

Hawthorne Army Depot, NV

Issue: Potential for the Commission to delete this recommendation because it is the largest employer in Mineral County, NV (13.63 percent of the economic area employment), it is the largest demilitarization facility in the U.S., there is concern about handling 507 short tons (STONS) of munitions returning from Korea, and, finally, because Hawthorne offers significant Afghanistan-like training opportunities for DoD combat units.

Key Points:

- Although Hawthorne is the largest demilitarization installation in the United States, its capacity can be absorbed by other installations that are more multifunctional and have a greater military value to perform all munitions related missions: production, demilitarization, maintenance, and storage and distribution.
- There is sufficient Army capacity to store and to demilitarize these munitions within CONUS without the Hawthorne Army Depot.
- On a significantly larger scale than Hawthorne, there is high-altitude desert training at Fort Irwin, CA, and rugged, mountainous terrain training at both the Dugway, UT, and Yuma, AZ, proving grounds.

DoD Position: The Industrial Joint Cross-Service Group (IJCSG) recommended the closure of Hawthorne Army Depot based on responsiveness to global support to readiness of operational forces via a powerful projection platform network, military readiness in support of the Pacific Theater, and retention of a multi-functional and agile munitions depot. While impacts on the local community are important considerations, Military Judgment was the primary consideration.

Hawthorne Army Depot is a single-purpose installation which predominately stores and demilitarizes munitions. The goal of the Army is to have multi-functional Munitions Centers of Excellence which can produce, maintain, store, and demilitarize all types of munitions. Although Hawthorne is the largest of the army depots, its capacity is easily provided by other installations with greater MV.

Regarding returning munitions from Korea, current projections are that only 20 percent or 100K STONS of munitions from Korea will be returned to CONUS. These munitions will be positioned at installations that have available capacity to store and to demilitarize them and the Army retains sufficient capacity without the Hawthorne Army Depot.

Regarding Afghanistan-like training, on a significantly larger scale than at Hawthorne, there is high-altitude desert training at Fort Irwin, CA, and rugged, mountainous terrain training at both the Dugway, UT, and Yuma, AZ, proving grounds. Additionally, an

urban operations site that can be used to simulate an Afghan Village already exists at Fort Irwin, CA. Additionally, joint training for Special Forces is performed at the Naval Air Station Fallon, NV, and Fort Hunter-Liggett, CA; these facilities offer more robust joint training environments with larger maneuver areas and significantly greater range capability than Hawthorne. Each of these (Army or joint) installations ranked higher than Hawthorne in MV.

Hawthorne Army Depot is a single purpose installation with a minimal training capacity. The goal of the Army is to transform its installations that deal with munitions into multi-functional installations that can produce, maintain, demilitarize, and store and distribute munitions to all services in the Army's role as the single manager for conventional ammunition. Hawthorne Army Depot does not have this capability.

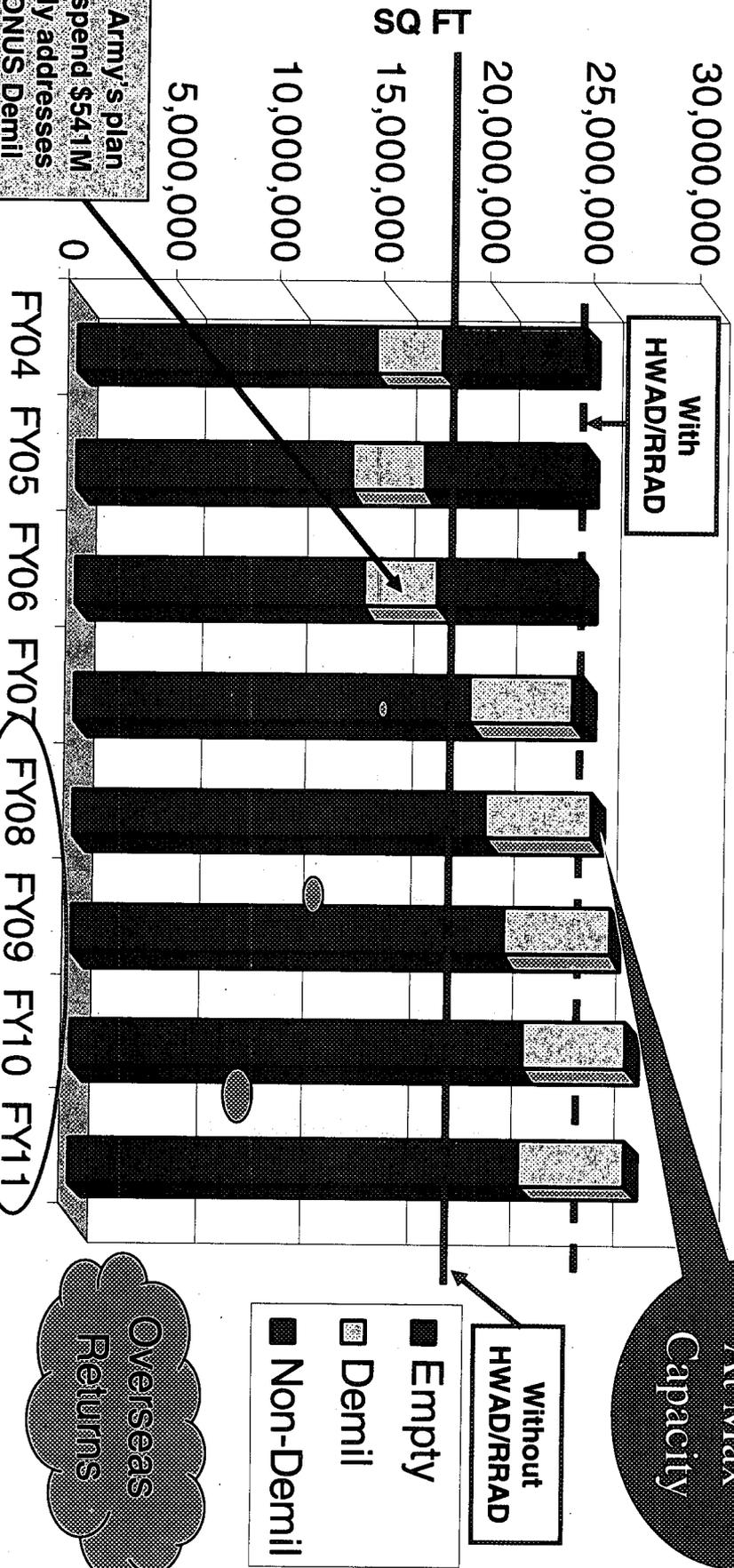
Impact on DoD: If this recommendation is not approved, the Department will continue to maintain unnecessary base infrastructure, thereby wasting resources that can be better spent on higher priority programs. Equally important, the Department will miss an opportunity to transform its installations that deal with munitions into multi-functional installations that can produce, maintain, demilitarize, and store and distribute munitions to all services. The 20-year Net Present Value of this recommendation is a savings of \$778M.

HAWTHORNE ARMY DEPOT - BRAC FACT MATRIX			
Point	BRAC Comment	Actual Facts	Analysis
Mil. Personnel	74	1	Incorrect Data - Only the Commander is active military.
Civ. Personnel	45	45	Correct Data
Contr. Pers.	80	493	Incorrect Data
Employment Displacement Percentages	.1%	31%-50% Mineral County Total job losses	BRAC used employment data for the Reno/Sparks metropolitan area (243,270 employed) which is 133 miles away. Current Mineral County employment is 1,860. Total HWAD displacement is 585. Total projected job loss in county is 970.
Cost to Close In actuality totals approximately \$1.28 billion	IJCSG Munitions / Armament Capability Report says HWAD does not use its demil capability. Environmental costs not included by BRAC	\$80.7 million	Relocation of 218,000 tons of munitions, inert material, and IPE to a new location. \$39m shipping, \$20.4m transportation, \$21.3m receipt
		\$151 million	Demilitarization of 130,000 tons of munitions stored at HWAD (calculated at current rates). Under perfect conditions - 4.5 years to complete.
		\$157 million of demil facilities duplication at Tooele not calculated.	Duplication of WADF capabilities at Tooele or other depots at least \$157 million for demil facilities plus \$500 million new magazines. Not feasible with Tooele space available. Environmental permitting will require 5 to 7 years.
		\$500 million for new magazines	HWAD demilitarized 8,070 tons in 2002, 5,913 tons in 2003, and 5,526 tons in 2004. Demil effort is directly proportional to funding. Toole would need \$500 million in new magazines to accommodate incoming munitions from HWAD.
		\$10 million tenant relocate not calculated	Relocation of Navy Torpedo Battery Recycling, and Mine Maintenance Detachment and the Marine Corp Weapons Test Detachment (\$ 5 million to \$15 million), if facilities are available.
Discriminating Issues	HWAD does not produce or maintain munitions Railroad Wash-out 3 months per year HWAD is not multi-functional or joint service oriented	Community Direct loss- \$38 million, indirect loss - \$46 million	As primary employer in Hawthorne extensive economic redevelopment will be required. Annual Payroll - \$16.6 million; Subcontracts & Purchases 10/2004 to 3/2005 - \$5.9 million (\$5.3 million (89%) to small business, women owned, disadvantaged, veteran owned, etc.). 4% of the workforce is Native American
		\$383 million	\$383 million clean-up required - only if HWAD closed
		Incorrect	HWAD is currently performing the renovation of 300,000 rounds of 105 MM renovation HWAD has performed Load Assembly & Pack (LAP) functions for bomb fuzes, mines, AQMs, and these facilities are still available.
		Incorrect	Severe weather wash-outs are extremely rare. There have been three wash-outs in the last twenty years and they have not impacted receipt or shipment of munitions. Most shipments & deliveries by truck - Outstanding surge capabilities.
		HWAD is very multi-functional and Joint Service oriented in all areas of storage, demil, testing, training, manufacturing, & property disposal	<ul style="list-style-type: none"> • Navy: Fallon training storage - Navy Carrier group storage/surge support for West Coast (in discussion) - Signed MOA to provide range scrap demilitarization. • Marines: High Desert and winter training (ideal Iraq / Afghanistan training simulations). Transient training up to 1000 at a time. • Navy SEALs: High Desert, Mountain, and Water training site (dedicated barracks facilities). • Corp of Engineers: Signed MOA for Range Scrap processing from closed test sites • DLA: Slated for national Mercury storage site summer 06; 4,890 tons



Wholesale Depot Occupancy Profile by Fiscal Year by PEO Ammo Organization

8 million sq' available in all 8 of the Army Depots
4 million sq' of the space is located at HWAD



DCN: 11823
Army's plan to spend \$54.1M to only addresses CONUS Demil Stocks

Depots At Max Capacity

- Empty
- ▣ Demil
- Non-Demil

Overseas Returns



IJCSG Capacity and Usage

Includes Outside Storage

<i>IJCSG - Munitions / Armaments Capacity Report</i>						
Function	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity Required to Surge*	Capacity Available to Surge/Excess Capacity*
MUNITIONS STORAGE						
	ANNISTON ARMY DEPOT	3,296.4	2,293.9	3,296.4	0	1,002.5
	BLUE GRASS ARMY DEPOT	6,021.0	4,817.4	6,021.0	0	1,203.6
	CRANE ARMY AMMUNITION ACTIVITY	8,020.8	5,721.3	8,020.8	0	2,299.5
	DESERET CHEMICAL DEPOT	909.0	709.0	909.0	0	200.0
	HAWTHORNE ARMY DEPOT	9,738.0	5,603.0	9,738.0	0	4,135.0
	HOLSTON AAP	405.8	90.6	405.8	0	315.2
	IOWA AAP	1,148.8	503.4	1,148.8	0	645.4
	KANSAS ARMY AMMUNITION PLANT	1,238.5	895.9	1,238.5	0	342.6
	LAKE CITY AAP	1,094.0	1,094.0	1,094.0	0	0.0
	LETTERKENNY ARMY DEPOT	3,613.4	2,472.2	3,613.4	0	1,141.2
	LONE STAR AAP	1,030.6	824.5	1,030.6	0	206.1
	LOUISIANA AAP	350.0	270.4	350.0	0	79.6
	MCALESTER AAP	10,637.1	6,522.0	10,637.1	0	4,115.1
	MILAN AAP	3,258.1	829.9	3,258.1	0	2,428.2
	MISSISSIPPI AAP	105.4	0.0	105.4	0	105.4
	NEWPORT CHEM DEPOT	11.6	11.6	11.6	0	0.0
	PINE BLUFF ARSENAL	4,192.2	3,794.4	4,192.2	0	397.8
	PUEBLO CHEM DEPOT	1,475.5	161.6	1,475.2	0	1,313.6
	RADFORD AAP	921.2	641.6	921.2	0	279.6
	RED RIVER ARMY DEPOT	2,747.6	1,732.9	2,747.6	0	1,014.7
	SIERRA ARMY DEPOT	5,649.5	1,019.0	5,649.5	0	4,630.5
	TOOELE ARMY DEPOT	5,239.6	3,265.0	5,239.6	0	1,974.6
	UMATILLA CHEM DEPOT	2,457.7	728.1	2,457.7	0	1,729.6
*Capacity is measured in ksf Report Date: Thursday, April 21, 2005 Database Date: April 18, 2005						

Plants Not Designed For Storage and Outload

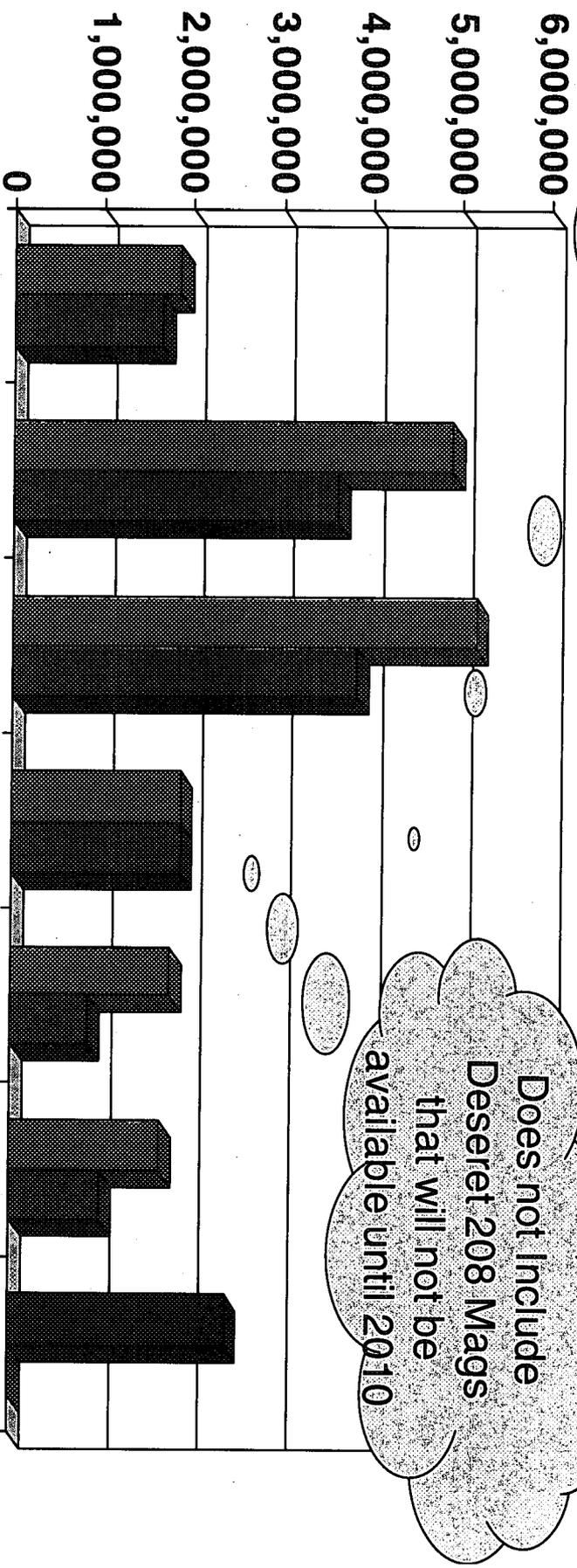
No Munitions Storage Mission



Post-BRAC Covered Storage Shortfall at Tooele

Will Not Fit in Tooele

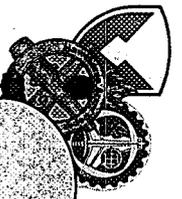
■ Net SqFt ■ SqFt Occ ■ Shortfall



Does not include Deseret 208 Mags that will not be available until 2010

	BGAD	CAAA	McAAP	TEAD	ANMC	LEMIC	Shortfall
Net SQ FT	1,846,916	4,893,000	5,175,840	1,880,658	1,766,634	1,666,988	2,411,064
Occupied SQ FT	1,648,540	3,613,438	3,842,255	1,880,658	849,617	999,404	0
Percent Occupied	89%	74%	74%	100%	48%	60%	0%
Short Tons	190,599	463,256	579,022	208,962	120,386	98,432	267,896

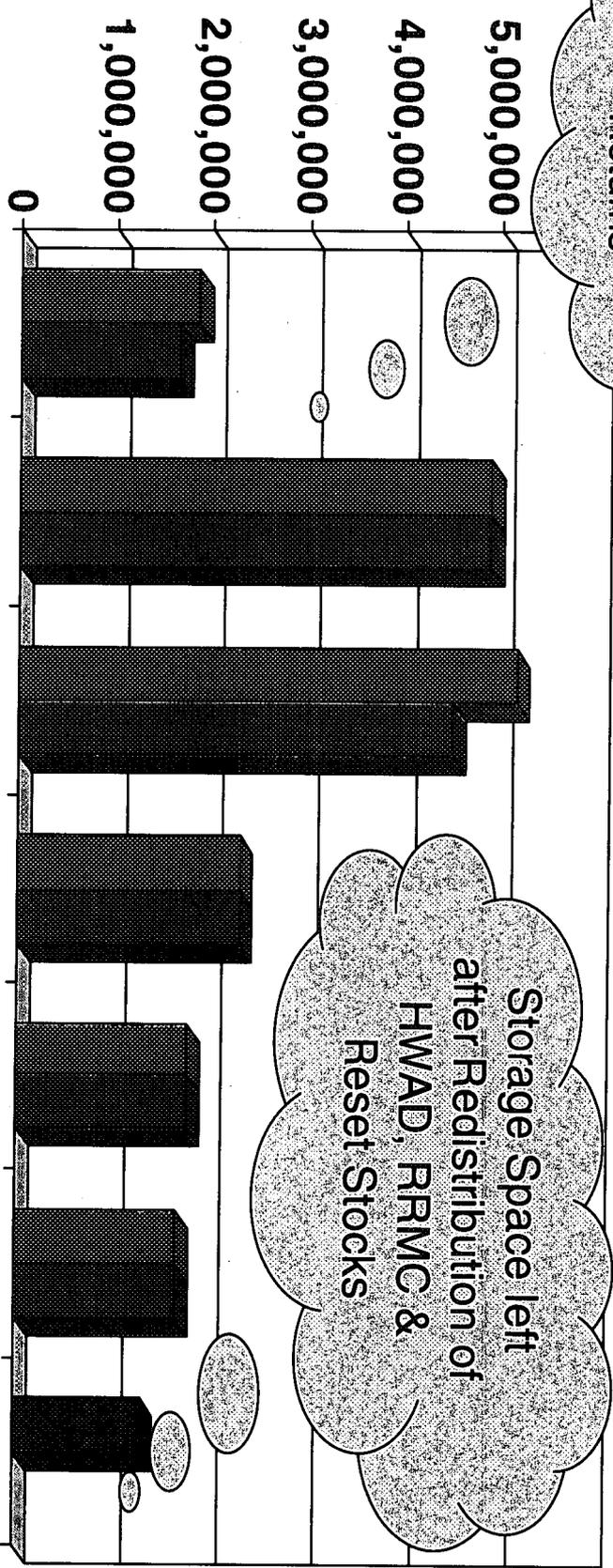
Note: Chart excludes HWAD's 140K tons of demilitarization stocks. Does include 12,652 tons of IPE.



Does Not Account for Future Overseas Returns

Post-BRAC Covered Storage

■ Net SqFt ■ SqFt Occ ■ Available



	BGAD	CAAA	McAAP	TEAD	ANMC	LEMC	AVAILABLE
Net SQ FT	1,846,916	4,893,000	5,175,840	1,880,658	1,766,634	1,666,988	1,311,502
Occupied SQ FT	1,648,540	4,893,000	4,517,174	1,880,658	1,766,636	1,666,988	
Percent Occupied	89%	100%	87%	100%	100%	100%	
Short Tons	190,599	605,403	654,073	223,876	222,277	172,608	145,721
Density	8.65	8.08	6.91	8.40	7.95	9.66	

McAAP space required for bomb production

* Revised from Commissioner Coyle's visit of 11 July 2005

DCN: 11823
LORRAINE T. HUNT
Lieutenant Governor

STATE OF NEVADA



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July 8, 2005

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Commissioner Philip Coyle
Base Closure and Realignment Commission
2521 S. Clark St., Ste. 600
Arlington, VA 22202

Dear Commissioner Coyle,

Thank you for visiting Nevada for your site visit to assess the Base Closure and Realignment Commission recommendations involving the Nevada Air National Guard and the Hawthorne Army Depot.

