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United States Government Accountability Office
Washington, DC 20548

August 23, 2005

The Honorable Anthony J. Principi, Chairman
Defense Base Closure and Realignment Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Subject: Post-Hearing Questions Related to Department of Defense Base Realignment and Closure (BRAC) Recommendations

Dear Mr. Chairman:

On July 18, 2005, we provided testimony before the Commission regarding our July 1, 2005, report on the Department of Defense's (DOD) 2005 Base Realignment and Closure (BRAC) selection process and recommendations. We provided you with answers to an initial set of questions for the record on August 10, 2005. This letter responds to your request that we provide answers to an additional set of follow-up questions to that testimony. Your questions, along with our responses, follow.

Questions

1. The majority of the Navy's claimed recurring savings at Naval Submarine Base New London come from billet reductions. Already, the GAO has indicated that the Navy included the elimination of 214 medical positions that were non-BRAC programmed reductions. Connecticut argues that the Navy included the elimination of Base Operating Support (BOS) billets that were achieved since the Cost of Base Realignment Actions (COBRA) model's baseline date of September, 30, 2003.

Questions for GAO:

- **Did the Navy take credit for, or "double count," these BOS reductions in its BRAC savings estimate for New London?**
- **If so, please quantify any overstated savings included in the BRAC savings estimate.**

Answer: We have not completed sufficient work to determine the extent to which changes in authorized personnel levels may have occurred subsequent to the Navy's completion of its BRAC cost and savings analysis. Based on DOD policy, the Navy used September 30, 2003 as the baseline to compute

personnel savings in the COBRA model. Navy data indicated that 557 of the 743 civilian positions that would be eliminated under the proposed action were base operating support personnel. Again, we have not performed any additional analysis on what changes to authorized personnel have occurred since the fiscal year 2003 baseline, or to compare the extent to which actual personnel levels may have been greater or less than those authorized. Therefore, we are not in a position to determine whether or to what extent the Navy may have double counted personnel reductions.

2. Please confirm if the Navy COBRA model replaces the equivalent of 438 nuclear submarine maintenance contractors at Naval Submarine Base New London (~$50 million per year) with 143 government employees at Kings Bay and Norfolk (~$8 million per year).

According to Connecticut, in estimating DON-0033 costs and savings, the Navy: 1.) cut the number of submarine maintenance personnel by two-thirds for the same workload; and 2) used the actual New London rate ($57 per hour) in estimating recurring savings at New London, and the COBRA model default rate ($29 per hour) for a civilian government employee to calculate recurring costs at Kings Bay and Norfolk. (As a reference point, Norfolk Naval Shipyard responded in its original data call with a need for 207 billets at a rate of $87 per hour.)

Questions for GAO:

- **Are the Navy's estimates and assumptions realistic and accurate with respect to these assumptions on submarine maintenance personnel under DON-0033.**
- **If not, are the Navy's stating savings overstated? By how much?**

Answer: The Navy COBRA does not identify the number of nuclear submarine maintenance contractors at Naval Submarine Base New London, but does indicate that the contractor workload would be performed by 143 government employees (106 at Norfolk Navy Shipyard and 37 at Kings Bay). After DOD's recommendations were made public, the Navy found that 37 additional employees would be required at Kings Bay, which would increase the number of government employees to 180. This increase of 37 government employees is not reflected in the Navy COBRA.

According to Navy data obtained when we were completing our work, Electric Boat has three separate contracts with Naval Submarine Base New London involving 322 personnel, and not 438 as identified above. These contracts include:

–260 personnel assigned to a regional support group which include trades, supervisors, quality assurance, non-destructive testers, and some engineering and diving services;
–27 personnel assigned to the nuclear regional maintenance department; and

–35 personnel to man and operate the submarine base floating drydock.

We have not performed any additional work to determine the extent to which these numbers may have changed nor did we analyze the extent to which each of these contractor personnel were engaged in nuclear submarine maintenance.

3. An information package recently submitted to the BRAC Commission cited a legal opinion of the Connecticut Attorney General, Richard Blumenthal, showing a unique arrangement between Connecticut and the Navy in terms of environmental clean-up. The 1994 agreement requires the Navy to complete the full environmental remediation of Naval Submarine Base New London before transferring the property over to another entity. Furthermore, the State of Connecticut Attorney General Blumenthal asserts that the Navy is required to turn over Submarine Base New London immediately to the state of Connecticut upon cessation of naval operations on that property.

Attorney General Blumenthal's opinion is on file with the BRAC Commission for GAO's review.

Questions for GAO:

- **Did the Navy consider the potential impact of this agreement on its cost savings estimate for closing Naval Submarine Base New London?**
- **If not, how might this arrangement impact the cost projections of closing the base?**

Answer: We had not seen the Attorney General legal opinion or the 1994 agreement at the time we completed our July 1, 2005 report, nor have we conducted any review of the impacts of potential environmental cleanup issues at this military installation since then.

4. The State of Connecticut asserts that it would take years to complete an adequate study of radioactive waste contamination at the Naval Submarine Base New London in order to determine what cleanup will be necessary.

Questions for GAO:

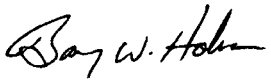
- **Did the Navy consider how a delay in the productive reuse of the site, while the extent of necessary cleanup is determined and then performed, would affect the economic impact of closing the base on surrounding communities?**

Answer: As we noted in our July 1 report, DOD's assessment of economic impact focused broadly on potential job changes resulting from proposed BRAC actions and did not consider how any delay in the productive reuse of the property caused by environmental cleanup would affect economic impact. Our prior work indicates that the services historically do not consider such impacts during the BRAC selection and recommendation process because it is

difficult to project how these potential delays translate into specific economic impacts. Various factors contribute to this uncertainty, such as unknown environmental cleanup standards based on planned reuse and the possibility that transfer and reuse of the property will occur in a piecemeal fashion, involving various parcels of land, and over time as environmental cleanup occurs.

If you or your staff have any questions concerning this response, please contact me on (202) 512-5581.

Sincerely yours,



Barry W. Holman, Director
Defense Capabilities and Management