DCN: 12002 FROM SEN THUNE:

Closure of Ellsworth AFB: High Risk, Low Savings

Executive Summary

In addition to the risks and congestion associated with consolidating all 67 B-1Bs in one location and the risks associated with the ongoing litigation over the primary Dyess training range, closing Ellsworth will not save the DoD estimate of $1.853 billion over 20 years. At most, it would save only $258 million over 20 years ($12.9 million per year), and could actually cost DoD as much as $1.75 billion over 20 years.

- The GAO's **60% adjustment** for illusory personnel savings alone reduces the DoD's projected $1.853 billion savings to **$742 million**.

- The **additional flying time** required for training the Ellsworth B-1Bs at Dyess would increase costs, and thus reduce savings, by an **additional $432 million**.

- If the federal court that currently controls the primary training range at Dyess does not permit additional B-1B training missions, the **additional cost of conducting similar missions** at a suitable alternative range could be as high as **$2 billion** over 20 years.

- The recommendation to close Ellsworth is the **most expensive** of all Air Force recommendations and provides the **lowest "return on investment."** DoD estimates Ellsworth's plant replacement value at $1.753 billion; therefore, DoD would be **abandoning an asset valued at $1.753 billion in an attempt to obtain actual savings of $258 million.**

- DoD's own reports demonstrate that its BRAC-estimated costs of **environmental remediation** at Ellsworth have been **grossly under-reported**.

Background

1. Military Personnel Savings are Illusory and Should Not be Included.

The GAO has noted that over 60% of the Air Force's net annual recurring savings are cost avoidances from military personnel eliminations; however, eliminations are not expected to result in end-strength reductions. (GAO-05-785, July 2005 ["GAO Report"], p. 123)

GAO further reported that claiming personnel savings without end-strength reductions does not provide dollar savings that can be applied outside of personnel accounts, and specifically suggested that the "BRAC Commission may wish to consider ... the projected savings from military personnel reductions [related to] ... the closure of Ellsworth AFB, SD." (GAO Report, p. 124)

This adjustment alone reduces DoD's estimated savings of $1.853 billion over 20 years to $742 million (40% thereof), or $37.1 million per year over 20 years.

2. Consolidating the B-1Bs Would Increase Costs and Reduce Savings.

Consolidating all B-1B operations at Dyess AFB contains additional hidden costs not considered in DoD's recommendations. These unconsidered costs are due to the increased distance between Dyess AFB and its primary training area (the Lancer MOA) as compared to the distance between Ellsworth AFB and its primary training area (the Powder River MOA).

Based on a comparison of the Average Sortie Duration (ASD) of the 28th Bomb Wing (Ellsworth) and the 9th Bomb Wing (Dyess), an average of 0.7 additional flight hours are required to complete the standard crew training missions flown from Dyess. This additional cost is already being borne by the B-1Bs currently operating from Dyess. Consolidating all B-1Bs at Dyess would result in this same increase in per mission cost for the consolidated Ellsworth B-1Bs.

Using an average cost of $26,855 per B-1B flight hour, this increase in flying distance would result in an average $18,798 per training sortie cost increase. ***Over a 20-year time frame, this increased flying distance would result in an increase in B-1B training costs of nearly $376 million.***

This same point is true of live-drop training missions, generally flown to the Utah range, which is closer to Ellsworth than Dyess. ***This increase in flying distance would also result in an increased per mission flight time of 1.16 hours and a conservative increase in the 20-year cost of $56 million*** *(matching the percentage of missions currently flown to the Utah range by the Dyess B-1Bs).*

Potential Costs Resulting From Dyess Training Range Litigation

The primary Dyess MOA and low-level route are currently entangled in protracted litigation and are under the control of a federal court. If the B-1B fleet is consolidated at Dyess and the federal court does not authorize additional B-1B missions, the continued use of the Powder River MOA (as the only other equivalent training area) will require an added five hours of flight time at a cost of $100,000 per mission, or $100 million per 1,000 missions flown.

The 20-year cost for such longer missions could range from $1-2 billion.

3. **The Costs of Closing Ellsworth are Unique.**

The cost to close Ellsworth ($299 million) is the ***most expensive of all Air Force recommendations***. (GAO Report, p. 120-22)

Even by the DoD's figures, the recommendation ($299 million costs, $1.853 billion savings) provides the ***lowest "return on investment"*** of all of the Air Force's active duty base closure recommendations. (GAO Report, p. 120-22)

By DoD's own estimate, Ellsworth has a $1.753 billion plant replacement value. (DoD COBRA 5-19-05, p. 2) Therefore, ***DoD would be abandoning an asset valued at $1.753 billion in an attempt to obtain, at most, $258 million in savings.***

4. **DoD's Environmental Cost Estimate is Significantly Under-Reported.**

DoD substantially under-reported in its COBRA analysis that environmental restoration at Ellsworth would cost only $3.2 million. DoD's own reports show that Ellsworth will require at the very least $26.4 million in environmental cleanup over the next 23 years. (DoD Environmental Programs Annual Report to Congress for FY 2004, dated Feb. 25, 2005)

Even this $26.4 million figure grossly understates the real cost because it presumes that Ellsworth will continue to operate as an active military base. If the base is closed and transferred out of federal ownership, extensive additional environmental costs would be incurred to clean up the jet fuel, chlorine-based solvents, low-level nuclear waste, mustard gas agents, and other environmental hazards present at the 53-year-old base. An approximate doubling of this cost to ***$52 million*** would be a conservative estimate.

Summary Calculation	
Best Case Scenario	
DoD estimated savings	$1.853 billion
Deduction for illusory personnel savings (GAO reduction of 60%)	- $1.11 billion
Additional 20-year flying hours cost at Dyess	- $432 million
Additional environmental restoration costs	- $52 million
ACTUAL REDUCED SAVINGS	**$258 million ($12.9 million per year for 20 years)**
Worst Case Scenario	
Total Savings Under Best Case Scenario	$258 million
20-year cost if Powder River MOA must be used by Ellsworth B-1Bs consolidated at Dyess	- $2 billion
POTENTIAL COST	**+ $1.75 billion**