All Nevadans appreciate your attention in this matter that is vitally important to the safety and security of our State and our Nation. I would like to urge your strong consideration of the facts and viewpoints presented by Governor Kenny Guinn and other leaders from Nevada.

I believe an accurate and objective review of the BRAC recommendations will result in reversal of the decisions regarding the Nevada Air National Guard and the Hawthorne Army Depot.

As Lieutenant Governor and as chair of the Nevada Commission on Economic Development, I can personally attest to the fact that the BRAC recommendations will create severe and unfair economic impacts, especially on the citizens of Hawthorne, Nevada. I am personally aware of the unparalleled patriotism and love for the service to our Country held by the people of Hawthorne. Further, the economic impact of closing the Hawthorne Army Depot has been extremely underestimated.

Once more, I would like to thank you for visiting Nevada. I appreciate your gesture to personally inspect the facilities and hear from leaders and citizens from Nevada. Finally, I again urge you and the other members of the Base Closure and Realignment Commission to reconsider the recommendations involving the Nevada Air National Guard and the Hawthorne Army Depot.

Sincerely,

A handwritten signature in cursive script that reads "Lorraine T. Hunt".
LORRAINE T. HUNT
Lieutenant Governor

JIM GIBBONS
DC DISTRICT 1823
NEVADA

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STATEMENT BY CONGRESSMAN JIM GIBBONS
BRAC COMMISSION SITE VISIT TO HAWTHORNE
JULY 11, 2005

First, I extend my gratitude to the Honorable Philip Coyle for representing the Base Realignment and Closure Commission in his visit here today. He and the other commissioners deserve our thanks for volunteering to be a part of this critical and important process in the service of our nation.

Today I am pleased to again join with the other members of Nevada's Congressional Delegation in asking the Commission for its strongest consideration of the facts presented in regard to the Department of Defense (DoD) proposals for "realignment" of the 152nd Air Wing in Reno and closure of Hawthorne Army Depot. After careful review of the DoD selection criteria, I believe "substantial deviations" are apparent regarding the selection criteria set forth by Congress.

The full commission, meeting at Clovis, New Mexico, last month, has already heard detailed testimony from Nevadans concerned with both bases regarding serious errors in fact-finding resulting in erroneous conclusions reached by the DoD in its recommendations to the commission.

Air National Guard C-130s, the foundation of the 152nd Air Wing in Reno, are vital not only to national defense but also to the Guard's Homeland Security mission and response to natural disasters in Nevada. Importantly, the Guard shares its airlift and other capabilities with neighboring Western states and other branches of the U.S. Armed Forces.

Regarding Hawthorne, the DoD appears to have seriously underestimated the amount of munitions stored here and the cost of relocating them. Information contradicting the DoD report has already been presented to the commission in detail.

Also of major consideration regarding Hawthorne Army Depot is DoD's grossly underestimated impact in terms of jobs that would be lost if the depot were to close and the economic impact upon Hawthorne and Mineral County. Survival of the community is truly at stake if the depot closes.

I believe Nevadans have presented significant evidence of the lack of consideration of critical selection criteria regarding both of these military installations.

Presentations Nevadans made at the BRAC hearing in Clovis were undoubtedly instrumental in persuading Commissioner Coyle of the need for today's site visit. I trust that what he has learned here will also be persuasive, and that he will share that information with other commissioners as a recommendation that these vital bases remain intact because of their military value to the United States of America.

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Senate

Seventy-first Session

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July 11, 2005

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

Subj: RENO ANGB AND HAWTHORNE ARMY DEPOT

Dear Mr. Chairman:

I am providing my strongest support for keeping the eight C-130 aircraft at the Reno Air National Guard Base (ANGB), and for removing Hawthorne Army Depot from the closure list.

The Reno ANGB can support up to twelve C-130 aircraft with ongoing host-tenant agreements. The flexibility, response and contribution of these aircraft, people and mission to the state as well as national security are vital. The state uses these capabilities for fire fighting and emergency response to mention just two important contributions.

The Hawthorne Army Depot has important and current military value in the joint use by all four branches of the service. It is used extensively by the U.S. Navy and U.S. Marine Corps in pre-Afghanistan training and other areas associated with the Global War on Terrorism. Its value as an ordnance depot is highlighted by its premier de-militarization facilities and fast ordnance response capability to the U.S. Pacific Fleet to again mention just two important resources. Finally, the economic impact to the Hawthorne community would be devastating, and is incorrectly reported in previous documents. The Nevada State assessment is a 70% - 75% direct and indirect job loss to the community using verified numbers. The significant military value coupled with the unaddressed community impact should be enough for reconsideration to keep Hawthorne open.

I appreciate your consideration in this matter and the site visits by Commissioner Coyle. Please feel free to contact me at any time on these important issues

Most sincerely,

A handwritten signature in cursive script, appearing to read "Dina Titus".

Dina Titus
State Senate Minority Leader

DCN: 11823

MINERAL COUNTY COMMISSIONERS

Board of
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AND MINA
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RICHARD BRYANT, CHAIRMAN

NANCY BLACK, Vice-Chairman

EDWARD FOWLER, Member

July 11, 2005

Commissioner Coyle
BRAC Commission
Suite 600
Arlington, Va. 22202

Re: BRAC closure listing for Hawthorne Army Depot

Commissioner Coyle,

On behalf of Mineral County and the Mineral County Board of Commissioners, it is with pleasure that I welcome you to Hawthorne, Nevada, "America's Patriotic Home", and home to the Hawthorne Army Depot. This County and Army Depot have given the Department of Defense over seventy-five (75) years of dedicated true military value, and we are just getting started. We are truly grateful for your decision to visit us.

I recognize that you and the Commission have been overwhelmed with data and materials that address and correct the inaccurate data provided you by DOD recommending closure for HWAD, to include this Board's letter of June 20, 2005. (Copy Attached)

It is this Board's decision that we will let the facts and data as outlined and presented speak for themselves. There are, however, a few areas that we wish to address.

Two key areas in determining an installation's military value were (1) the ability to expand both it's mission and it's borders, and (2) the all-important encroachment condition, both present and future.

Hawthorne Army Depot has ample room to expand, both inside and outside it's current boundaries to accommodate virtually any mission and/or assignment. This Board is currently in negotiations with the Army for the withdrawal of 10,000 acres of privately owned land and up to 142,000 acres of BLM lands adjacent to the HWAD. This land withdrawal would greatly enhance the fast-growing multi-sevices training and testing missions at HWAD, and would result in **ABSOLUTELY NO ENCROACHMENT ON ANY COMMUNITY WITHIN THE COUNTY OR SURROUNDING AREA**

CURRENT OR FUTURE. What other installation can request the withdrawal of an additional 152,000 acres to expand it's mission capabilities, and receive the blessing of the surrounding communities, with no encroachment, present or future?

It appears from all available data that the decision to place HWAD on the closure listing was made first, and then data compiled to attempt to justify that decision. How can HWAD be rated 1st and 2nd in military value by the Military Capabilities Report of 2005 and then be selected for closure based upon military value? Is there something that DOD is not telling us?

The original DOD recommendations clearly appear to discriminate against facilities that have been privatized or contracted out, and as such, are seemingly in direct conflict with previous directives/recommendations that direct the DOD to expand it's privatization and contracting out efforts to make DOD more efficient and reduce costs. Day & Zimmermann have contracts to operate five (5) installations to include HWAD, and ALL FIVE WERE RECOMMENDED FOR CLOSURE. Are we to believe this is just a coincidence? It is not only very conspicuous, it is very suspicious. Does this mean that privatization of an installation is just a step in closure process for that installation? The closure of these five installations also send the message that the DOD is not only willing, but is directing that installation closure costs be passed on to the private sector whenever possible.

No other community or County affected by the recommendations is faced with the level of negative economic impact Hawthorne and Mineral County will sustain if HWAD is closed. These are just some of the impact:

- . loss of over 50% of jobs in area
- . huge drop in property values and the ensuing decrease of assessed valuation for taxes
- . default on school bond
- . closure of all quality of life entities to include libraries, parks, museums, and youth Programs
- . closure or downsizing of County Hospital
- . loss of medical and dental service providers
- . loss of paid fire department which will result is skyrocketing home and business Insurance costs
- . huge loss of revenue for public schools
- . loss of Community College programs
- . at least a doubling of water, sewer, and garbage collection fees
- . large increase in Landfill Assessment
- . downsizing or loss of our only food market and pharmacy (Safeway Store)
- . and the list goes on

This community has already experienced the devastating nightmare caused by loss of workload at HWAD. When this installation went contract, Hawthorne had three new car dealerships, none today. We had three food stores , three pharmacies, and one drug store, one food store with a pharmacy today, we had a very low tax rate, we are maxed today, and so on. It appears that DOD is going for the kill this time around. And who will be

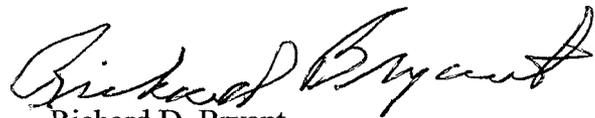
DCN: 11823

the recipient of all this? People who dedicated themselves to DOD directly or indirectly for 10,20, 30, 40 years at HWAD and chose to live and/or retire here. One heck of a "thank you" by DOD.

This Board requests that the BRAC Commission review and study all of the data provided, and make a decision based upon that review. We are confident that the result will be removal of HWAD from the closure list.

Again, thank you for your visit.

Respectfully,

A handwritten signature in black ink that reads "Richard D. Bryant". The signature is written in a cursive style with a large, sweeping initial "R".

Richard D. Bryant
Board Chairman

DCN: 11823

MINERAL COUNTY COMMISSIONERS

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GOVERNING BOARD FOR THE TOWNS OF
HAWTHORNE, WALKER LAKE, LUNING
AND MINA
LIQUOR BOARD AND GAMING BOARD

June 20, 2005

BRAC Commission
2521 S. Clark St
Suite 600
Arlington, Va. 22202

Re: BRAC closure listing for Hawthorne Army Depot

Sir:

It was with dismay that the Mineral County Board of Commissioners reviewed the published Department of Defense recommendation that the Hawthorne Army Depot in Hawthorne, Nevada be closed. Hawthorne is the County seat in Mineral County, and at approximately 4,000 in population, is by far the largest community in Mineral County. Hawthorne is located in a very remote and sparsely populated area of Nevada, about 135 miles south of Reno/Sparks, and 310 miles north of Las Vegas.

After reading your recommendation, and the data provided with it to support your recommendation, this Board was left bewildered with the inaccuracy of the data used to reach and support your recommendation. As such, this Board is compelled to not only question your decision and data, but to protest it as well.

A recent evaluation by the Military Capabilities Report of military installation assets as to their military value rated Hawthorne Army Depot currently as second only to McAlester as a whole, and first in several categories. For future, long term military value, Hawthorne Army Depot was rated as first. What has changed that would explain or justify the loss of all military value, current and/or future?

The BRAC Commission was charged with using an established set of principles in conjunction with military judgment to evaluate each installations' military value, and to use that military value as the primary consideration in making closure and realignment recommendations. From our perspective, it appears that a decision was made to close HWAD, and then to attempt to compile flawed data to support that recommendation. Our community, State, and County leaders have worked long and hard in researching data and developing a response to your recommendation that soundly and accurately address each and every aspect in determining HWAD's military value. All this data was compiled by the Mineral County Economic Development Authority and the Mineral County Chamber of Commerce into a large binder referred to as the "Hawthorne Fact Book". Your Commission will be receiving this document at the Clovis, N.M. hearings.

It is this Board's decision that we, for the most part, will let the facts and data as outlined and presented in the Hawthorne Fact Book speak for themselves. There are, however, a few areas that we wish to address.

Two key areas in determining an installation's military value were the installation's ability to expand both its mission and its borders, and also the all-important encroachment condition, both present and future. Hawthorne Army Depot is the Nation's largest Depot, and has ample room to expand to

accommodate virtually any mission. This Board is currently in negotiations with the Commanding Officer, HWAD, for the withdrawal of 10,000 acres of privately owned land and up to 142,000 acres of BLM lands that are adjacent to the south side of the installation. This land withdrawal would accommodate the needs of multi-services training and testing requirements. This would greatly enhance the fast-growing training mission of the Army Depot, and would result in absolutely no encroachment on any community within the County or surrounding area. What other installation can request the withdrawal of an additional 152,000 acres to expand it's mission capabilities, and receive the blessing of the surrounding area, with no encroachment, present or future?

There have been numerous studies conducted on developing more economical methods of conducting business within the Dept. of Defense. Virtually all of these studies/reports have recommended increasing the privatization or "out-sourcing" of installations by going from a GO-GO to a GO-CO operation. Out-sourcing or contracting out facilities has proven to be a very effective cost-cutting tool for managing facilities. Hawthorne Army Depot was one of the first to become a GO-CO twenty-five (25) years ago, and has performed in an outstanding manner and has been an asset to the community and County for this entire time period.

The BRAC closure recommendations, however, appear to be not only conspicuous, but suspicious in relation to the recommendation of expanding GO-CO's. Day & Zimmerman Corp. has had the contract to operate HWAD for twenty-five years. They also have the contract to operate four other facilities, Newport Chemical Plant, Miss. Ammunition Plant, Lone Star Ammunition Plant, and Kansas Ammunition Plant. All five of these GO-CO's were recommended for closure by the BRAC. Are we to believe this was just a coincidence? We believe that it appears that the BRAC Commission is sending out the message that (1)the BRAC Commission is rejecting the directive to out-source, (2) That out-sourcing is the next step to facility closure, and (3)DOD has little regard for the well-being of private sector/contract employees versus that of public sector employees.

It is also troubling that HWAD was apparently the ONLY facility to have alternative scenarios performed, and this with flawed data. HWAD's stocks are destined for Tooele Army Depot. Has the BRAC Commission ever been to Tooele? Our Board Chairman spends a great amount of time in the Salt Lake City area that includes Tooele. Unlike Hawthorne, Tooele is within twenty straight-line miles of over 2 million people, and is already suffering from encroachment. The people in the Salt Lake Valley and surrounding area recognize the value of the land and facilities that comprise the Tooele Army Depot. It would be a very sound bet that by the time the movement of stocks from HWAD to Tooele is completed, DOD will be searching for a location to move Tooele Army Depot and it's missions to, due to the encroachment created by the incredible growth the area is experiencing, and the resultant overwhelming resistance to Tooele's mission, especially Demil. We challenge the BRAC Commission to run an alternative scenario on the facility slated to receive HWAD's stocks.

We, as a Board, are requesting a site visit. We have become very frustrated in our efforts to inquire as to why a site visit was not scheduled for HWAD. One inquiry established criteria of 200 jobs lost before a site visit would be made, and we were at 199. That criteria later changed to 500 jobs lost when told the 199 was not accurate. Factual data shows that the job loss exceeds the 500 level also, but still no site visit. Conservative estimates show that the direct and indirect job loss in the community at about 900, or about 50% of the jobs within the community, and accompanied by the devastating economic impact in all facets of life, services, and government created by this large job loss. This community has dedicated itself to the service and support of the Department of Defense and it's components for over seventy-five (75) years without question or complaint. No other community or County affected by the BRAC Commission recommendations is faced with the level of economic impact Hawthorne will sustain. We will incur a trem.....Haven't we earned a site visit or at least a straight answer?

HWAD's and the County's infrastructure and ability to meet mobilization requirements has been brought into question. Close scrutiny by the BRAC will lay these concerns to rest. Our railroad and highways are sound and well-maintained, and our airport runway was recently expanded to accommodate military airlift and cargo aircraft. HWAD and the community have 75 years of outstanding performance in

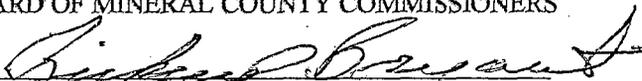
meeting mobilization requirements to include manpower and equipment. The BRAC report contradicts itself in regards to movement of stocks/materials. HWAD seems to get a failing grade for ability to respond for mobilization, but can meet a very ambitious shipping and demil schedule in order to meet the time line for closure.

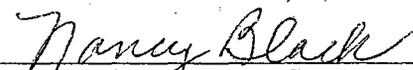
In closing, we again request that the Hawthorne Fact Book be read and evaluated, and that the BRAC Commission listen to the presentation made at the Clovis hearing with an open mind. We are confident that a review of all data and materials will persuade the Commission of the importance of a site visit, and hopefully eventual removal from the closure listing.

Thank you for your time and attention, and if you have any comments or questions, please do not hesitate to contact any member of the Mineral County Board of Commissioners at any time.

Respectfully,

BOARD OF MINERAL COUNTY COMMISSIONERS

BY 
RICHARD BRYANT, CHAIRMAN

BY 
NANCY BLACK, VICE-CHAIRMAN

BY 
ED FOWLER, MEMBER

**Mineral County School District BRAC Presentation
Kenneth Chase School Board President**

School funding in Nevada is different. In Nevada property tax is not the sole or main source of funding. Each Nevada school district's funding is based on a support figure set by the State. Next year our funding is \$6175 per pupil. Part comes from within the District, most comes from the State.

Our current student population is 684 students, 80 in Schurz the rest in Hawthorne.

Using the States Regional Economic Models Inc., or REMI, and the Districts information, we project we would lose at least 65% of our students.

The School District's projected income would drop from \$8,700,000 to \$3,000,000. We would lose \$5,700,000 in income.

For the District to continue functioning we would need to do the following:

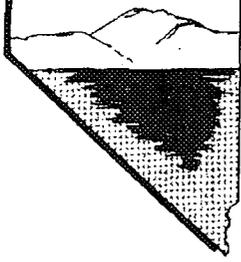
- 1. Consolidate the buildings into a K to 6 school and a 7 to 12 school.**
- 2. Close the Elementary Jr. High complex.**
- 3. Cut 65% of all staff in all areas.**
- 4. Default on our school bond.**
- 5. Stop paying retirees health insurance premiums.**
- 6. The high school with 75 students would lose many extracurricular activities and almost all special classes.**
- 7. Poverty is a major problem. Mineral County leads the State with a poverty rate of 27%. The Walker River Piate Indian Reservation at Schurz has a 56% poverty rate. Both would increase dramatically. This would increase poverty related problems. Yet our resources to deal with these problems would be radically reduced.**

Finally, many of our former students have served or are currently serving in the military. Many made it a career. Many used it as a spring board out of poverty. With the Depot gone this opportunity would not be as available to our students.

Thus closing the Hawthorne Army Depot would be a disaster for the schools and the community.

DCN: 11823

Mt. Grant General Hospital



P.O. Box 1510, First and A Streets
Hawthorne, Nevada 89415
(775) 945-2461
FAX (775) 945-2359

(OPENING REMARKS):

Thank you, Mr. Coyle, and the BRAC Commission, for the opportunity to express the concern of Mt. Grant General Hospital about the closure of the Hawthorne Depot.

(IMPACT):

Included in the direct impacts to Mt. Grant General Hospital are:

- Reduced revenue,
- Loss of experienced staff,
and
- Reduction in routine and specialty services offered.

(NARRATIVE):

DZHC is the largest, single insured group in Mineral County. With their elimination the hospital will lose in excess of \$1 million per year.

We will lose 15% or more of our employees because of family relocations and we will lose at least one physician. It will be difficult to recruit and retain staff, including physicians and nurses.

We will be forced to reduce or eliminate some of the services we presently provide, such as Home Health and special radiological services, like MRI's. Our Home Health department makes about 5,500 home visits per year. With no home care available, many seniors will be forced to go to other communities that can provide assisted living or nursing home accommodations. Without the availability of MRI and other specialty services, Mineral County

residents will have to travel 75 to 135 miles to receive care from medical specialists.

The hospital will be unable to upgrade outdated equipment and maintain the infrastructure of the facility or provide new patient services as medical technology changes. These things will make it difficult to attract people to Mineral County.

(IN CLOSING):

- Mineral County will be losing its largest employer.
- The hospital will lose over \$1 million of revenue per year.
- Many skilled employees will relocate.
- Available medical services will be reduced.

So we ask you, Mr. Coyle, and the BRAC Commission, to include the hospital's concerns with those of the community during your considerations.

The Depot has supplied and supported military missions for over 75 years. Please, give us 75 more! Thank you!



Walker River Paiute Tribe

1022 Hospital Road • Post Office Box 220 • Schurz, Nevada 89427

Telephone: (775) 773-2306

Facsimile: (775) 773-2585

July 11, 2005

Dear BRAC Officials,

On behalf of the Walker River Paiute Tribe, I thank you for this opportunity to address the possible closure of the Hawthorne Army Ammunition Depot. The Tribe would like to announce its request to participate as a stakeholder and continue to receive information, monitor and have input during this process.

There are many different concerns of the Tribe regarding the BRAC listing of the depot. For instance, this closure not only impacts the community of Hawthorne but surrounding communities as well. As 6% of the depot workforce is Native American and a majority of this workforce commutes to Hawthorne for work, this would greatly affect the already high unemployment rate of the reservation. Other concerns would include the environmental clean up of the facilities, water, Walker Lake and Mt. Grant. One other major concern would be the status of the railroad that intersects the reservation and the use agreement the Tribe has with the Army.

I believe there needs to be further discussions with the Walker River Paiute Tribe's Tribal Council and Tribal Membership before this process continues, so as to start the Government to Government consultations. Historically, it has been the position of the Tribe that the consultation process does not begin until the Tribe is contacted directly to determine the proper consultation process.

