at the installation. However, we can assume that APG service support contracts will be reduced by ~30% by FY13, the hardest hit being companies that provide non-technical support to the government. Also hard-hit will be contractors with a history of cost growth. DoD will increasingly use fixed-price contract mechanisms, abandoning time and materials (T&M) contracts for federal IT contractors.

While Military Construction (MILCON) funding is significantly less than in the past four years, Aberdeen was the recipient of funds for three projects: \$15.5 million for expansion of the Auto Technology Evaluation Facility, \$63 million for a C4ISR Command and Control Facility, and \$22.8 million for U.S. Army Medical Research Institute of Chemical Defense to supplement an existing construction project.

2013 – 2017 Defense Budget Plan

The more painful cuts are likely to come along with the FY2013-2017 budget as the Administration and Pentagon attempt to cut billions from the annual defense budget. The draft budget, expected to be delivered to Congress in early February, essentially flattens expenditures over the six-year period, reducing spending by \$260 billion. Along with the personnel cutbacks listed above as part of the 2012 budget, the military is also likely to eliminate 209 Senior Executive Service positions beginning in FY 2013. Some of these positions will be eliminated and others downgraded to GS-15 positions. We will also see a contraction of the civilian workforce from the impact of hiring freezes, attrition, and VERA. This, in turn, may create skill imbalances in the civilian workforce.

Major programs are more likely to be scaled back or eliminated during these budget years. An article published December 1 in [The Hill](#) cited experts suggesting a cut of 15-20% across all technology accounts as possible. Credit Suisse's December 5 report states that total cuts to procurement and RDT&E will reach about 35% by FY16/17. Two exceptions to this may be modest growth in cyber-related technology development, and intelligence-gathering technology development. If that is the case, the Aberdeen defense community may still see pockets of growth during this period of contraction.