We look forward to your response. Thank You.

Sincerely,

A handwritten signature in cursive script that reads "Laurie A. Thom".

Laurie A. Thom, Chairman
WALKER RIVER PAIUTE TRIBE

A Brief Study of the Impacts Related to the Proposed BRAC Closing of The Hawthorne Army Depot, Mineral County, Nevada



Prepared by:

**The Nevada State Demographer's Office and the
Nevada Commission on Economic Development**

Jeff Hardcastle, Nevada State Demographer

Tim Rubald, CEcD, CMSM, Interim Executive Director and Director of Business
Development & Research

Using:

Regional Economic Modeling, Inc. (REMI) 23 Sectors by County

July 11, 2005

Executive Summary

Mineral County in west-central Nevada has been host to the Hawthorne Army Depot for decades. The county contains the community of Hawthorne, which is where the Depot is located, as well as a handful of smaller communities. The county's western boundary line also serves as the state border between California and Nevada. Hawthorne is the county seat and lies 130 miles southeast of the metropolitan area of Reno/Sparks, Nevada. It is approximately 310 miles northwest of Las Vegas, Nevada.

The county in fiscal year 2004-2005 had a total assessed valuation of only \$71.5 million¹. Compare this to the statewide total of approximately \$69.7 billion², this makes the total contribution of Mineral County, from an assessed value point, approximately one-tenth of one percent of the state's total value. When the similar comparison of population is calculated, the state with 2.2 million and Mineral County having 4,673³, putting Mineral County at approximately two-tenths of one percent of the state's population, or half the assessed valuation per person as the balance of Nevada.

The significance of this is clear due to the inordinate amount of federal property in the county which doesn't pay taxes, despite the contract operator of the Hawthorne Army Depot paying the portion of the property used by them. This makes the economic activity generated by the Depot that much more valuable compared to a more "normal" economic situation. The relative isolation of the community, as well as the county, simply emphasizes this even more.

Suffice it to say that if the BRAC recommendations are carried out, the community, as well as the county, will suffer greatly unless they are able to develop some sort of alternative use of the significant investment the DOD has in the region. Even with this type of situation, it would take large amounts of capital to develop such an alternative use of those assets and the question arises, from where would the county obtain such capital?

The results of the simulations created in this study show clearly that Mineral County, and of course the town of Hawthorne, as well as other related governmental entities, would suffer the inability to meet minimum operation costs as well as any outstanding debt service. The study further shows that with the significant decline in population of some 70 percent, it is reasonable to assume that a similar fate would await businesses as well as individuals which depend on the cash flow generated by the activity taking place daily on the Depot grounds and around the area.

The study does not address any issues regarding the BRAC Committee's erroneous data calls or any possible debate on those numbers. The study simply shows, clearly, that the community of Mineral County will suffer momentous decline if the Committee's initial recommendation is followed.

¹ Nevada Department of Taxation, Fiscal Year 2004-2005, Property Tax Rates, for Nevada Local Governments.

² Same as above.

³ Nevada County Population Estimates July 1, 1990 to July 1, 2004; The Nevada State Demographer's Office

The Model

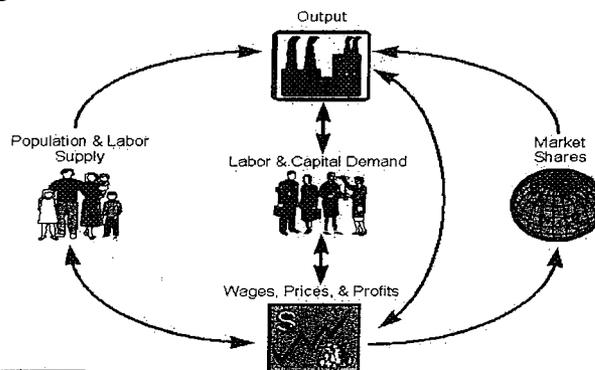
This analysis utilizes a structural economic model of Nevada developed by Regional Economic Models, Inc. (REMI) of Amherst, Massachusetts. The model is maintained by the Commission on Economic Development, the Department of Taxation through the State Demographer, and the Budget Division in the Department of Administration, with initial assistance from the Department of Transportation.

The model contains historical data from 1969 and provides forecasts and policy simulation capabilities through 2035. Shao and Treyz (1993)⁴ and Treyz, Rickman, and Shao (1992)⁵ provide additional information and documentation about the REMI model.

The REMI model is designed with the objective of improving the quality of research-based decision-making in the private and public sectors. The original REMI model was established in 1980 in response to demand for regional forecasting and simulation models. A precursor to the REMI methodology was first initiated in the mid-1970s and had its first application in the Massachusetts Economic Policy Analysis Model in 1977. The model was subsequently refined for applications by the National Academy of Sciences.

The REMI model incorporates inter-industry transactions and final demand feedbacks. In addition, the model includes substitution among factors of production in response to changes in relative factor costs, migration in response to changes in expected income, wage rate responses to changes in local labor market conditions, and changes in the share of local and export markets in response to changes in regional profitability and production costs.

The flowchart shown below provides a relatively simple overview of the model's structure and how it addresses policy-related questions. The REMI model is composed of output, labor and capital demand, population and labor supply, wage/price/profit, and market share "blocks". These blocks interact with each other to depict region-specific economic structure, and from which a consistent "control" forecast is generated. The model estimates the future impacts of the policy change (in this case, a reduction in electric rates) and generates policy effects by comparing the resulting "alternative" forecast to the control.



⁴ Shao, G., and Treyz, G.I. (1993). Building U.S. National and Regional Forecasting Simulation Models. *Economic Systems Research*, 5(1), 63-77.

⁵ Treyz, G.I., Rickman, D.S., and Shao, G. (1992). The REMI Economic-Demographic Forecasting and Simulation Model. *International Regional Science Review*, 14(3), 221-253.

Currently, REMI models are available for any county or state, or combination of counties and states, in the U.S. There are numerous and varied users of the REMI model throughout the U.S. There are approximately 35 government agencies which utilize the model, including the States of Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, New York, Vermont, and Wisconsin. Totally, about 26 consulting firms utilize various versions of the REMI model, as well as 18 universities and non-profit institutions. In addition, some six utility companies also are REMI users. Within Nevada, UNLV's Center for Business and Economic Research maintains a REMI model for southern Nevada.

Specific applications of the REMI model are also quite varied and cover a number of different policy areas including economic development, transportation, energy, the environment, taxation, and others. Specific examples include Nelson, Anderson, and Passmore (1997)⁶, Passmore and Anderson (1994)⁷. There are also several applications specific to Nevada, including Rubald (1999)⁸, Riddel (2001)⁹, and Schwer (2001)¹⁰.

The widespread use of the REMI methodology throughout the U.S. has led to extensive documentation of its value in socioeconomic analysis. The South Coast Air Quality Management District commissioned a study by the Massachusetts Institute of Technology designed to evaluate the REMI methodology and the entire socioeconomic analysis system used to obtain the impacts of implementing air pollution controls on the Los Angeles Basin (See Polenske, *et al* (1992)¹¹). The study evaluated REMI and other socioeconomic analysis models and identified "...seven features often unavailable in many other microcomputer-based regional forecasting models":

- It is calibrated to local conditions using a relatively large amount of local data, which is likely to improve its performance, especially under conditions of structural economic change.
- It has an exceptionally strong theoretical foundation.
- It actually combines several different kinds of analytical tools (including economic-base, input-output, and econometric models), allowing it to take advantage of each specific method's strengths and compensate for its weaknesses.

⁶ Nelson, J.P., Anderson, W.D., and Passmore, D.L. (1997). Economic Development and Air Pollution Abatement: A State-Level Policy Simulation of the 1990 Clean Air Act. *The Journal of Environment and Development*, 6(1), 61-84.

⁷ Passmore, D.L. and Anderson, W.D. (1994). What if it All Works? The Economic Stakes for Pennsylvania School Reform. *Pennsylvania Educational Leadership*, 14(1), 32-38.

⁸ Rubald, T. (1999). Does Economic Development Pay for Itself in Nevada?. A research paper presented at the 1999 Annual Governor's Conference on Economic Development.

⁹ Riddel, M. (2001). The Impact of the Maglev Train on the Economy of Southern Nevada: A Focus on Tourism Impacts. A research paper presented at the REMI Educational Seminar and Workshop.

¹⁰ Schwer, R.K. (2001). The First Mile is Free: An Analysis of the VentureStar Project. A research paper presented at the REMI Educational Seminar and Workshop.

¹¹ Polenske, K.R. *et al.* (1992). Evaluation of the South Coast Air Quality Management District's Methods of Assessing Socioeconomic Impacts of District Rules and Regulations: Volume I, Summary Findings and Volume II, Technical Appendices.

- It allows users to manipulate an unusually large number of input variables and gives forecasts for an unusually large number of output variables.
- It allows the user to generate forecasts for any combination of future years, allowing the user special flexibility in analyzing the timing of economic impacts.
- It accounts for business cycles.
- It has been used by a large number of users under diverse conditions and has proven to perform acceptably.

Approach

The model is available at various levels of industry detail, 23, 70, and 169 levels of industries based upon the North American Industrial Classification System (NAICS). In this study, a 23 sector model was used including Nevada's 17 counties. The model history is shortened compared to earlier versions but the economic theory is based on over 20 years of economic modeling experience by REMI. The model allows for updating county and national employment levels to reflect employment information that may become available to the user since the model was built. There are 155 policy variables that can be used to conduct scenarios to look at economic impacts.

An attempt was made to update the model with a number of significant economic activities in the state, region, and immediate area. This is a normal situation with REMI due to the fact the model is built initially with the most current data available from national sources but oftentimes local sources provide updated information.

In this case, national and county employment was updated using the Regional Information System (REIS) data from the U.S. Bureau of Economic Analysis for 2001 and 2002. The REIS data is used in building the REMI model and includes the full range of employment including proprietors. For 2003 and 2004 the update was done using employment data from the Nevada Department of Employment Security (DETR). This data is for covered employment and does not normally include proprietors. The DETR data was compared to REIS data to establish a proportional relationship and the proportion was applied to the 2003 and 2004 data to approximate the REIS data.

In addition to the updated employment information, the model has been run to create a baseline scenario that includes the proposed increase in hotel rooms through 2010 for Clark County. This created an updated baseline scenario against which simulations for Mineral County can be compared. The other baseline is what the model shows without doing any changes, that is, an "out of the box" baseline scenario.

There were three simulations run for Mineral County. The first included the expected private school proposed for the area and the High Desert Operations Center. Both of these

enterprises were included in the model as Educational Services. The assumption for this was that there are 12 employees in 2005, 55 in 2006, and 110 thereafter. The other two scenarios involved the base closing. One was with only the updated employment and the Depot closing, that is, there are no new educational establishments as businesses in Mineral County. The other was to have the Depot closing, but the educational establishments continue as businesses in the area. All the scenarios have different employment and population impacts.

Because of the prominence of the Depot, the model may be overstating its employment overtime. This is partly due to REMI having to deal with data suppression issues and the role of the Depot in the short economic history. The Depot is classified as Administration and Waste Services. The employment at BAE Systems was classified as Professional and Technical Services. Also considered was the civilian employment. The employees that were subtracted beginning in 2011 are shown in the table below.

Hawthorne Direct Employment Losses			
	Admin, Waste Services	Profess, Tech Services	Civilian
2011	634	20	45
2012	636	20	45
2013	633	20	45
2014	631	20	45
2015	629	20	45
2016	626	20	45
2017	623	20	45
2018	620	20	45
2019	617	20	45
2020	613	20	45
2021	610	20	45
2022	606	20	45
2023	602	20	45
2024	599	20	45
2025	595	20	45
2026	592	20	45
2027	589	20	45
2028	587	20	45
2029	585	20	45
2030	583	20	45
2031	581	20	45
2032	579	20	45
2033	578	20	45
2034	576	20	45
2035	574	20	45

The study is limited to the impacts of the Depot closing in Mineral County. The impact of the closure on other counties is not included in this report. It appears that because of the

limited industry detail, a limited number of the jobs in the Administrative and Waste Services category that are lost in Mineral County are added into other counties. This transfer of jobs would likely not occur with a better ability to model the impacts with greater detail, such as running the simulation on a 70 or 169 level of industry classification. The model was run to 2035 as part of a larger process for developing Nevada's population projections by the State Demographer's office. The REMI model is based on Federal data and the population estimates in the model are based on Census data and are not the same as the estimates developed by the State Demographer's office.

Outputs and Results

Depending on the possible development of other industries, which at this time the best opportunity for Mineral County appears to be Educational Services, there are a number of potential impacts that appear to happen as a result of the Depot closing. The model has the Depot losing 699 jobs in 2011 and is displayed in more detail in the following pages.

Of particular significance, the model shows Mineral County, in 2035, under a base closing simulation, to appear as follows:

- 1. There will be a loss of 1,116 to 1,224 jobs, or an additional .75 jobs lost for every job lost at the Depot.**
- 2. The population will decrease by more than 70% to somewhere around 1,300 people.**
- 3. The remaining population will be a much older population with over 38% of the population being 65 and over and a median age of 50 years compared to a current median age of 40.**

The change of demographics and workforce of a community that drastic is very significant. Unless something in the simulation inputs changes over time, such as not closing the Depot or somehow being able to replace its economic contribution to the region, it is painfully obvious the region will not survive economically.

The following tables show the results of the simulations, and impacts of the closure of the Depot. The following tables show the different baselines and the different scenarios for 2005. All values are reported as thousands in the following tables. Table One shows the levels in the scenarios for 2005. Table Two shows Mineral County in 2035. Table Three shows the differences between 2005 and 2035. Table Four shows the percentage differences for Mineral County by 2035. Table Five shows the age composition in 2005 and 2035.

TABLE ONE – MINERAL COUNTY 2005

	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2005	2005	2005	2005	2005
Total Emp (Thous)	2.277	2.465	2.465	2.478	2.478
Variable	2005	2005	2005	2005	2005
Population (Thous)	3.809	3.886	3.886	3.888	3.888
Labor Force	1.788	1.859	1.859	1.861	1.861
Variable	2005	2005	2005	2005	2005
Profess, Tech Services	0.055	0.066	0.067	0.067	0.067
Mngmt of Co, Enter	0	0	0	0	0
Admin, Waste Services	0.545	0.614	0.614	0.614	0.614
Educational Services	0	0	0	0.012	0.012
Health Care, Social Asst	0.133	0.125	0.125	0.125	0.125
Arts, Enter, Rec	0.089	0.099	0.098	0.098	0.098
Accom, Food Services	0.167	0.171	0.171	0.171	0.171
Other Services (excl Gov)	0.099	0.073	0.073	0.073	0.073
Variable	2005	2005	2005	2005	2005
Ages 0-14	0.555	0.575	0.575	0.575	0.575
Ages 15-24	0.635	0.650	0.650	0.650	0.650
Ages 25-64	1.790	1.831	1.831	1.832	1.832
Ages 65 & Older	0.830	0.830	0.830	0.830	0.830
Total Population	3.810	3.886	3.886	3.887	3.887

Table One simply shows Mineral County in its current status. It's important to note that in this chart the base closure doesn't change the output numbers at all which is what would be expected considering the possible event, the modeled event, hasn't taken place at this point in time. Other tables take this possible event into consideration and then compare the two situations over the thirty year period of time.

TABLE TWO – MINERAL COUNTY 2035

	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2035	2035	2035	2035	2035
Total Emp (Thous)	2.037	2.239	1.241	2.353	1.362
Variable	2035	2035	2035	2035	2035
Population (Thous)	2.295	2.397	1.038	2.478	1.122
Labor Force	1.320	1.401	0.593	1.458	0.652
Variable	2035	2035	2035	2035	2035
Profess, Tech Services	0.09	0.109	0.075	0.11	0.076
Mngmt of Co, Enter	0	0	0	0	0
Admin, Waste Services	0.518	0.574	0	0.575	0
Educational Services	0	0	0	0.103	0.101
Health Care, Social Asst	0.221	0.209	0.174	0.21	0.176
Arts, Enter, Rec	0.088	0.096	0.083	0.096	0.084
Accom, Food Services	0.160	0.162	0.129	0.162	0.130
Other Services (excl Gov)	0.066	0.048	0.036	0.048	0.037
Variable	2035	2035	2035	2035	2035
Ages 0-14	0.384	0.401	0.137	0.414	0.153
Ages 15-24	0.342	0.353	0.140	0.365	0.152
Ages 25-64	1.091	1.152	0.360	1.201	0.407
Ages 65 & Older	0.477	0.491	0.401	0.498	0.410
Total Population	2.294	2.397	1.038	2.478	1.122

The columns "REMI 'Out of the Box'," "Employment Updated for All Counties," and "Education Jobs Coming Into Mineral County," all three anticipate there will be no base closure and no other significant changes in the economy. "Updated Employment with Base Closure" and "Education Jobs with Base Closure," both show the effects of the Depot closing; the first without the expected new educational sector jobs and the last column reflects the influx of the anticipated new jobs.

TABLE THREE – DIFFERENCES BETWEEN 2035 AND 2005

Variable	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2035	2035 vs. 2005	2035 vs. 2005	2035 vs. 2005	2035 vs. 2005
Total Employment (Thous)	-0.240	-0.226	-1.224	-0.125	-1.116
Variable	2035	2035	2035	2035	2035
Population (Thous)	-1.514	-1.489	-2.848	-1.41	-2.766
Labor Force	-0.468	-0.458	-1.266	-0.403	-1.209
Variable	2035	2035	2035	2035	2035
Profess, Tech Services	0.035	0.043	0.008	0.043	0.009
Mngmt of Co, Enter	0	0	0	0	0
Admin, Waste Services	-0.027	-0.04	-0.614	-0.039	-0.614
Educational Services	0	0	0	0.091	0.089
Health Care, Social Asst	0.088	0.084	0.049	0.085	0.051
Arts, Enter, Rec	-0.001	-0.003	-0.015	-0.002	-0.014
Accom, Food Services	-0.007	-0.009	-0.042	-0.009	-0.041
Other Services (excl Gov)	-0.033	-0.025	-0.037	-0.025	-0.036
Variable	2035	2035	2035	2035	2035
Ages 0-14	-0.171	-0.174	-0.438	-0.161	-0.422
Ages 15-24	-0.293	-0.297	-0.510	-0.285	-0.498
Ages 25-64	-0.699	-0.679	-1.471	-0.631	-1.425
Ages 65 & Older	-0.353	-0.339	-0.429	-0.332	-0.420
Total Population	-1.516	-1.489	-2.848	-1.409	-2.765

If the Depot continues on its currently anticipated path with the BRAC recommendation, closing, Table Three shows the results of this in the "Updated Employment with Base Closure" and "Education Jobs with Base Closure" columns. The total population of the county will decrease by somewhere between 2,765 to 2,848 people.

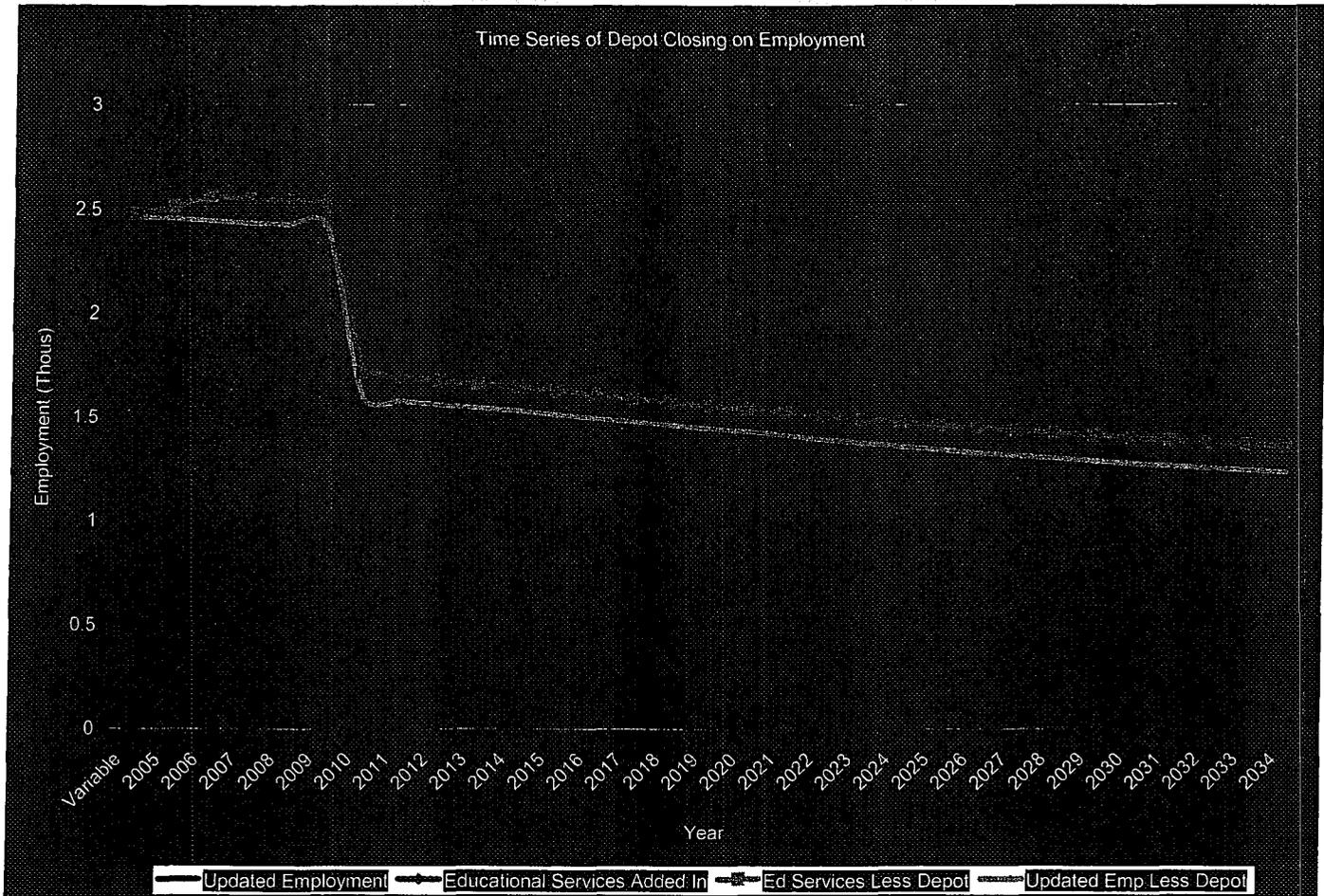
TABLE FOUR – PERCENTAGE CHANGE FROM 2005 to 2035

	REMI Out of the Box	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2035	2035	2035	2035	2035
Total Empl. (Thous)	-10.5%	-9.2%	-49.7%	-5.0%	-45.0%
Variable	2035	2035	2035	2035	2035
Population (Thous)	-39.7%	-38.3%	-73.3%	-36.3%	-71.1%
Labor Force	-26.2%	-24.6%	-68.1%	-21.7%	-65.0%
Variable	2035	2035	2035	2035	2035
Profess, Tech Services	63.6%	65.2%	11.9%	64.2%	13.4%
Mngmt of Co, Enter	0.0%	0.0%	0.0%	0.0%	0.0%
Admin, Waste Services	-5.0%	-6.5%	-100.0%	-6.4%	-100.0%
Educational Services	0.0%	0.0%	0.0%	0.0%	0.0%
Health Care, Social Asst.	66.2%	67.2%	39.2%	68.0%	40.8%
Arts, Enter, Rec	-1.1%	-3.0%	-15.3%	-2.0%	-14.3%
Accom, Food Services	-4.2%	-5.3%	-24.6%	-5.3%	-24.0%
Other Services (excl Gov)	-33.3%	-34.2%	-50.7%	-34.2%	-49.3%
Variable	2035	2035	2035	2035	2035
Ages 0-14	-30.8%	-30.3%	-76.2%	-28.0%	-73.4%
Ages 15-24	-46.1%	-45.7%	-78.5%	-43.8%	-76.6%
Ages 25-64	-39.1%	-37.1%	-80.3%	-34.4%	-77.8%
Ages 65 & Older	-42.5%	-40.8%	-51.7%	-40.0%	-50.6%

The above table reflects the numerical changes in the form of percentages. This definitely puts the situation into perspective, especially if you look closely at the third and also the last column of the table. The Health Care and Social Assistance category reflects a 40 percent loss in that category.

Table Five – Age Composition 2035 vs. 2005

Variable	REMI Out of the Box	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
	2005	2005	2005	2005	2005
Ages 0-14	0.555	0.575	0.575	0.575	0.575
Ages 15-24	0.635	0.650	0.650	0.650	0.650
Ages 25-64	1.790	1.831	1.831	1.832	1.832
Ages 65 & Older	0.830	0.830	0.830	0.830	0.830
Total	3.810	3.886	3.886	3.887	3.887
2005 Median Age	40.0	39.7	39.7	39.7	39.7
Percentage Distribution					
Ages 0-14	14.6%	14.8%	14.8%	14.8%	14.8%
Ages 15-24	16.7%	16.7%	16.7%	16.7%	16.7%
Ages 25-64	47.0%	47.1%	47.1%	47.1%	47.1%
Ages 65 & Older	21.8%	21.4%	21.4%	21.4%	21.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
	2035	2035	2035	2035	2035
Ages 0-14	0.384	0.401	0.137	0.414	0.153
Ages 15-24	0.342	0.353	0.14	0.365	0.152
Ages 25-64	1.091	1.152	0.36	1.201	0.407
Ages 65 & Older	0.477	0.491	0.401	0.498	0.41
Total	2.294	2.397	1.038	2.478	1.122
2035 Median Age	39.4	39.4	50.9	39.3	49.2
Percentage Distribution					
Ages 0-14	16.7%	16.7%	13.2%	16.7%	13.6%
Ages 15-24	14.9%	14.7%	13.5%	14.7%	13.5%
Ages 25-64	47.6%	48.1%	34.7%	48.5%	36.3%
Ages 65 & Older	20.8%	20.5%	38.6%	20.1%	36.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



In closing, the graphic above indicates the continuing decline of the employment in the county after the simulated closing of the Depot. The community has just recently recruited new companies into the area and they reflect the increasing trend shown in the light blue line during 2006 and 2007. The Depot being shut down at this point in time would probably jeopardize these new businesses as well.

###

Good Afternoon.

Since we have been put on the BRAC list, I have been consumed. I am sad, mad and confused over this decision.

Here is my take:

Close HWAD	Save \$777 million
Environmental Cleanup	deduct \$529 million
Ship stocks to Tooele	deduct \$81 million
Demil Stocks	deduct \$176 million
The balance is \$9 million.	
In the hole.	

The DOD says Hawthorne is simply a storage site, they have no active maintenance, no active distribution and no active demil. Hawthorne has accessibility and outloading problems. BRAC them.

If this is true, how can we demil over 130,000 tons of stocks in five years? How can we ship over 51,000 tons in each of three years? The DOD BRAC'd us for the very things they expect us to now accomplish.

The kicker is that in 2011, we will dismantle all our WADF equipment and ship to Tooele, where a new WADF will have been constructed.

It doesn't add up.

How many employees do you think will hang around if we remain on the BRAC list? Not many. Most will want to get off the sinking ship as soon as possible. This of course will start the ripple effect in the community.

I have lived in Hawthorne since 1964. I work for DZHC. I support all the local businesses. I do not have to lock my doors. My kids are safe walking to the park, to the store or to their friends.

I can water ski, snow ski, four wheel, and hike within minutes. I can see the stars every night and believe me they are beautiful. We have no encroachment whatsoever. This is quality of life and could only happen in a small town. I am here by choice.

DCN: 11823

We truly are America's Patriotic Home. The warfighter continues to be our #1 priority. By closing the depot, you will certainly issue the death sentence to the Town of Hawthorne.

I love Hawthorne, HWAD and the people of this community. Don't BRAC us. I will leave you with photos of what our community will look like if we are BRAC'd

Thank you.

D. Sitton



(775) 945-3321

540 F Street ~~~ HAWTHORNE, NEVADA 89415 ~~~ P.O. Box 1000

July 11, 2005

U.S. Department of Defense
Base Realignment and Closure Commission

Re: Hawthorne Army Depot

Dear Commission Members:

I represent the El Capitan Casino and Resort in Hawthorne. Our business is the second largest private employer in Mineral County. Our business and our employees contribute a huge amount of financial support to Mineral County and the State of Nevada. Last year alone the El Capitan contributed \$680,000 in state and local taxes.

The possible closure of the Army Depot will devastate our community, our people, and our businesses. The impact, however, is much greater and deeper than that. Estimates of the financial impact predict thirty to fifty percent of the people of Hawthorne will lose their jobs. This will virtually turn our vital community into a ghost town.

For seven decades, or more, the patriotic and loyal people of Hawthorne and the Army Depot have proudly supported and worked with each other to benefit our country. It has been a strong and deep commitment. Some of America's finest have served and been trained here. The Hawthorne Army Depot has, for decades, served and protected America in times of war and in peace.

Closing the door on the community of Hawthorne, after this historic and patriotic relationship with our military base is not what this nation's citizens want or deserve. It is certainly not what the community of Hawthorne wants or deserves. In simple words, it's just plain wrong. We urge you not to close the Army Depot at Hawthorne.

We thank you for your service on this commission and ask for your careful and thoughtful consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "Bernard W. Curtis".

Bernard W. Curtis, Director of Government Relations
Holder Hospitality Group // El Capitan

A handwritten signature in black ink, appearing to read "Richard Metts".

Richard Metts, General Manager
El Capitan Resort Casino

Statement by Wade Barton to the BRAC commission July 11, 2005

Every dollar spent at the Depot has a multiplier.

The dollars paid to the Depot employees, and the dollars spent at local businesses are spent again and again in our community.

I get paid for a sign. I go to Bruce Dow for a dental check up, & Scotty's, and get my truck serviced.

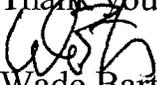
The dollars I spend are then used for wages and supplies. Scotty's get their fuel from Western Central. Those dollars are used for wages, supplies,. The people earning those wages spend their dollars at Safeway, Wagner's, Napa, etc.

Businesses survive because of the dollars that come through the Depot

Without those fresh dollars coming in our economic base is doomed. It will cause a domino effect. People will lose their homes. Property values will plummet. We will lose our Hospital, Library, and eventually our school.

If it is closed we must demand total cleanup and or the opportunity to solicit other parties interested in the storage business to utilize the facility.

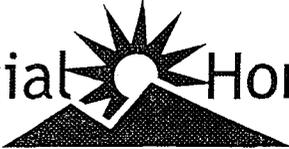
Thank you for this opportunity to speak.


Wade Barton

P.O Box 83

Hawthorne, Nevada 89415

(775) 945-8898.

Financial  Horizons Credit Union
Lifetime Banking Solutions

July 11,2005

The Honorable BRAC Commission

Good Afternoon,

My name is Barbara Reuter, and I am President of Financial Horizons Credit Union, one of two Financial Institutions in Hawthorne. I am honored to have the opportunity to speak with you today. Our credit union originated as NAD Federal Credit Union in 1947, serving only the Naval Ammunition Depot employees. We have since changed to a community credit union, however a large number of our members work at the Depot.

We receive direct deposits bi-weekly from Hawthorne Army Depot payroll exceeding \$286,000, of that, approximately 15% are loan repayments. There would be a definite impact on our credit union if members were unable to repay their loans. As a mortgage lender, the most recent appraisals on homes now have a notation that the closing of the base would negatively affect the value of the home.

Can you imagine not only losing the job you thought would take you to retirement, but being unable to sell your home because of the economic conditions in your community? These are some of the issues we will be facing if the base closes. Please consider the impact of your upcoming decision on our community, Thank you.

Respectfully,

Barbara S Reuter
President/CEO

Hello Commissioner Coyle,

My name is Yvonne Downs and I moved to Hawthorne seven years ago. In this time I've learned to love the safety & security that Hawthorne provides to families. I love that Hawthorne's citizens take great pride in being America's Patriotic Home. I love that the Depot is a family oriented business. My husband has a brain tumor & can only work part time. With his handicap, both the town & work provide a supportive environment that you can't get in the city. We also have a 77 year old Aunt that lives with us for about ½ the year. She has lived in Hawthorne for over 50 years. I am the sole supporter of our family & there is NO WAY that I would be able to live in a city & support us. My sister moved here this year to get away from the stresses of the city. We both feel that Hawthorne provides work comparable to city life with the safety & security that only a small town can provide. If you close the Depot it will mean that families such as mine will be forced to move & experience hardships that we can't imagine with the loss of our quality of life & limits to our choices. Please DO NOT close the Hawthorne Army Depot.

Thank you.



P.O. Box 2509
3050 Industrial Loop
Hawthorne, NV 89415
(775) 945-2222

Good afternoon. I'm Burton Packard, owner and operator of Bucket of Mud Ready Mix. I bought this business about a year and a half ago with the dream of being a successful businessman. So far, so good.

Now we face the possible elimination of the largest employer of our community. The closing of the Hawthorne Army Depot would be devastating to our businesses, our families, and our community.

Twenty-five years ago I came to Hawthorne to begin my adult life. Since then, my wife and I have built our dream home with our very own hands, raised our family, and had a successful career with Day & Zimmermann progressing from a firefighter trainee to the fire chief. From there, I decided to take on the ownership of my own business. Where else but Hawthorne could I have all of these opportunities? I only hope my two children will be so fortunate.

I don't need to tell you that a 50% decrease in our small town's population will affect my concrete business. No people, no construction, no business. I don't want this town to perish. This is my home and I do not want to leave!

In closing, I would like to thank you for taking time out of your busy schedule to visit us. I'm sure that you will find we are worth the effort.

Sincerely,

Burton A. Packard Jr.

Owner, Operator



Monday, July 11, 2005

Dear Honorable BRAC Commissioners:

My name is Michelle Dow and I am the wife and business partner of my Husband Bruce Dow, and together we run a dental practice in Hawthorne. Please listen carefully to the numbers that I am going to throw at you. 46,000, 9,44,125,000,75,0, 2 Because, these numbers represent to my family and me the losses that will be associated with the closure of the depot.

- \$46,000 per month in total payroll cost largely spent in Hawthorne. GONE.
- 9 employees. GONE
- 44% of our total patient base directly associated with depot. GONE.
- \$125,000 in uncollected revenue directly associated with last riff of only 100 employees at the depot.
- 75 miles people will have to travel to the nearest dental facility.
- 0 Dentists left in Mineral County
- 2 daughters who will be greatly wounded by moving away from the only home they've ever known.

These numbers are a startling revelation of the devastation that not only affects my family and business but virtually every family and business in the county. My family will most certainly have to move away from a beautiful lifestyle and I am not talking about financially. 29 years ago my husband left Hawthorne for dental school in Milwaukee, with every intention on bringing his education and expertise back to Hawthorne to help the people who live in and around this area. We have invested all our time and all of our resources to provide state of the art dental facility including digital radiography. If the base closes we will not be able to sell our practice for retirement, we will not be able to sell our home and we may not be able to help our children through college. The sad part about what I just said is that we will be only one of all the families located in Hawthorne that will suffer the same if not more.

My family and all citizens of take pride in the clean air, the many outdoors activities the friendly people and the realization that we belong to a community that takes care of one another.

In the business of dentistry, we take care of all people who come to us. My husband is one of very few dentists in the state of Nevada that accepts Medicaid (welfare), and when considering rural Nevada he is the only one within 75 miles who accept Medicaid. In other words, the poor will suffer again. Many of the patients we see on these low income programs don't even have a car, they walk where they need to go. If in the future they have need to see a dentist they may not have access because they can't drive the 75 miles required or they will have to find transportation and wait in pain.

Please consider the unique qualities of Hawthorne. We are not just a Depot, We are proud Americans who support our military 100%. We embrace all things military and have the capabilities and trained workforce to get the job done.

The Economic impact of the Depot closure will be catastrophic for an already struggling community. When the County's largest employer is lost the trickle down affects will occur immediately. The educated population will begin looking for employment else where, they will take their kids from our schools, the population will dwindle and all the businesses will begin to close. Services such as healthcare, fire protection, law enforcement will suffer, our taxes will go up, homes will be boarded up because they won't have any value. There will be many desperate people and therefore crime and abuse will go up. Closure will be like dropping a bomb on Hawthorne. Some will die, some will be forever handicapped and the others will leave out of fear. Thank you for caring enough to come and listen to our desperate plea for survival today.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Dow". The signature is written in black ink and is positioned above the printed name.

Michelle Dow

July 11, 2005

Department of Defense
BRAC Committee

Dear Committee Members;

My wife and I would like to take this opportunity to tell you about our business. We started our plumbing business in 1999. It has been a very successful venture for us.

A year and a half ago we made a bid to do the maintenance on the housing units at the Hawthorne Army Ammunition Depot. We received this contract and have since employed seven full time employees and one part time employee. The approximate annual payroll is \$156,000.00.

My wife has lived in Hawthorne all of her life and I made Hawthorne my home 22 years ago. We enjoy living in Hawthorne and want to continue to make our future home here. We have recently purchased eight acres of land to build a new home for ourselves and then sub-divide the rest of the acreage and sell to others.

The closure of the Hawthorne Army Ammunition Depot would be a dramatic loss for my wife and me. Not only would our business suffer with the loss of eight employees and their families, but our dream of having a nice home and a chance to see our land investment become a reality would diminish.

We understand that this letter is just one of many that you are reading asking for the Hawthorne Army Ammunition Depot to be removed from the closure list. We feel the closure of the base is an important event in our business and private life as well as the community of Hawthorne.

We would like to thank you for reading our letter and in some way hope that you change your mind and remove the base from the closure list.

Sincerely,

Curtis Stoddard
Patricia Stoddard

Curtis and Patricia Stoddard
B & S Plumbing
P O Box 2506
Hawthorne NV 89415

DCN: 11823

Jan Bunning
PO Box 264, Mina NV 89422
Ph. 775-573-2202 Email: bizzyb@gbis.com

July 9, 2005

BRAC Commission.
2521 South Clark St Suite 600
Arlington, VA 22202

Dear Commissioners:

Nevada is the fourth largest state in the Union. It has 17 counties. Mineral County is one of the largest. Hawthorne is the County Seat but, there used to be two more viable towns within it. Luning is 25 miles south and Mina, approximately ten miles more. Both of these towns are near ghost towns today and neither was dependent upon the base for most of their local employment..

You might say Mineral County has almost been "BRACKed" off the map at this point.

Luning depended upon a processing and loading facility for Basic Refractories in Gabbs, 30 miles north. I can't say with any certainty how long this facility was operational. I do know, however, that my own father retired from there after 22 years. Magnesium oxide was hauled by truck from Gabbs and loaded onto rail cars in Luning. This provided a second major employer in the town - Wells Cargo Trucking. Wells Cargo maintained a shop and drivers in the area. These jobs supported local businesses to provide even more jobs and services.

Mina had a roundhouse for the Southern Pacific trains that came down from Wabuska and turned around with their loads to return. Foote Minerals and Dicalyte both had bagging and production facilities in town, trucking the ore in from the mines, and Standard Oil maintained a tank farm. These, as well as a number of other smaller users of the rail, provided a generally good small town business climate. Most of the goods and services a person required that could not be found locally, could be found in Hawthorne.

Then, in the late 1980s, Southern Pacific Railroad determined they were not making enough money on this run and pulled their trains out. Every one of the above business operations were forced to close their Mina and Luning operations. Almost everyone who had a local job was put out of work. Some hung on working in the mines in this part of the county but, then, FMC Paradise Peak Mine shut down, followed by the Corona Santa Fe Mine and finally, the Candelaria Mine. With these closures almost all of the younger people were forced to move in order to care for their families.

DCN: 11823

Mina has lost its school, its Justice Court, seen its library cut to less than 20 hours a week, seen property values drop by another 29% at the last Assessor's appraisal, and the loss of a critical local customer base that has forced even further business closures. It has also been left with 91 acres of prime highway frontage land that cannot be sold or leased by the railroad because of contamination from the round house and facilities that had been there before. It would take millions of dollars to clean this land and make it usable. The railroad is not willing to make the expenditure, nor are any prospective buyers.

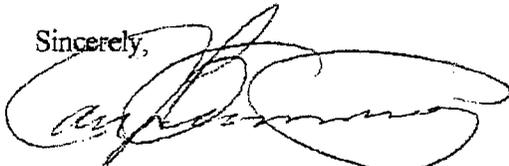
These losses cost not only the local economies but, made a tremendous impact on Hawthorne's business community, as well.

And then, to make matters worse, the last BRAC Commission took Hawthorne's Tier One Status and gave it to Tooele, causing a loss of another 300 jobs. More businesses in Hawthorne closed. More mine closures caused even more young families to relocate. Hawthorne's property values were also reduced dramatically. The loss of young people has been replaced by older people on drastically low fixed incomes that put an even greater drain on Mineral County for services and indigent care. Sales tax dollars are now going to Churchill, Lyon, Washoe Counties in Nevada and to Bishop, California.

The county is struggling for survival now without losing the approximate 550 jobs that would go with the base closure. You would be forcing Mineral County into bankruptcy and that toll would be felt by taxpayers everywhere.

I strongly urge you to reconsider DoD's recommendation for closure of the Hawthorne base and to look more carefully at the facts.

Sincerely,



JAN BUNNING, Vice Chairman

Mina Town Advisory Council

cc: Senator Harry Reid

Senator John Ensign

Congressman Jim Gibbons

Governor Kenny Guinn

**BRAC COMMISSION LETTER RECEIPTS
EXECUTIVE SECRETARIAT ROUTING SLIP**

FROM: DIANE CARNEVALE, DIRECTOR, ADMINISTRATION AND OPERATIONS

TO:

DATE: 6/28/05

Gary Dinside, Army Team

CC:

Frank Cicillo

*Liz - I will plan to go!
When + where?*

[Signature]

ACTION ITEM SUSPENSE DATE FYI/REVIEW

LOG # 062201

COMMENTS:

DCN: 11823

Congress of the United States

Washington, DC 20515

06222005

June 17, 2005



RECEIVED

Defense Base Closure and Realignment Commission
2005 Defense Base Closure and Realignment Commission
2521 S. Clark Street, Suite 600
Arlington, Virginia 22202

06222005

To All Commissioners:

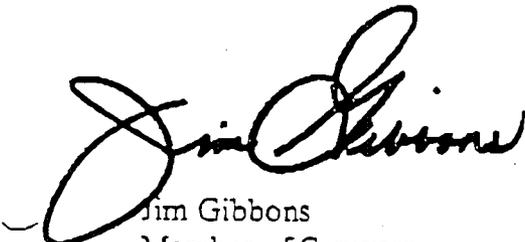
The purpose of this letter is to respectfully request that the 2005 Defense Closure and Realignment Commission ("BRAC") conduct a sight visit at the Hawthorne Army Depot located in Hawthorne, Nevada. The installation is slated to be closed completely in this final round of BRAC. We feel the recommendation of closure was based on inaccurate information regarding the mission of the depot as well as the economic impact to the community.

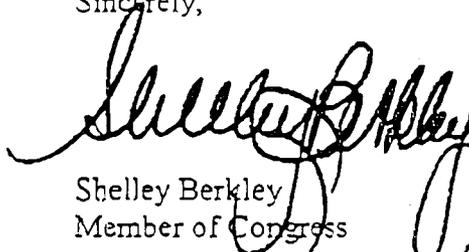
We specifically request that either a commissioner or a staff member visit Hawthorne as soon as possible. We trust in the BRAC's mission "to assess whether the Department of Defense (DoD) recommendations substantially deviated from the Congressional criteria used to evaluate each military base." In holding to this mission, we believe that a site visit will aid the Commission's assessment abilities and will reveal a "substantial deviation from the Congressional criteria" used to evaluate Hawthorne. A visit will allow depot personnel, as well as local business and community leaders, to better educate the Commission on evaluation inaccuracies and reasons why the installation should be removed from the closure list.

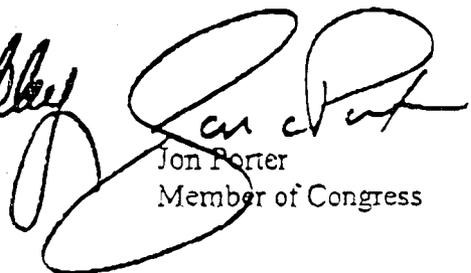
It is our understanding that in addition to military value, the Commission also considers the human impact when determining a base closure. We truly believe that only by visiting Hawthorne Army Depot, and the surrounding community of Hawthorne, will the Commission be able to accurately and fairly determine the "possible economic, environmental, and other effects on the surrounding communities."

Thank you for your careful consideration of this important request. We look forward to a expeditious and favorable response from the Commission.

Sincerely,


Jim Gibbons
Member of Congress


Shelley Berkley
Member of Congress


Jon Porter
Member of Congress

INDUSTRIAL JOINT CROSS SERVICE GROUP

June 16, 2005

MEMORANDUM FOR R. GARY DINSICK, ARMY TEAM LEADER

SUBJECT: REQUEST COMMENT ON HAWTHORNE ARMY DEPOT,
KANSAS AAP, AND LONE STAR AAP

The following is in response to an e-mail inquiry of June 9, 2005, where you asked the following questions:

Question:

Attached for your review and comment are issues tied to the closure of army bases, Lone Star, Kansas AAP, and Hawthorne Army Depot. For all three installations, representatives of the communities and Day and Zimmerman the contractor stated that the personnel numbers were inaccurate, noting that information provided in response to data calls was not used or incorporated into the final recommendation, and that the contract workforce had not been taken into consideration. In each case, the facility is government-owned, contractor-operated (GOCO), meaning that the workforce is contractual by nature instead of a more typical federal civilian workforce. Please respond as to what the correct personnel figures should be at each installation.

Answer:

Information provided in response to the data call on the civilian and contractor workforce was used in the analysis. There were eight specific Military Value questions that asked each installation to identify the number of Civilian Government Employees and Contractor Employees supporting munitions production, maintenance, storage/distribution and demilitarization. In an effort to ensure all installations were evaluated equally, each installation was told to provide this information as of a specific point in time, September 30, 2003. The workforce numbers utilized in the analysis were originally certified as accurate at the installation level.

Question:

The concern was presented that closure of Hawthorne with movement to Tooele Army Depot was not logical as movement was occurring from a large facility into a smaller facility. How was the decision made to move the Hawthorne mission to Tooele?

Answer:

Size was not the determining factor for site retention, or military value. Tooele is one of the Department's Tier I power projection platforms in the West (*Tier I is defined as*

follows: Active Core Depots installations will support a normal/full-up activity level with a stockage configuration of primarily required stocks and minimal non-required stocks during demilitarization. Normal activity includes daily receipts/issues of training stocks, storage of war reserve stocks required in contingency operations and additional war reserve stocks to augment lower level tier installation power projection capabilities. Installations at this activity level will receive requisite levels of storage support, surveillance, inventory, maintenance, and demilitarization.) It sits at a major convergence of trans-continental rail lines, interstate highways (east-west and north-south), and airfields (both military and civilian). It shipped more than 1,000 containers (20,000 tons plus) of ammunition in support of OEF and OIF and maintains a Stryker Brigade Combat Team (SBCT) ammunition basic load configured in support of the I Corps rapid deployment mission. Tooele's ammunition storage stockpile consists largely of critical go-to-war stocks that can be quickly out-loaded and moved to transportation nodes in response to all contingencies and mission demands.

Question:

With respect to Hawthorne, the community mentioned that there would be a significant issues with permits in Utah and there would also be a significant community (Utah) concern regarding the demil work that would move from Hawthorne to Tooele. Please discuss Utah requirements and information, with regard to environmental permits and requirements to successfully move the Hawthorne mission to Tooele.

Answer:

There is an environmental impact statement provided in Criteria 8 and the analysis includes \$1.1M for a New Source Review and Environmental Impact Study. There are no reported Air Permit thresholds or noise impact. There are no known, or anticipated, Tooele community concerns.

Within the mandated BRAC timeframes, Hawthorne will demil in place all existing unserviceable and obsolete stocks. Tooele will receive future demil workload.

Question:

Please discuss how each of the missions at Hawthorne Army Depot was considered in the closer of the facility; particularly their demilitarization capability?

Answer:

The missions identified for Hawthorne are Tier II storage/distribution (*Tier II is defined as follows: Cadre Depots are installations that perform static storage of follow-on war reserve requirements. Daily activity will be minimal for receipts/issues. Workload will focus on maintenance, surveillance, inventory, and demilitarization operations*) and demilitarization. The most critical portion of their mission is storage/distribution.

With respect to the storage and distribution mission Tooele is one of the Department's Tier I power projection platforms in the West and following demil of the existing stockpile, will be able to accommodate future requirements. The demilitarization mission

comparison follows: Hawthorne has the capability to demil 27 different Munitions Items Disposition Action System (MIDAS) class munitions and Tooele has the capability to demil 25 (duplicating 81% of Hawthorne's capability). Hawthorne demils 5 classes of munitions that Tooele does not have the capability to demil and Tooele has 3 classes that Hawthorne does not have the capability to demil. Both Hawthorne and Tooele have the ability to perform Open Burn/Open Detonation (OB/OD), incineration, and reclamation and reported comparable capacity. Following demil of the existing stockpile, the remaining multi-functional sites will be able to fulfill the projected 2025 demil requirements.

Question:

Were any other scenarios explored which did not close Hawthorne, but realigned other sites and moved missions to Hawthorne? If so, what were the scenarios and why were they rejected?

Answer:

There were no scenarios explored that realigned other sites and moved mission to Hawthorne. A guiding principle was to consolidate to multi-function installation that would permit the Army to Supply, Service, Maintain, Deploy, and Employ. The focus of the joint cross service group was to retain as many multi-functional installations as necessary that have the capacity and capability to produce munitions, store/distribute munitions, demil munitions, and perform maintenance on munitions.

A sequential process used in evaluations: The first phase gathered information on capacity, capability, military value data and requirements to support the 20 Year Force Structure Plan. Reviewed the capacity and capability needed to support the military departments. Established priorities: Retain multifunctional infrastructure that supports production, storage/distribution, demilitarization, and maintenance. The second phase of the process was the development of recommendations. Step one established scenarios that ensured we retained the capacity and capability to produce the munitions commodities needed to support the joint forces. Step two established scenarios that made sure we retained the storage/distribution sites needed to provide the power projection platform needed to support rapid deployment (if a site was retained in Step one for production and met the criteria needed in Step two, it was an automatic carry over). Step three retained the sites needed to perform demilitarization (if a site was retained in Steps one and/or two for production and storage/distribution, and met the criteria needed in Step three, it was an automatic carry over). Step four then retained the additional sites needed to perform munitions maintenance.

Question:

With regard to Lone Star and Kansas, please discuss how you accounted for and incorporated the complexity of manufacturing ammunition into the recommendations.

Answer:

The complexity of munitions manufacturing processes were incorporated into the military value portion of the analysis. The sites input to that portion of the analysis is in questions relating to Munitions Explosives Processes, Munitions Metal Parts Processes, Munitions Load, Assemble, and Pack. Those processes were considered and used in BRAC Criteria 1 and Criteria 3.

Question:

There was a discussion and reference to a RAND study which recommended privatization in place of all the ammunition plants. Please provide a COBRA run, analysis and comments on the potential for a suggestion to privatize both Lone Star and Kansas in place.

Answer:

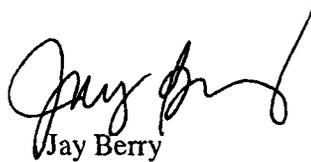
Your request for a COBRA run to privatize Lone Star and Kansas is not possible without an extensive data call. Failure to privatize was not an oversight on our part. Our early analysis noted that out through FY 2004 – FY 2006 the four Load, Assemble, and Pack (LAP) plants that produce similar products (High Explosive (HE) melt pour artillery and mortar rounds) had extremely low production utilization rates (Iowa (35%), Lone Star (5%), Kansas (10%), and Milan (15%)). This was an indicator that there is excess in the industrial base and there a need to reduce the number of LAP plants, not privatize. Privatization in place would not fix the fact that we have too many LAP plants. It merely shifts ownership from the government to the commercial sector while retaining the same number of producers and degrading efficiencies that could result from these recommendations. Ultimately, the Department would still be paying for excess capacity. For instance, if the decision was made to privatize Lone Star and Kansas, and compete the contract among the four LAP plants (two in the government base and two in the commercial sector), and privatized Lone Star won the competition, the government will pay overhead twice. Once to the winner of the competition (through prices paid to Lone Star) and again to maintain the two plants retained within the organic industrial base.

The focus of the BRAC analysis was to perform a strategic and tactical analysis that makes the existing industrial base more efficient while providing DoD with the ability to: Supply, Service, and Maintain (the Department needs access to logistical and industrial infrastructure capabilities that are optimally integrated into a skilled and cost efficient national industrial base that provides agile and responsive global support to operational forces) and Deploy & Employ (Operational) (the Department needs secure installations that are optimally located for mission accomplishment (including homeland defense); that support power projection, rapid deployment, and expeditionary force requirements for reach-back capability; that sustain the capability to mobilize and surge; and that ensure strategic redundancy). Our recommendations accomplished that goal.

Privatization splinters workload and degrades the efficiencies established through site closure and closures within the government base allow us to consolidate workload and become more efficient.

BRAC Fact Matrix Comments:

Information on the cost to close is correct. Much of the cost on the BRAC Fact Matrix should not be included in the analysis (cost to demol existing stock, duplication of Western Area Demilitarization Facility (WDAF) (duplicating only portion needed), tenant relocation, loss to the community, and environmental clean-up. The analysis provides for demol in place, relocation of stocks, and facilitization to support future demol and storage requirements. All of the information used in our analysis was originated and certified by the installations and used in the analysis.

A handwritten signature in black ink, appearing to read "Jay Berry", is positioned above the printed name and title.

Jay Berry
Executive Secretary

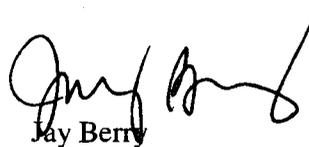
INDUSTRIAL JOINT CROSS SERVICE GROUP

June 16, 2005

MEMORANDUM FOR DUKE TRAN, SENIOR ECONOMIST,
REVIEW & ANALYSIS

SUBJECT: HAWTHORNE ARMY DEPOT ECONOMIC IMPACT REPORT

The following is in response to your e-mail inquiry of June 14, 2005, where you asked for a revised economic impact statement for Hawthorne Army Depot using Mineral County as its economic region of influence instead of Reno-Sparks Metropolitan Statistical Areas. That report is attached.



Jay Berry
Executive Secretary

Attachment:
As Stated

Economic Impact Report

This report depicts the economic impact of the following Scenarios:

IND-0108: Close Hawthorne Army Depot

The data in this report is rolled up by Region of Influence

As of: Thu Jun 16 13:55:55 EDT 2005

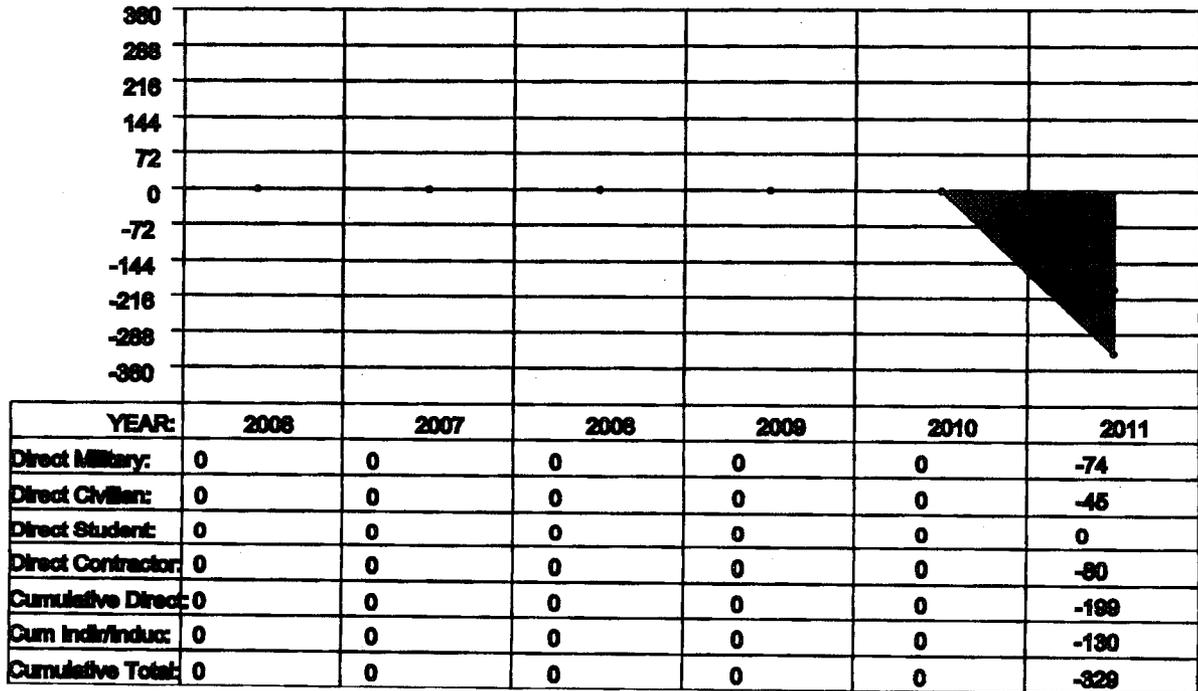
ECONOMIC IMPACT DATA

Scenario: All Selected (see title page)
 Economic Region of Influence(ROI): Mineral County, NV
 Base: All Bases
 Action: All Actions

Overall Economic Impact of Proposed BRAC-05 Action:

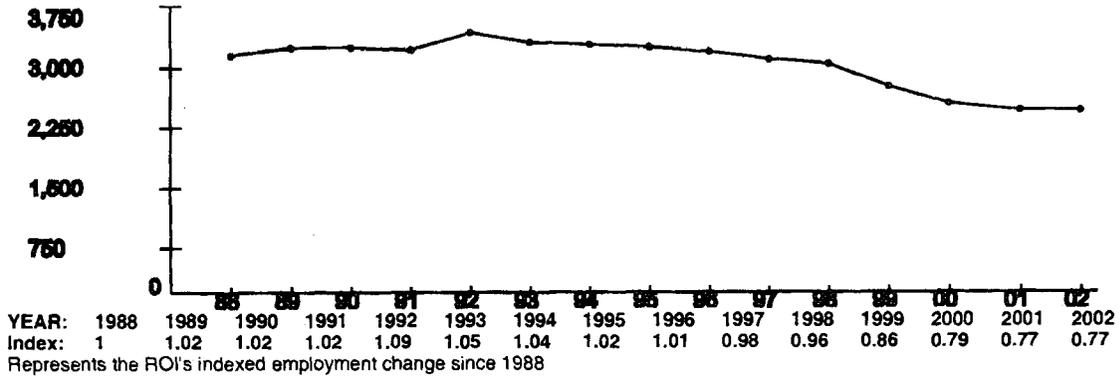
ROI Population (2002): 4,768
 ROI Employment (2002): 2,413
 Authorized Manpower (2005): 119
 Authorized Manpower(2005) / ROI Employment(2002): 4.93%
 Total Estimated Job Change: -329
 Total Estimated Job Change / ROI Employment(2002): -13.63%

Cumulative Job Change (Gain/Loss) Over Time:

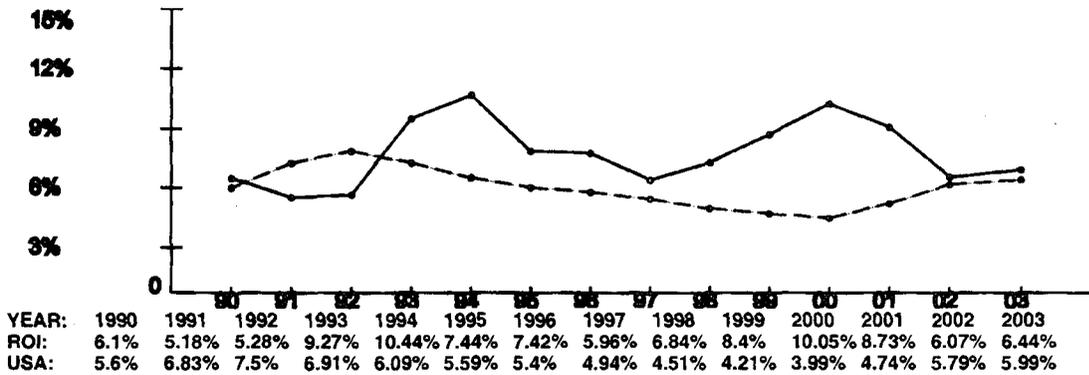


Mineral County, NV Trend Data

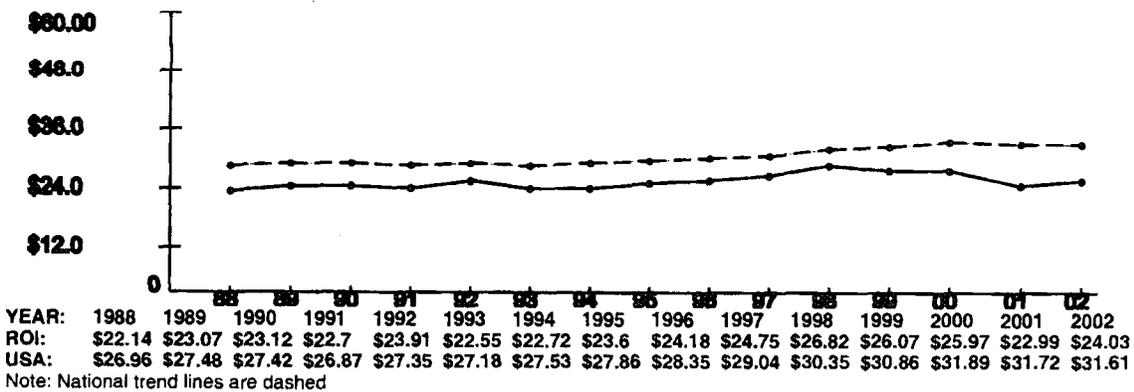
Employment Trend (1988-2002)



Unemployment Percentage Trend (1990-2003)



Per Capita Income x \$1,000 (1988-2002)



POSITION PAPER

This Position Paper is in response to Industrial Joint Cross Service Group (IJCSG) response to OSD BRAC Clearinghouse Tasker C0683 dated 28 July, 2005. The IJCSG continues to have inaccurate data concerning Hawthorne Army Depot. During review of their memorandum from Jay Berry, dated July 28, 2005 to R. Gary Dinsick, Army Team Leader, the following discrepancies are noted in their response to questions raised by the BRAC Committee. HWAD's comments are geared to specific numbered responses provided in memorandum dated July 28, 2005.

2. HWAD's certified data never reported Officers: 2; Enlisted: 72; Civilians: 25; Contractors: 80. This data was reported by the Installation Management Command and HWAD did not certify the numbers they provided. The original certified data from HWAD was not used. HWAD's certified numbers submitted in 2003 were: Officers – 1, Enlisted – 0, Civilians – 45, and Contractors – 463.

3. The response by IJCSG distorts HWAD's training and range capabilities by comparing HWAD to the largest training and test ranges in the nation. HWAD only maintains that its training capabilities added to the survivability of the warfighters and provided ready accessible training areas that were not available at other sites due to range availability. These ranges may be insignificant to IJCSG, but when testimony is given by combat veterans of Afghanistan and Iraq to BRAC Commissioners that training at HWAD saved lives, these ranges take on a significance of their own and saving warfighter lives is a true military value.

4. In HWAD's certified data we did not state we were capable of heavy mounted armored training and to compare HWAD to other installations that have this capability is a misnomer. What HWAD's certified data indicated was ideal training areas and ranges for dismounted troops, particularly those associated with Special Forces. IJCSG is again looking at dated snapshot in time that does not reflect the training that is currently occurring at HWAD. IJCSG has also dismissed that the reason HWAD is being utilized is that many of the cited facilities are at capacity.

5. Again, military services are seeking out HWAD because of its availability and unique characteristics and expandable capabilities with no encroachment for today and future training needs. In addressing capabilities at other installations such as Naval Air Station Fallon in Nevada and Fort Hunter-Liggett in California, IJCSG did not take into consideration the high altitude mountainous terrain that HWAD offers. Much of the fighting in Afghanistan occurs at elevations from 7,000 to 11,000 feet, only HWAD offers this unique training feature. It is also noted that NAS Fallon uses this high elevation at HWAD for training search and rescue helicopter pilots. Contrary to IJCSG's assessment, HWAD's ranges offer unique flexibility that is not available at the more sophisticated and crowded training ranges. This was verified by the Navy during BRAC Commissioner visits to HWAD where unique examples were given where HWAD could respond to critical warfighter needs when other larger ranges could not schedule testing because of full schedules. The net result of using HWAD ranges is that critical problems were resolved and warfighter problems with equipment are being addressed in a timely manner to improve their efficiency and effectiveness in fighting the enemy.

8. IJCSG is missing a key expandability option that HWAD offers that most other installations do not. What they have missed is that there are few places in the United States where the military can request 178 square miles of additional training land without encroachment with cooperation from state and local governments and the Bureau of Land Management to expedite the process. The BRAC task was to look at the future for military value and in this case, this was overlooked.

9. Depending upon the funding levels for demilitarization, the picture changes. For example, from 1994 to 1997, the monthly average demil tonnage for HWAD was 1,354.67 tons.

10. The response provided by IJCSG is simply incorrect concerning tonnage. HWAD's RCRA permits clearly show HWAD has open burning and open detonation capability of 4,950 tons Net Explosive Weight (NEW) per year. The important item not mentioned by IJCSG is that the weight for these two facilities is "net explosive weight". This is interpreted as not including casing or shell weight of the item when calculating tonnage. Including the casing and shell weight in the calculations, depending upon the item, HWAD can process upwards to 50,000 tons of total ammunition weight per year at these facilities. IJCSG did not include processed tonnage that the WADF facility (recycling facility for munitions) is capable of performing. Using the IJCSG data from their response to question 9, this would be an additional 650 tons per year. While HWAD's RCRA permits require us to evaluate items for processing at WADF prior to considering open detonation, this is in keeping with Army policy to reduce dependence on open burning and open detonation. The statement that HWAD must borrow from the out years for emergency demilitarization is simply inaccurate and not supported by the State of Nevada issued RCRA or Air Permits.

13. While HWAD's restoration of ammunition is not unique, neither is any other depot's restoration of ammunition unique. Certainly, HWAD has capabilities for most conventional ammunition that the warfighters would use.

14. IJCSG appear to be using an oxymoron in stating that only certified data was used for analysis when they clearly state that Military Judgment was used, which certainly was not certified by HWAD. Historically, demilitarization funding has fallen short of the projected demilitarization accomplishments because of contract issues, technical issues and other uncertainties. While the Army has made plans for all the demilitarization stocks being processed, because of the listed uncertainties this will in all probability not be achieved. The negotiations to retain OCONUS stocks in country are not in the best interest of the American taxpayer. We end up paying foreign governments and workers for storage and eliminate American jobs. What happens to these stocks when it becomes a necessity to demil them or move them in the event of an unfriendly government?

17. The assertion that climate is not a consideration for covered storage is unfounded. Climate conditions do make a difference in the serviceability of ammunition and cost of maintaining that ammunition. Anyone with basic knowledge of ammunition knows a dry, warm climate is superior to a humid environment. This response also does not address outside storage of

ammunition that will occur should HWAD stocks be moved to other installations that are located in a more humid climate.

19. The 70 mile spur line cited in the IJCSG response is incorrect. The line is actually 54 miles. While the line does tie to east-west lines, they are the main lines used by Union Pacific and are within 100 miles of the major rail distribution center located in Sparks, Nevada. Again, it is asserted that IJCSG used uncertified data to make the determination on HWAD's railroad and shows flawed military judgment.

20. While there may be no issues involved in moving ammunition from state to state, considerations should be given to those states that will not allow import of ammunition for open burning and open detonation, which could impact transportation and ultimately demilitarization sites.

21. It would appear from the aggressive nature of the IJCSG that the fate of the HWAD igloos has already been made – stating the Army will decide what to do with the site and the igloos. Per our understanding the Redevelopment Authority of the community will be given a chance to make this decision? Historically redevelopment has not occurred for excess property provided to the community of Hawthorne.

22. The question here is why did military judgment enter into what was originally to be a military value criteria? Who were these folks that made the military judgment and have they visited HWAD prior to making these recommendations? From the information presented, it would appear they've never been to HWAD or had little knowledge of HWAD. Again, these military judgments did not reflect certified data and are not substantiated by recent review of HWAD operations by the Army's own experts in storage and shipping. The details of their military judgment decision have also not been made public.

- Regarding the statement that Tooele has the same capabilities of demilitarization as HWAD is a stretch of the imagination. If Tooele has the same capabilities that HWAD has, why is it necessary to relocate most of the Western Area Demilitarization Facility to Tooele? From review of Tooele's air permits, it has a 1236 popping furnace. There are no other provisions in the air permits for scrubber systems that would be associated with washout/meltout and stacks associated with more sophisticated equipment that HWAD has. Tooele should be audited to determine its true demilitarization capabilities. If Tooele is including Deseret chemical demilitarization capabilities which are not part of the same Command or mission, this is inaccurate. Deseret is under a separate command and is not scheduled for turnover to Tooele until 2010. The relocation of the WADF systems from HWAD to Tooele is required under BRAC law; however, COBRA did not include cost for removal and transportation of this equipment, estimated to be in excess of \$16M. Much of this equipment will not be utilized by Tooele and the Army, but will be warehoused, a total waste of taxpayer funds.

23. COBRA data included movement of 20 civilians associated with the tenant activity at HWAD. COBRA data did not include cost to move specialized equipment or reconstruct the physical facilities needed to support these missions, including some 20,000 tons of Navy mine

material, both explosive and inert. The Naval Undersea Warfare Center (NUWC), HWAD tenant, estimates a cost of \$100M to relocate that facility. There appears to be no home for the Navy Fallbrook Testing Division (Marine Corps Programs Office) that would support their range testing functions without competing for training ranges at other CONUS installations.

8 June 05
D21 - here at
BRAC meeting

Han Thone

- contract workforce not taken into consideration
 - data call numbers submitted were not used for the final report.
- best paying jobs in the community
- demil briefing the other day
 - 6000 tours done at Han Thone
 - 750 16 hours, ICMs, 8/ann
 - do wage survey - Fallon News agreement
- can't really move to TEAD, mostly full
- O7 organic base will really come out w/ upgrade from Korea & SWA w/ current 8 depots
 - MRS returning from overseas
- receipts & issues not taken into consideration
- Han Thone a Tier II depot
 - can ship 2000 tons in 3 days (OEF)
- taking big & putting into small instead of the other way around
- will be a significant issue w/ permits in Utah
 - state turned down a gas facility, but DoD gets this in though BRAC => significant community issues
- Nay Keyport tenant
 - Imagery groups need to be relocated
 - MC needs to be relocated
- currently used for Marine Corps training (urban warfare)
- working on a conveyance live fire training location usage
- only military remains - but may other service troops use the barracks

Continuous supply of munition to demil as more munition
become obsolete

KSAAP
- data did not take in to consideration that ~~SAAP~~ SAAP was producing

- would allow competition at other organization
- turn over to a local venue authority
- privatization in place
- let it not to be competed
- Army must direct the workload to go to other AAPs
- would make the change
- potential for what to be competed and move to Canada
- SNC firm
- making ammunition
- recognition in the analysis as to the complexity
- even if data w/ sup log not were indicated

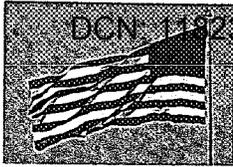
Private in Place for KS & LS

- our capacity does not - competition in the key to success

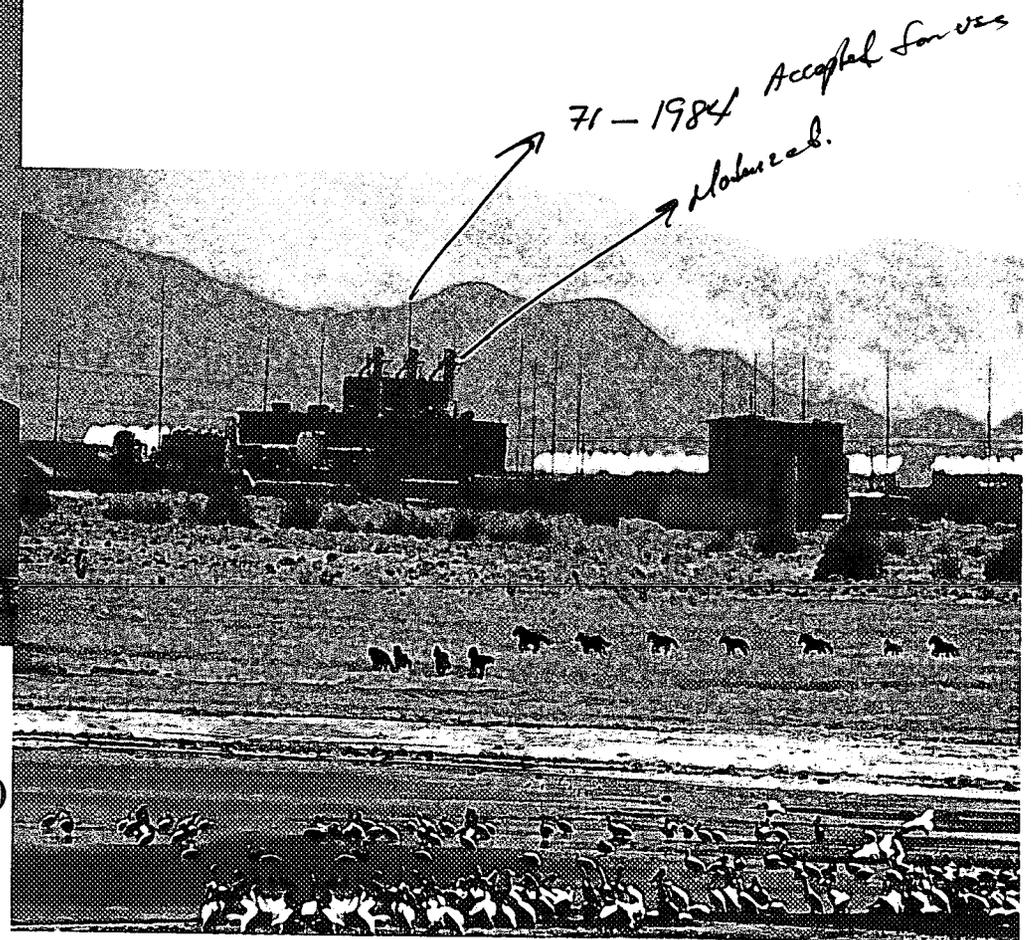
- D21 Kit Upgrade KSAAP, LSAP, HAVAD, Mumpat, MSAAP

DCN-11923

BRAC Commission Hearing



Hawthorne Army Depot Hawthorne, Nevada

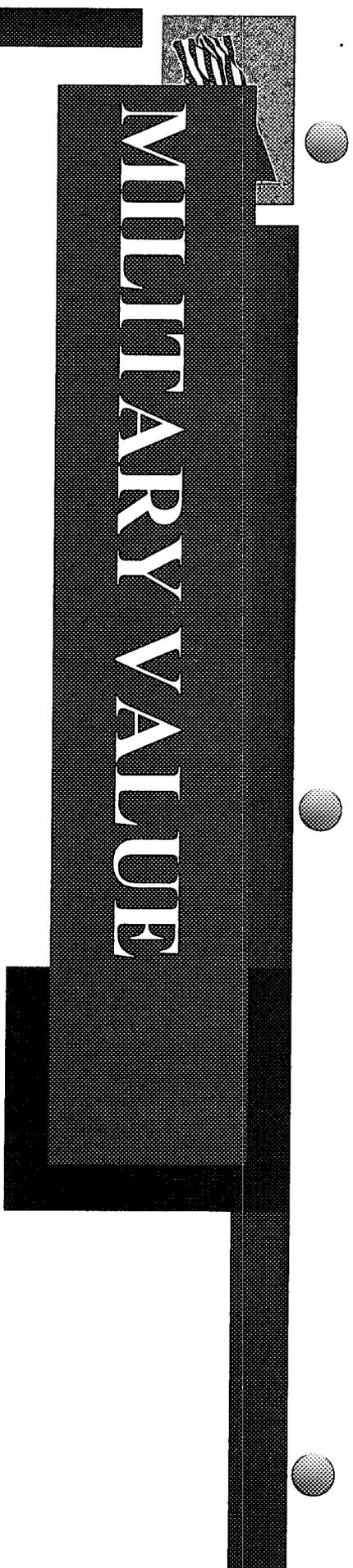


Mineral County, NV Economic Development
NMAC (Nevada Military Advocate Commission)
Hawthorne Chamber of Commerce
Operating Engineers – Local 3
Day & Zimmermann Hawthorne Corporation

CLOSE HAWTHORNE AD

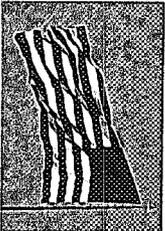
DATA INTEGRITY

- BRAC says that the effect on personnel of closing HWAD is 74 Military, 45 Civilians, 80 Contractors – THIS IS INCORRECT – ACTUAL 539
- BRAC says the cost to close is 180 Million dollars. ACTUAL costs are closer to 1 BILLION
- BRAC says is the HWAD capabilities & functions will be transferred to Tooele Army Depot – Tooele doesn't have the storage space, including adding Deseret. or demil facilities
- BRAC says HWAD does not maintain or produce munitions. This is UNTRUE. HWAD routinely renovates munitions & has many laid away facilities that were used in manufacturing of munitions
- BRAC says HWAD cannot off-load & receive because of unusable rail conditions – This is UNTRUE. Three short washouts in 25 years have not effected any movements
- BRAC says that Hawthorne AD is not multi-functional – this is INCORRECT. HWAD is VERY multi-functional and also highly joint in its customer base.



MILITARY VALUE

- ▶ The Army ranked HWAD 2nd highest out of 23
- ▶ HWAD is the largest ammunition storage depot in the system
- ▶ HWAD has the best demilitarization program in the organic and commercial bases
- ▶ HWAD offers multi-service training, testing, storage munitions maintenance & demil facilities & a **HIGHLY SKILLED WORKFORCE**
- ▶ HWAD has **NO** encroachment or environmental issues

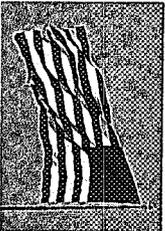


Storage Analysis

Given changes over last 3 years

- Current Capacity - 25M Sqft
- Current Usage - 18M Sqft
- BRAC Recommended – 17M Sqft
 - Intent to reduce inventory by half
- Retrograde from Pacific, SWA, Europe
 - Will need 27M Sqft – Demil efforts

DOES NOT WORK



Logic Check

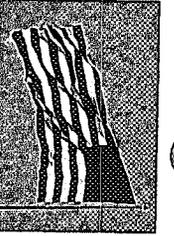
Given changes over last 3 years

- Why are they closing the 2nd highest ranked Depot?
- Closing largest and consolidating into several smaller depots, duplicating indirect functions at each smaller facility.

Versus

- Consolidating smaller into larger and having single indirect functions and
 - extra space to deal with returning overseas munitions
 - secure inside storage
 - multi-functional joint training capabilities

Hawthorne has the capability to handle it all



The Story

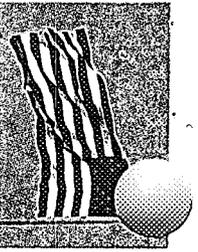


Table of Contents

➤ Military Value

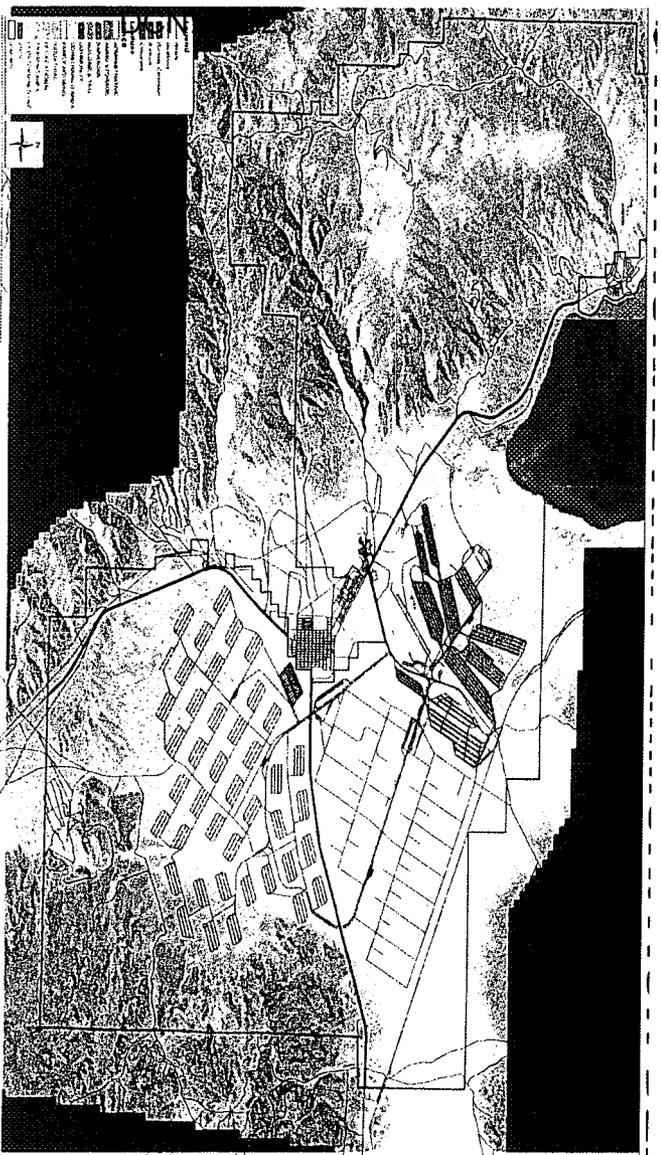
- Current & Future Mission Capabilities
- Availability & Condition of Land
- Ability to Accommodate Additional Missions
- Cost of Operations & Manpower Implications

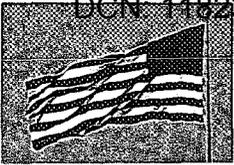


➤ Other Considerations

- Timing & Potential Cost Savings
- Economic Impact on Community
- Infrastructure Support of Receiving Communities
- Environmental Impact & Remediation Costs

➤ Bottom Line





HWAD Military Value

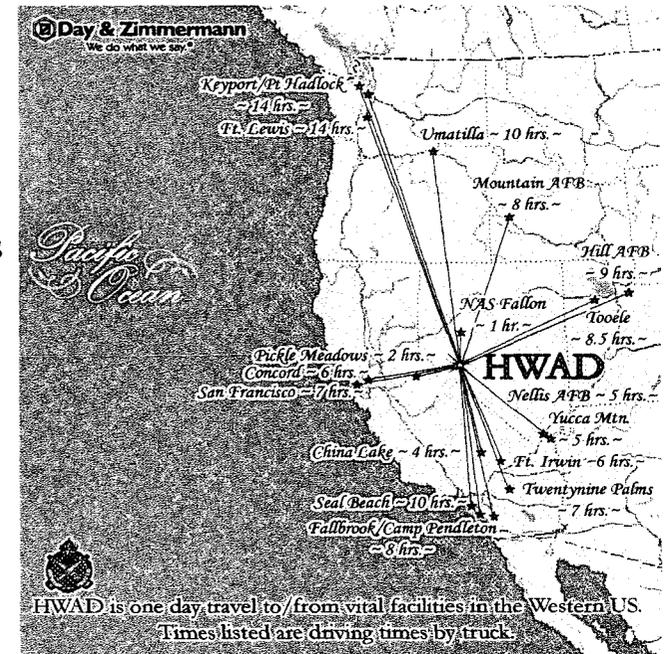
Current & Future Mission Capabilities

The BRAC Commission Recommendation:

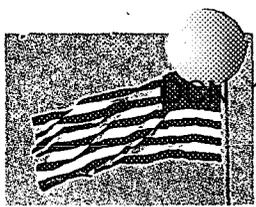
Close Hawthorne Army Depot. Relocate Storage and Demilitarization functions to Tooele Army Depot. BRAC documentation indicates that there is ample munitions storage available in numerous CONUS locations.

Storage:

- Since the study was conducted in 2003 a storage crisis has developed. In the next two to three years the Army is going to bring back 500k / 600k tons of munitions from Pacific rim, Europe, and Southwest Asia (SWA). This will require 5 to 6 million square feet of storage space.
- According to the Department of the Army (BRAC 2005 Analyses and Recommendations) HWAD ranks 31 out of 97 in the total military value to support current and future and Army requirements. Tooele is ranked number 42.
- Currently there is eight million square feet of storage space available in the depot system . Four million square feet of that total is located at Hawthorne. The HWAD assets (218K ton), will require an additional 2 to 3 million square feet of storage space when they are relocated from HWAD. This does not include the 130K tons of demil munitions at HWAD.
- HWAD explosive and inert storage capacity – 600,000 tons
- Tooele explosive and inert storage capacity – 192,000 tons
- The BRAC report indicated the available storage is located at several installations of which, some of them listed for potential closure. Most are manufacturing sites and not storage facilities.



Supporting The Joint Warfighter, Training & Readiness

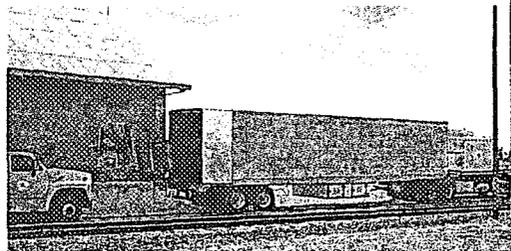
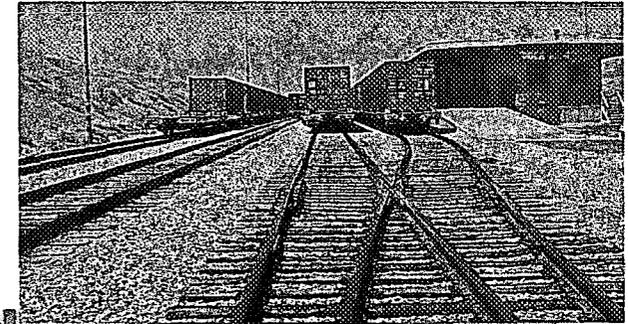


Current & Future Mission Capabilities

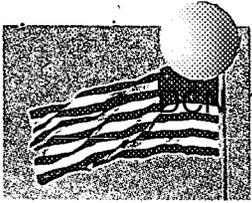
- 3 state-of-the-art container pads for stuffing and unstuffing MILVANs and commercial containers
- 6 loading (cross docks) with rail and truck access
- Access – Rail, Truck (east, south, north), and Air (6,000 ft new runway)
- MILVAN Container Repair Facility
- 2,400 above ground earth covered magazines and storehouse buildings
 - 10 million square feet inside and outside storage
 - 8 million square feet of explosive storage (600K tons)
 - 52% full (5/05); 320,000 tons in storage

HWAD has a track record of meeting surge and mobilization requirements – We have never failed to meet a requirement yet (100% on-time shipping record).

Homeland Security: HWAD has secured inside storage (locked magazines) to support Homeland Security efforts to keep explosive safe from potential terrorists.



March 2005 HWAD Stuffed Containers with 3,300 tons of K180 Mines in 10 Days



Current & Future Mission Capabilities

Demilitarization:

Demil of obsolete US munitions systems is at a crisis state. Army's PEO Demil states that there is a growing backlog of obsolete munitions and insufficient funding to reduce the demil backlog.

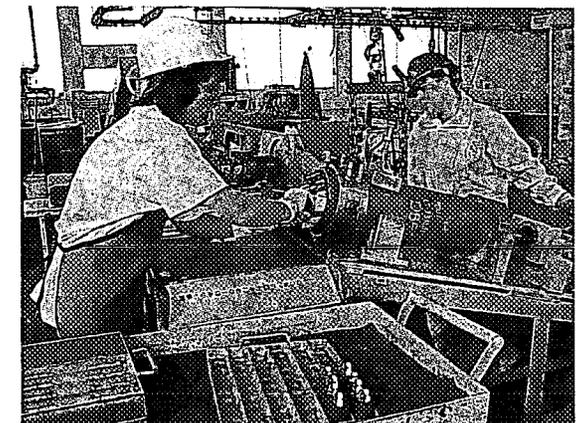
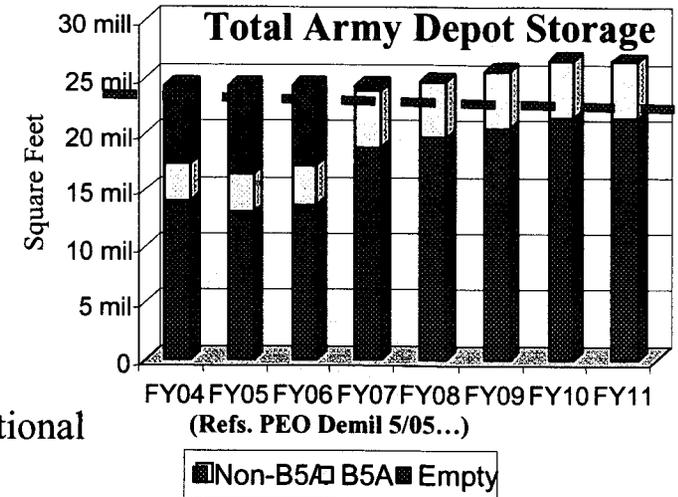
•HWAD has the largest, most diverse, and environmentally compliant conventional Demil capability in the depot system.

- Breakdown/Explosive Sawing
- Wash-out / Melt-out-Explosive Removal
- Rotary Furnace
- Plasma Ordnance Demilitarization System
- Hot Gas Decontamination
- Range Scrap and Target Processing System
- OB/OD
- Tooele capabilities
 - Rotary Furnace
 - OB/OD

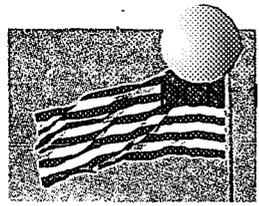
• To establish the equivalent HWAD demil capability at Tooele which would require funding projected in the amount of nearly \$157 million for construction. Funding must be addressed for environmental permitted processes, which could require up to ten years, and/or may be impossible.

In-Process Future Capabilities

- MLRS/CEM Decasing
- BEDS (Bulk Explosive Incinerator)
- Slurry Gel Manufacturing
- Static Rocket Firing-Containment Chamber
- Laser Cutting
- Vehicle Reduction System

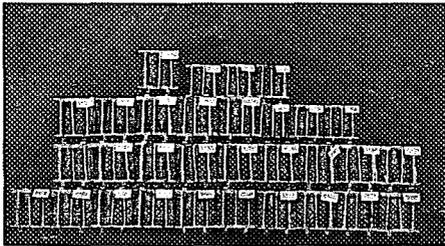
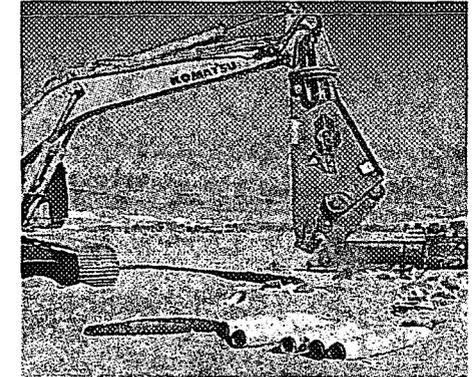


Organic Demilitarization Performed: 2002 – 8,070 tons / 2003 – 5,913 tons / 2004 – 5,526 tons demil projected 2005 – 6500 tons/2006 – 8,000 tons..these tonnages do not include commercial demil performed at the Depot..



Current & Future Mission Capabilities

Range Scrap Processing: HWAD provides joint services management for the processing of explosive contaminated range scrap from the Navy Test Ranges in the Western United States. HWAD provides decontamination and processing support for the Corp of Engineers as abandoned and closed ranges are cleaned-up.



Navy Munitions Single Logistics: HWAD is strategically located for Joint Services Requirement of single management conventional ammunition. The Navy is preparing to use HWAD as their site (approximately 200k tons of munitions) to serve their West Coast Ports surge and mobilization requirements. HWAD is the only depot which can provide overnight delivery to the West Coast Ports.

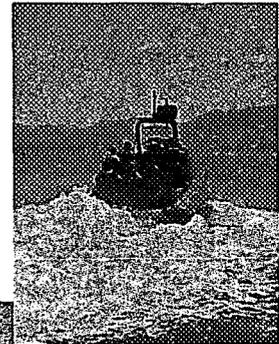
DLA Mercury: The DLA is ready to move all of the Strategic Stockpile of Mercury (approximately 4890 tons) to HWAD for long term storage. HWAD was selected over all other Depots including Tooele.

Munitions and Weapons Testing and Evaluation: HWAD supports Marine Corp Ammunition and Weapons testing. This service provides the Marine Corp and the Army with a dedicated testing range facility for ammunition items and weapon systems that are used for issue.

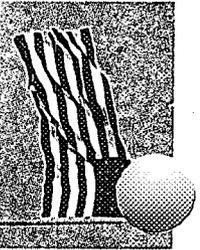
Naval Undersea Warfare Center (NUWS): Detachment: HWAD provides support services and munitions logistics for the NUWS to process torpedoes, mines and battery renovation and recycling.

Industrial Plant Equipment Storage: HWAD has 13,000 tons of Industrial Plant Equipment in storage.

Private Sector Training: SOC (private training company for Personal Security Detachments, etc.) is leasing sections of the installation for their training activity.



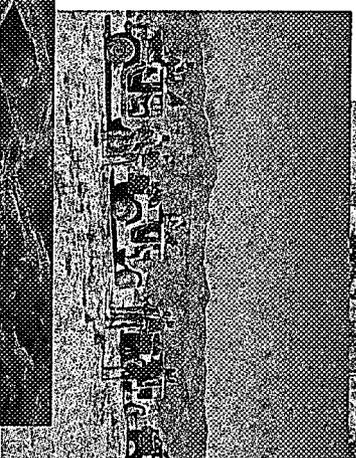
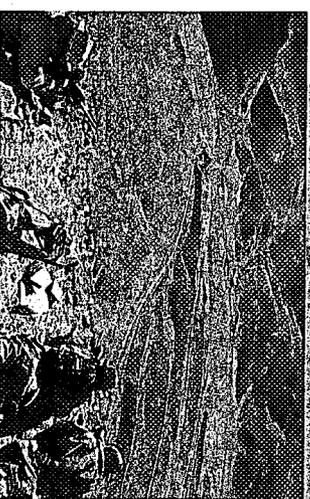
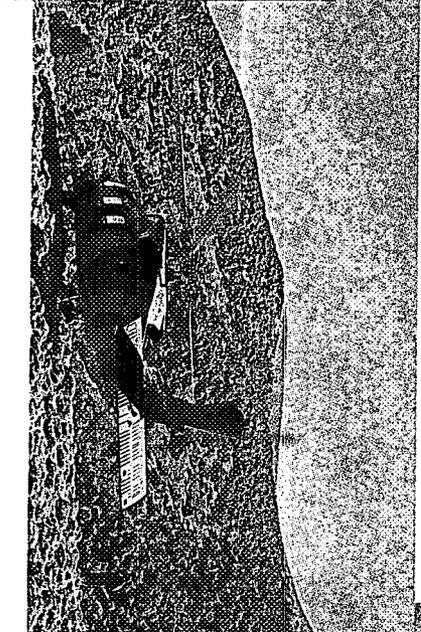
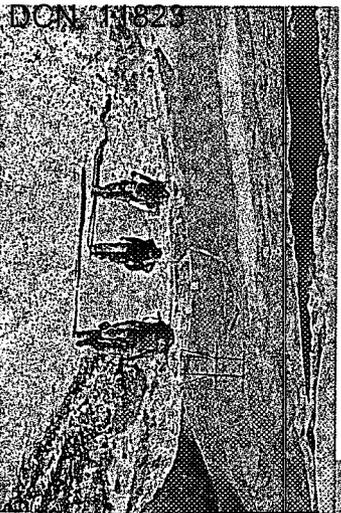
80% of the Training Munitions Dropped by the Navy and Air Force are within 150 miles of HWAD



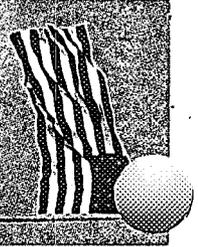
Current & Future Mission Capabilities

Special Operations Training:

- Navy SEALs are using HWAD for sea, air, and land pre-deployment training all of which can be accomplished within a ten mile radius located on the HWAD installation. There has been a rotating contingent of SEAL Teams continuously using HWAD for the last two years..since January 2005 over 1900 Sailors and Marines have trained at HWAD..
- USMC is using HWAD for High Desert and Mountain Warfare Training. We have regular rotating contingents from USMC Mountain Warfare Training Center utilizing HWAD firing ranges (unable to perform live fire practice at their facility). In the Spring 2005 there were 1,053 Marines at HWAD for pre-deployment training.
- Marine Sniper Teams are using HWAD because we have the only “High Angle” firing range in the United States.
- Army Rangers have used the facility for Special Operations training due to high altitude desert terrain.

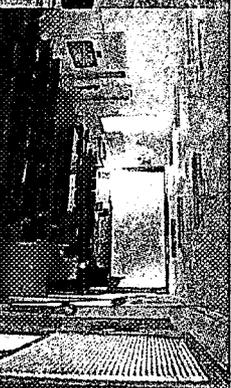
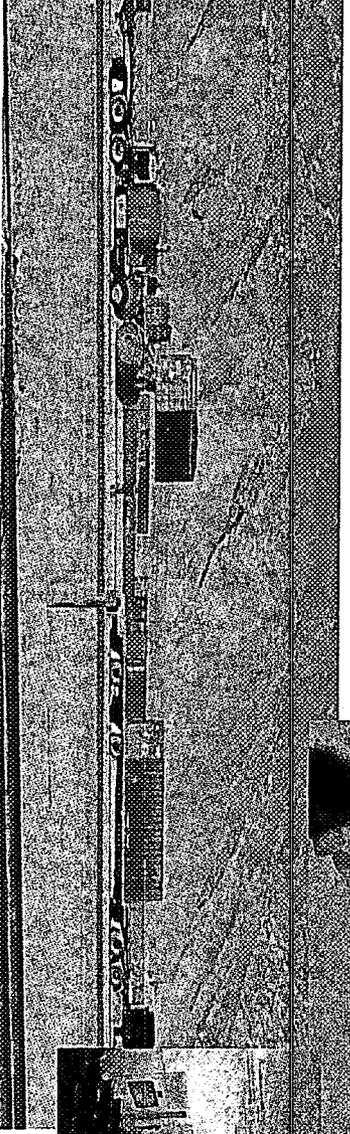
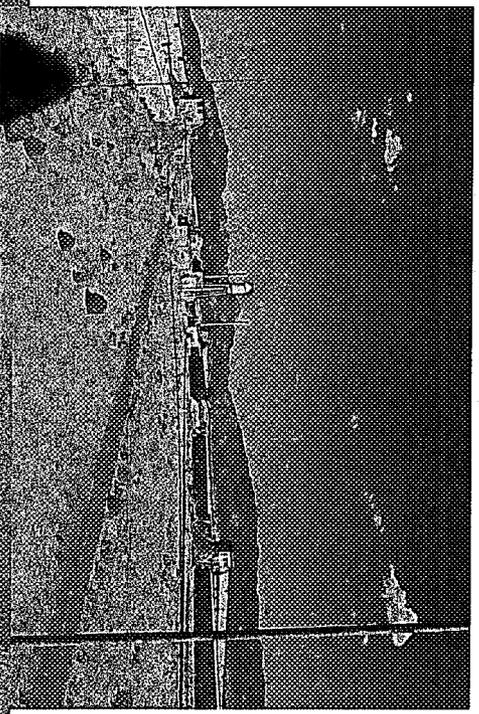


HWAD Terrain is Identical to the Mid Eastern War Zones

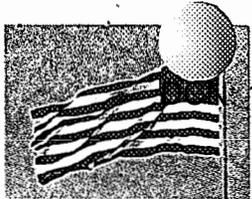


Availability and Condition of Land

- 230 square miles – operations areas approximately 140 square miles
- Land and air space is used extensively for joint military training, industrial and test operations.
- No encroachment – The town of Hawthorne is situated such that it possesses no threat of encroachment to HWAD. The next closest town is Fallon 70 miles to the north
- Surrounding HWAD is BLM Land or Forest Service property – no threat of encroachment from residential or commercial development
- Unrestricted (in conjunction with depot operations) air space for fixed and rotary wing for training and test operations.
- Land is available for expansion contiguous to the installation.
- Currently under negotiations with the BLM for 129,000 acres to expand training and testing capabilities for joint services.
- Land is available (with Explosive buffer zones) to build additional magazine storage..2,000 additional magazines can be constructed
- Land is available for the outside storage of wheeled and tracked vehicles and equipment.
- Facilities are available for the maintenance or decommissioning of equipment and vehicles.



HWAD Terrain is Identical to the Mid Eastern War Zones



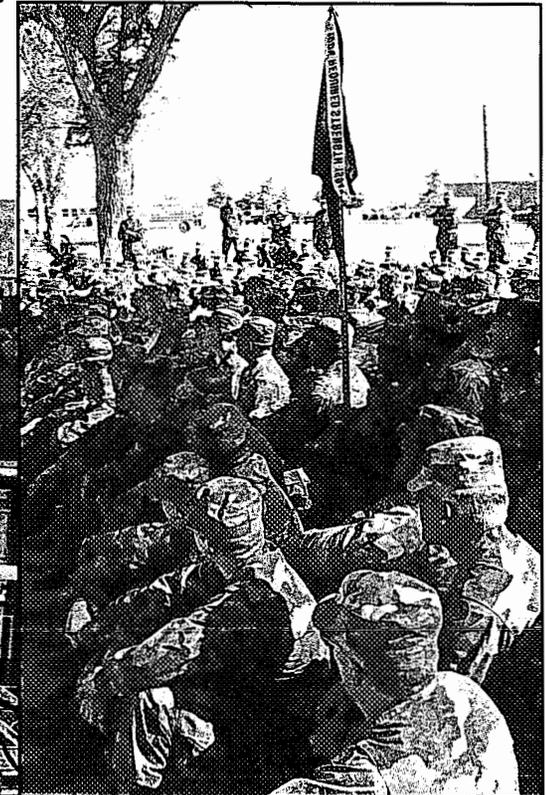
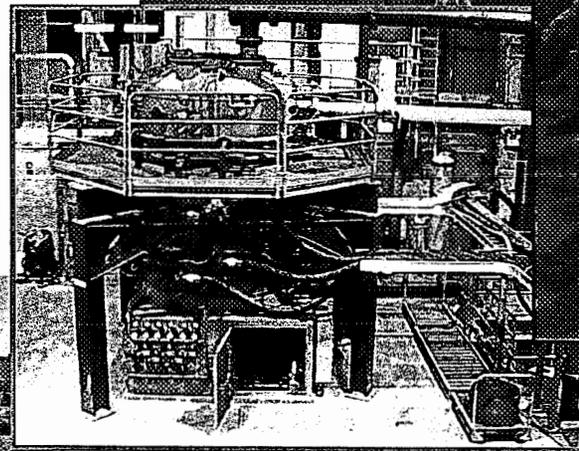
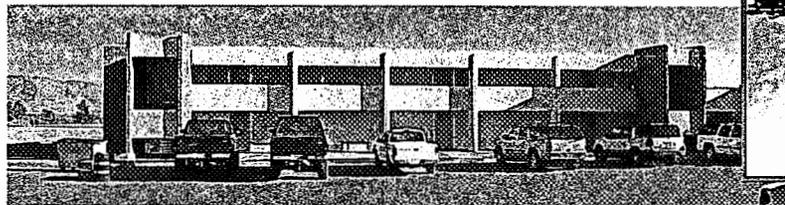
Ability to Accommodate Additional Missions

Hawthorne AD (HWAD)

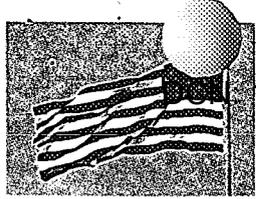
- **Space for Joint Services Use**
 - Ample space to accommodate training, especially large field exercises
 - Air / Land / Sea joint mechanized forces training (off road)
- **Land Available from BLM** – Three sides of the depot
- **Demilitarization expansion** – Room for more facilities
- **Encroachment** – Absolutely no threat

Tooele AD (TEAD)

- **Surge** – Limited by storage capability
- **Encroachment** – Threatened by residential and commercial development from Tooele and Salt Lake metropolitan area.



HWAD Terrain is Identical to the Mid Eastern War Zones



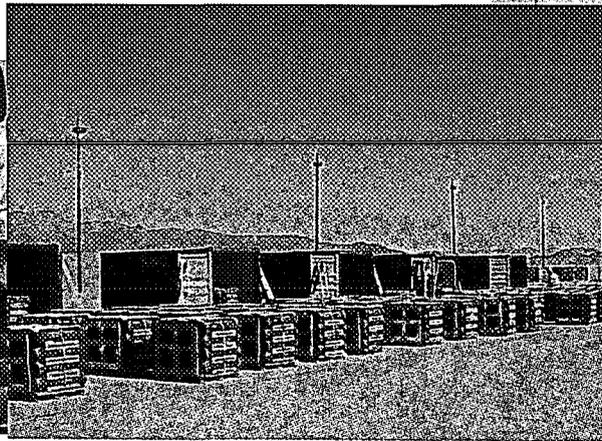
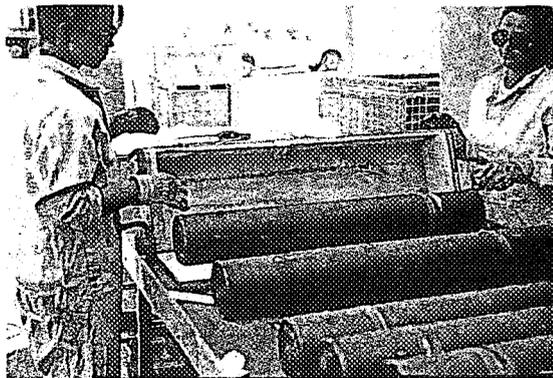
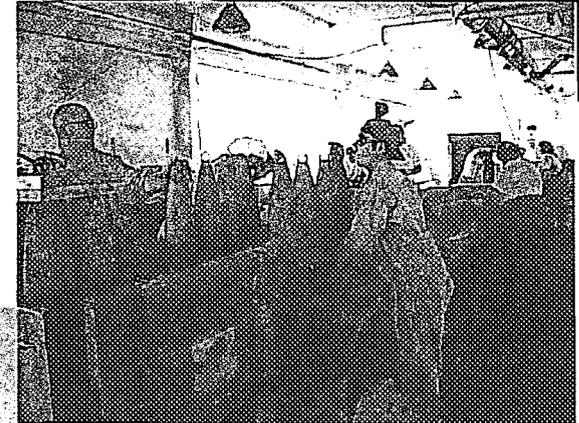
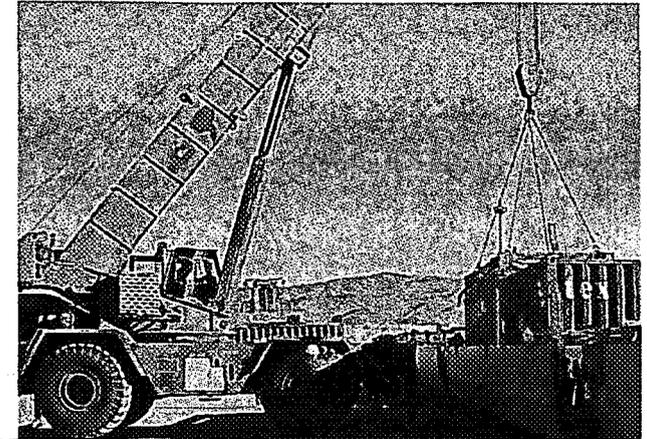
Cost of Operations and Manpower Implications

The Hawthorne AD is large and complex, most overheads are fixed. Expanded missions – do not generally effect cost; in fact additional work will off set overheads.

Operating the large HWAD demilitarization facilities (WADF) with multi-functional and cross-trained personnel is an efficient means of cost control and provides a stable workforce in that during non surge periods personnel are utilized to accomplish other projects and missions.

Functions performed at HWAD would have to be performed at other installations, at a much higher cost, and much less efficient cost structure:

- Demilitarization – 6,000 tons per year
- Issue – 18,000 tons per year (five year average)
- Receipts – 8,000 tons per year (five year average)

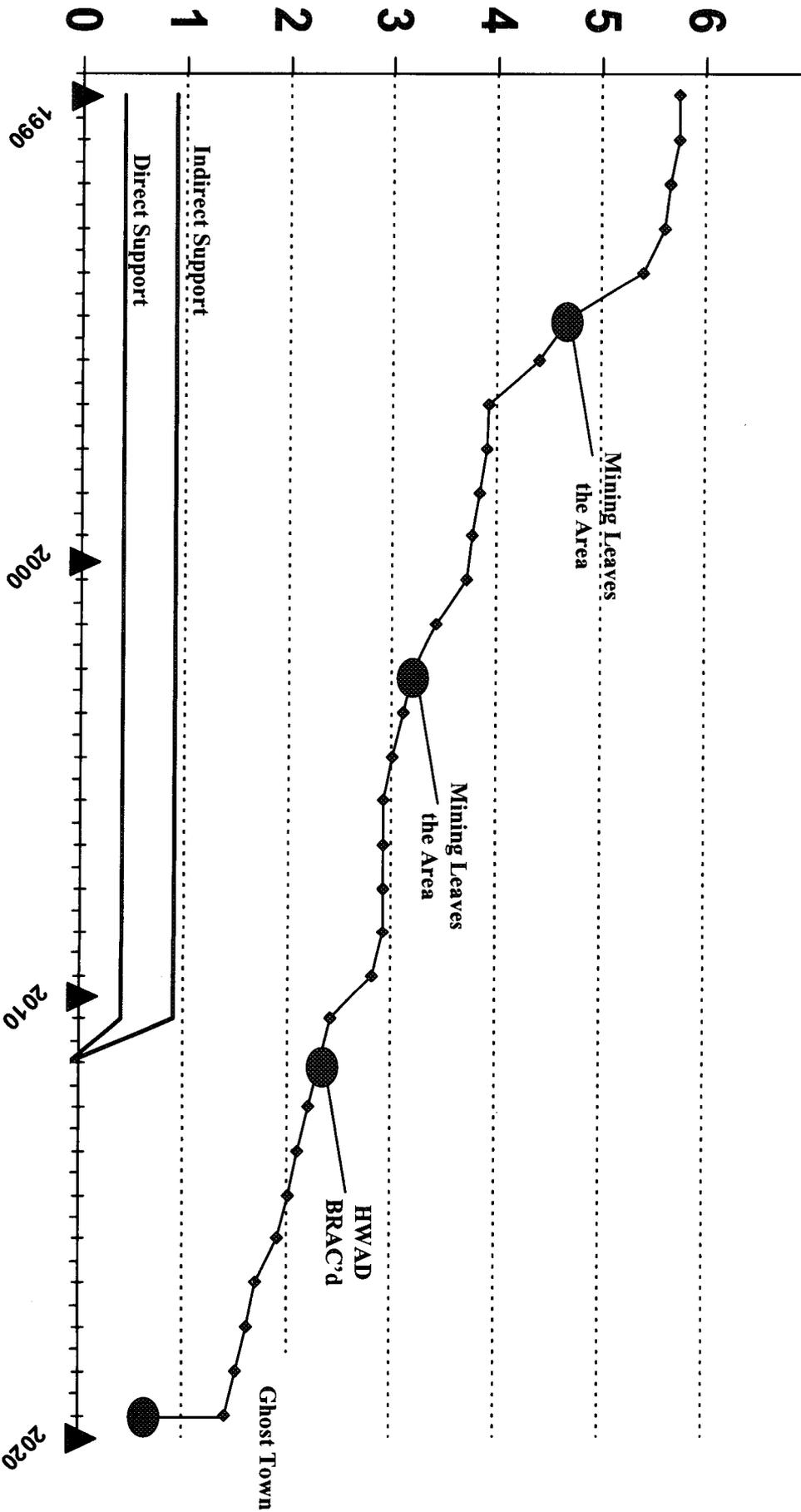


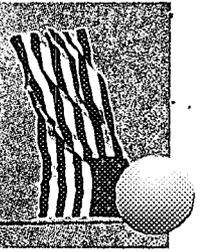
HWAD has the Best Cost / Performance Ratio in the Depot System

OTHER CONSIDERATIONS

DCN: 11823

Population in Thousands





Other Considerations

Timing & Potential Cost Savings

BRAC Position:

One time cost - \$180.27 million. During implementation a savings of \$59.22 million. Annual recurring savings after completion of \$73.42 million with immediate payback.

Projected Costs:

Analysis:

\$580.7 million

Relocation of 218,000 tons of munitions, inert material, and equipment to a new location (\$39m shipping, \$20.4m transportation, \$21.3m receipt). One thousand magazines at Tooele will total \$500 million.

\$151 million

BRAC did not include the Demilitarization of 130,000 tons of munitions stored at HWAD. If this tonnage is not demiled at HWAD then it must be shipped to another demil or storage site.

\$157 million

BRAC did not include the duplication of WADF capabilities at Tooele or other depots \$157 million.. Environmental permitting will require 5 to 7 years. Tooele will not be able to qualify for the environmental permits without being considered as a major source of pollution.

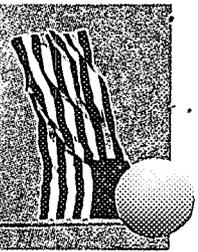
\$ 10 million

BRAC did not include the relocation of Navy Torpedo and Mine Maintenance Detachment and Battery Recycling, and the Marine Corp Weapons Test Detachment (\$5 million to \$15 million), if facilities are available.

\$383 million

BRAC did not include the COE estimate for environmental remediation in the closing cost of the depot.

BRAC Projected Cost - \$180 million / HWAD Projected Cost \$843 million



Economic Impact to the Community

BRAC Position:

Potential reduction of 326 jobs over period 2006-2011. Less than .1% of economic area employment (measured against Reno-Sparks, Nevada).

Point	BRAC (2003)	Actual: (2005)
Military Personnel	74	1
Civilian Personnel	45	45
Contractor Personnel	80	493
Totals	199	539

Analysis

Incorrect Data – Only the Commander is active military. The 73 were temporary reserves stationed at HWAD during heightened security.

Correct Data

Incorrect Data; a total of 448 contractors was reported to the ASIP IMA Southwest in 2003..no one knows where the 80 figure comes from..

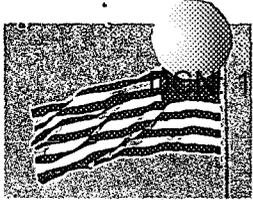
Incorrect data..the 2003 IMA report showed a total 567; since 2003 HWAD lost the Reserves and added more contractors for security...

Employment Displacement	0.1%	30% - Direct 50% - Mineral County Direct and Indirect
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11823

HWAD Payroll Over \$16 Million Annually; Closing 835 Jobs of the 1860 Jobs in Mineral County..

Incorporated the Mineral County displacement figures into the employment data for the Reno/Sparks metropolitan area (243,270 employment) – 133 miles away. Current Mineral County employment is 1,860. Closing the depot could devastate Hawthorne, Nevada. As primary employer in Hawthorne significant economic redevelopment will be required. Annual Payroll - \$16.6 million; Subcontracts & Purchases 10/2004 to 3/2005 - \$5.9 million (\$5.3 million (89%) to small business, women owned, disadvantaged, veteran owned, etc.). 4% of the workforce is Native American.



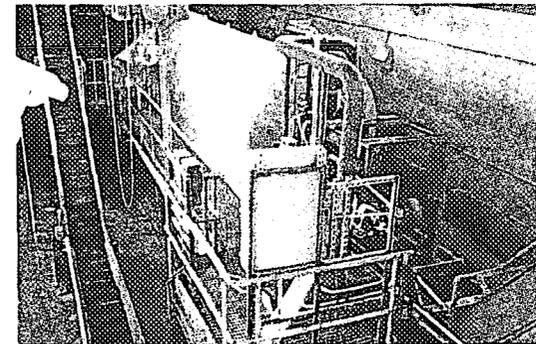
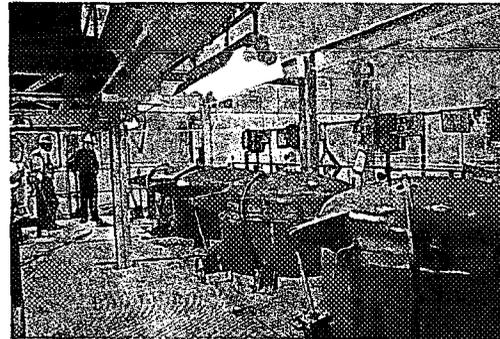
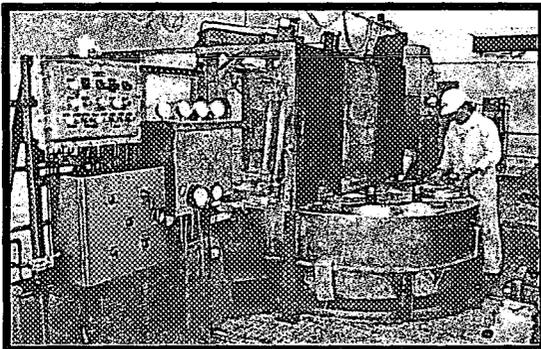
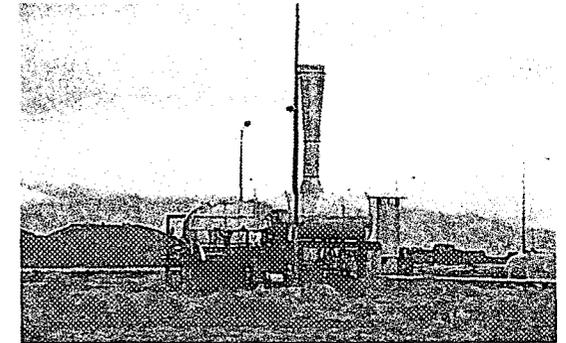
Infrastructure and Support of Receiving Community

BRAC Position:

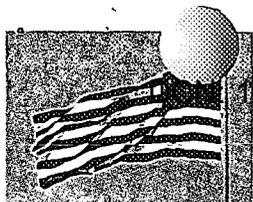
No implications or issues.

Tooele Impact – Recreate Mission at Tooele:

- Tooele has one Title Five Air Quality permit. HWAD has two Air Quality permits which allow up to 250 tons of Nitrogen Oxide (NOX) (DF2 burning) under each permit. The emission of similar levels of NOX will place Tooele into a major source of pollution category. Tooele will be required to modify their environmental permits which will be time consuming (5-7 years), expensive, and may present regulatory obstacles which may be insurmountable.
- Due to public pressure Tooele has not been successful in their attempts to construct an incinerator, on two different occasions.
- Tooele has a limited amount of storage space available (current munitions stored outside). This will require building magazines \$750k to \$1 million per magazine. To receive 200,000 tons of munitions will require the construction of approximately 1000 magazines - \$500 million.



Tooele Has Neither the Space nor the Environmental Capacity to Absorb HWAD Functions



Environmental Impact and Remediation Costs

BRAC Position:

BRAC cost of closure did not include environmental remediation because remediation is required whether the depot is closed or not. BRAC agrees that the estimated cost of environmental remediation sufficient to effect a change in land use to public domain is \$383 million.

Actual Impact To The Community:

Less than 2% of the land in Mineral County is privately owned, which adversely impacts the Mineral County tax base. In order for Mineral County to survive the BRAC of HWAD remediation is critical for reutilization and redevelopment of the government owned land and facilities at HWAD .

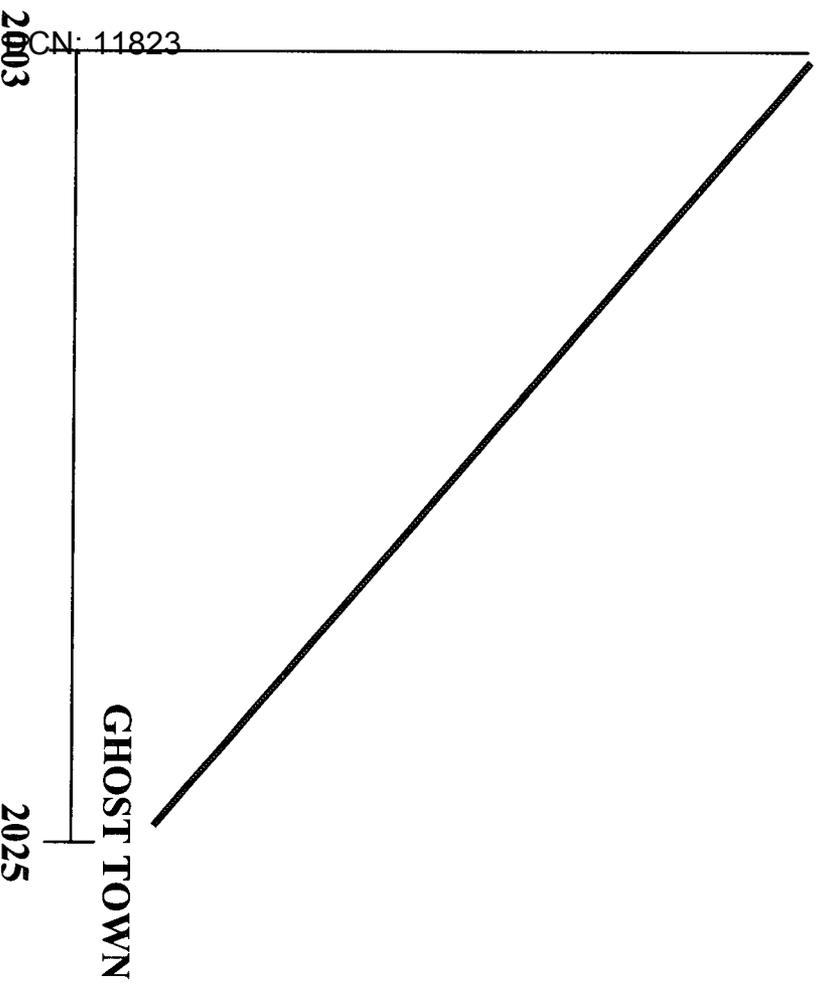
Environmental clean-up is estimated to be by COE at \$383 million. It has not been calculated by BRAC into the closing costs or the payback for closure of the installation.

Environmental costs for the permit process at Tooele have not been adequately considered by the BRAC Commission. According to highly placed governmental sources in Utah the problems and challenges to modify a Minor Source to a Major Source Title V Air Permit may be insurmountable.

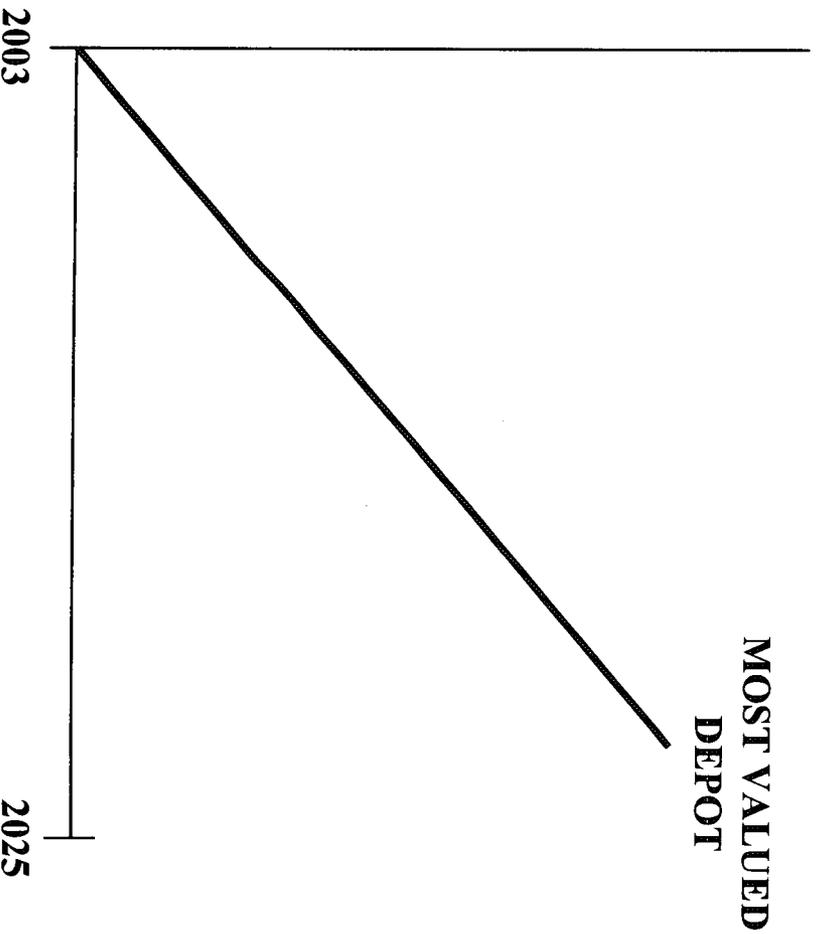
Projected Cost to Close HWAD - \$383 million / BRAC – not incorporated

BOTTOM LINE

BRAC



NO BRAC



Bottom Line

- **HWAD** with its high military value should be removed from the BRAC list and let it help DOD achieve its training, storage & distribution and demil mission in the future.

- To support DOD training HWADs diverse (desert, mountain, urban & water) training facilities are ideal for the look and feel of Iraq, Afghan, Iran etc.

- With no space available for WRAS-K (Korea) and SWA (Southwest Asia) retrograde munitions & equipment HWAD has space available (300,000 tons of munitions and unlimited open storage). HWAD is strategically located to support all services surge, mobilization and training activities in the west.

- HWAD has state-of-the-art (unique) environmentally friendly demilitarization facilities needed now (440K tons worldwide) and in the future.

- Loss of 539 direct jobs will seriously impact a community of 3500.

- Without the storage space of Hawthorne the U.S. will be paying foreign workers to continue to store munitions in Europe and the Pacific. There will be insufficient storage space in the U.S. to return the munitions.

- HWAD deserves a Fair Analysis.

